Contracting Moral Blindness: A Critical Analysis of Results-Based Management in the Kenyan Non-Commercial Public Enterprises Sector

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Abstract

Purpose: This paper examines the way public sector officials defined and enacted moral accountability following the introduction of an aspect of results-based management systems (RBMS) named performance contracting in the Kenyan public sector.

Design/Methodology/Approach: Primary data were obtained from two non-commercial educational SOEs using semi-structured interviews, and secondary data were collected from government institutions and online sources. The analysis employed a critical interpretivist methodology informed by the work of sociologist Zygmunt Bauman.

Findings: We find that many public officers became involved in setting performance contract targets and were awarded greater autonomy to focus on results and innovative ways to achieve these results. This enhanced autonomy was accompanied by ostensibly more energised public officials who worked harder to improve the services provided. While performance contracting was associated with improvements in the defined performance contract dimensions, our analysis suggests that the boundaries of moral responsibility are fraying, with many working to achieve a result without questioning its purpose for the public sector. The public official is coming to define his/her moral responsibility to the citizen as that between a provider and customer, which diminishes the idea of citizenship.

Research implications: The study contributes to an understanding of the limits of contractual type mechanisms in a public sector context.

Practical implications: The study calls for deeper reflection on the efficacy of NPM technologies in addressing public sector problems in an emerging economy.

Originality/value: There is little prior research into the use of contractual and normative technologies such as Results-Based Management Systems (RBMS), and their effects on the moral responsibility of public sector officials.

Key words

Results Based Management Systems, performance contracting, moral responsibility, Bauman, Kenya, output–outcome systems
1.0 Introduction

There is little prior research into the use of contractual and normative technologies such as Results-Based Management Systems (RBMS), and their effects on the moral responsibility of public sector officials. RBMS are constituents of New Public Management (NPM) techniques introduced by governments as part of NPM which emphasize setting clear objectives, assigning these objectives to entities and public sector officials and committing them to achieve these objectives through some form of performance contracts, rewards and sanctions (e.g. Swiss, 2005; Verbetee and Spekle, 2015). The core idea of RBMS is that expectations of government actors’ performance should be defined ex ante and that actors should be held accountable for achieving agreed expectations. While RBMS are structured differently in different contexts (Kristensen, Groszyk and Buhler, 2002), a common feature is the formulation of clear and measurable expectations around objectives, which are linked to clear targets that are, in turn, assigned to specific actors. These objectives and targets are coupled with subsequent production of regular reports showing progress on these objectives and targets, which form the basis of rewards or sanctions for particular actors (Larbi, 2001). These systems are complemented by general initiatives to transform the public sector towards a results orientation and thereby improve performance (Verbetee and Spekle, 2015; Hood, 1995; 1991; Cavalluzzo and Ittner, 2004).

This paper is concerned with performance contracting which was implemented in Kenya following publication of the Economic Recovery Strategy paper in 2003 which laid out an ambitious programme for transforming the public sector in order to eradicate poverty and improve the economy (Republic of Kenya, 2003). Performance contracting required government agencies to set performance targets from strategic plans – which they were asked to prepare – and to negotiate these targets with an appointed government entity. Once agreed, these targets were signed into a performance contract which was defined as “...a freely negotiated performance agreement between the Government, acting as the owner of a government agency, and the agency itself. The mutual mutual performance obligations,

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1 RBMS have been embraced in the public sectors of many countries (Modell, 2003; Kristensen, et al., 2002). They are exemplified in the USA’s National Performance Review (Watkins and Arrington, 2007; Romzek, 2000; Gore, 1993), the UK’s Financial Management Initiative (Jenkins, Caines and Jackson, 1988), New Zealand’s Outcomes Framework (Kibblewhite and Ussher, 2002; Norman, 2007). Australia’s Outcomes & Output Framework (Department of Finance and Administration, 2000; 1998; OECD, 2011) and Results for Canadians (Treasury Board of Canada, 2000), to name but a few. RBMS have also found a ready audience in emerging and developing countries, exemplified in India’s Memorandum of Understanding (Trivedi, 2004a, b; 1989) and performance contracting in Tunisia, Ghana, China, and Kenya.

2 Here government agencies refer to ministries, departments and authorities including state corporations (both commercial and non-commercial), but excluding county governments.
intentions and responsibilities between the two parties are clearly specified” (Republic of Kenya, 2005e). The state corporations were positioned as agents of the government and the selected government signatory entity as the owner – a classic case of agency theory. The agents were then expected to cascade these signed targets down the state corporation hierarchy so that even the employee on the office floor would be assigned specific targets to work towards. The performance contracts were accompanied by a regime of quarterly and annual reporting that enabled the performance of each entity and public official to be assessed against the signed contract and rewards and sanctions to be meted out on the basis of performance (Republic of Kenya, 2005e; 2017). As part of a wider drive to make the public sector more results focussed, a Rapid Results Initiative (RRI) was introduced to draw resources and multiagency teams to achieve selected performance contracting targets within one hundred days (Republic of Kenya, 2005b). State agencies were required to develop a service delivery charter that would provide an avenue through which the citizen could demand for better service and provide feedback on their performance contracting obligations.

Performance contracting in Kenya sought to establish “operational and management autonomy between Government and public agencies”, to “Reduce(s) quantity of controls...” and “Privatize the style of public sector management by focussing on results and not process” (Republic of Kenya, 2005e, p. 5). The overarching aim of public sector reform was to “...enhance efficiency and effectiveness together with probity and integrity” (Kobia and Mohammed, 2006, p. 4). The reforms identified the “…gradual erosion of the ethics and accountability..” as an impediment to effective public service delivery (Kobia and Mohammed, 2006, p. 3). This suggests that public officials would not only be in a position to make moral judgments, but would be expected to under this new regime.

Proponents of RBMS argue that these approaches can improve performance by empowering actors to set their own targets, which engenders ownership and clarity regarding what is expected of them. While traditional input-based control systems conferred accountability on a centre, RBMS seek to disperse responsibility to public sector officials, giving them greater discretion to make decisions while holding them accountable for results. These approaches seek to both free and empower public sector officials – who are increasingly referred to as managers - to focus on results or outcomes. This greater empowerment around a results focus is expected to free public sector actors to innovate to achieve the most efficient and effective means of delivering public goods (Behn, 2001). RBMS also clearly delineate to whom public officers are accountable to – instead of being accountable to multiple principals – ostensibly removing any confusion as to whom they are accountable. Proponents of RBMS argue that since actors’ actions will be made visible through RBMS forms of reporting, rewards will be awarded to the performers, non-performers will be sanctioned and resources allocated to those actors who are achieving their output targets – all leading to improved economy,
efficiency and effectiveness (Cavalluzzo and Ittner, 2004). More broadly, some have suggested that RBMS are an exemplar of modernity (e.g. Moynihan and Pandey, 2010; Townley, 2002) that would transform the conduct of public officials to become more performance-oriented in respect to client expectations, making government more transparent and accountable in terms of performance, and reallocating government funding to programs achieving better results, among other expectations (see Kristensen, et al. 2002; Carlin, 2003; 2006; Swiss, 2005).

We argue that while RBMS are expected to improve government performance by making government entities and public officials accountable for results, a concern of this paper is that RBMS are based on a conception of the public official as *homo economicus* who acts in pursuit of self-interest and has to be incentivised to act in the public interest; that public service work can be divided up into measurable units that can then be assigned to individual entities and public officials; and that public service work can be measured and the measurement units represent the public sector. Some of these concerns have been raised by others (e.g. Bromwich and Lapsley, 1997), who question the suitability of management accounting models – often drawn from the private sector – in a public sector context. We suggest that these assumptions create a conundrum for the moral responsibility of the public official by promoting an impoverished view of the public service (and servants). We raise the question: do RBMS affect how public sector officials define and enact their responsibilities?

A limited empirical research review reveals that our concerns are not idle ones – it has been empirically demonstrated in the context of New Zealand – a pioneer in RBMS - by for example Norman (2007) who revealed how a focus on outputs and outcomes transformed the New Zealand Employment Service into the ‘best performing’ government entity and yet it was associated with goal displacement and misallocation of government resources. These studies suggest that introduction of RBMS has the potential to impair the moral responsibility of the public official - that is - it puts the public official in a situation where s/he has to make choices between a wider public interest and a narrow self-interest, a wider conception of the public and a narrow contract-based one. We argue RBMS’ focus on instrumental logic, targets and results has the potential to focus public sector workers on only that which is measured and rewarded, thus constituting their conduct around achieving the agreed targets, while neglecting due concern for the broader interests of the public sector that they ostensibly serve.

Accounting research in the public sector has approached RBMS from a number of perspectives. Studies in the concept purity tradition have sought to examine the purity of concepts and their relationships in order to test and predict the effect of RBMS on performance. Kruse, Norreklit, and Roge (2020) have focussed on RBMS concepts in Danish universities with the aim of establishing whether these concepts can achieve the predicted
outcomes. Related studies have empirically tested these concepts to see whether RBMS have been associated with the predicted improvements in public sector performance (Verbeeten and Spekle, 2015; Verbeeten, 2008; Spekle and Verbeeten, 2009; Cavalluzzo and Ittner, 2004; Shirley and Xu, 2001). These studies – by and large – express scepticism that RBMS would achieve the desired improvements – namely orientations to a results-base culture, and improvements in accountability and performance (in terms of efficiency and effectiveness). The studies have extended to examine the factors that affect the success of RBMS - with a focus on factors affecting the development of RBMS (e.g. Cavalluzzo and Ittner (2004). These studies live in hope that conceptual purity would improve public sector performance. A variant of these studies is Larbi (2001) who assesses whether performance contracting has improved performance – but without serious attention to the concepts underlying RBMS – but even then, the general mood is disappointment that RBMS have not eventuated into the much anticipated improvements in performance. The other stream of RBMS come from the tradition of processes of change and have been concerned to understand the institutional forces driving RBMS (Hoque, 2008) and how these systems have become institutionalised (Modell, 2003).

We differ from the above studies in two ways. Firstly, we are not interested in the conceptual purity of the concepts imbued in RBMS, or the success of RBMS. Secondly, we are not interested in the process by which RBMS entered and wound its way in the public sector. These are worthy pursuits for sure – but ours focusses on the norms and values – the rationalities - inherent in RBMS and the constitutive effect of these on the identity and work of public officials. We therefore seek to contribute to two broad streams of literature. The first is that literature which examines how accounting technologies are carriers and agents of certain norms and values – which constitute a subject whose conduct is informed by these norms and values. Foucault informed researchers for example reveal how such technologies have the potential to constitute a calculated and calculating subject whose sense of being is based on an economics logic (e.g. Miller, 2017; 2001). Those informed by Bourdeu (e.g. Oakes, Townley and Cooper (1998) demonstrate how a RBMS is able to constitute the capital and identity of the field in which they are unleashed from communal to commercial. These studies however lack a normative stance – they do not enable us to assess whether the subject that emerges is good or bad – it is merely calculated or calculating (e.g. Miller, 2017; 2001) or imbued with a new social capital (e.g. Oakes, Townley and Cooper, 1998).

We therefore introduce a normative stance that questions whether the emerging subject of RBMS centres the welfare of the Other in the way they define their responsibilities and work (cf Bauman, 1994; 1998). Bauman (1998) argues that “… moral responsibility behaves in a manner exactly opposite to that of the contractual obligation … moral responsibility tends to grow in such situations in which contractual obligation tends to shrink, and vice versa …” (p.
This normative focus contributes to a fairly modest literature in accounting research that demonstrates that introducing RBM in the public sector does not enhance the public interest (e.g. Uddin and Tsamenyi, 2005). These studies do not however develop this concept of a public interest to any considerable degree, hence our appropriation of Bauman’s work to define the public interest as care for the Other (Bauman, 1994; 1998).

The aim of this study is to examine how Kenyan public officials define and enact their responsibilities following introduction of RBMS in the Kenyan public sector since 2004 and whether the way these officials define and enact their responsibilities limits or enhances moral responsibility to the Other following reforms that promise autonomy. We are motivated by concerns that while RBMS have enhanced accountability in the Kenyan context, which has been mostly welcomed (e.g. Republic of Kenya, 2009; 2010; 2011; 2012), these changes have been paralleled by a deterioration in public sector morality evidenced by worrying levels of reported corruption (see for example Kagwanja, 2019; Kisero, 2019). Pilferage of public resources is no longer news: the news is the size of the pilferage. We question how a technology that was aimed at engendering probity in the public sector could be accompanied by such elevated levels of corruption, even amidst annual public sector evaluations that suggest that service performance has improved (e.g. Republic of Kenya, 2009; 2010; 2011). The key concern of this paper is to examine how contractual and normative technologies – specifically, RBMS – affect the moral responsibility of public sector officials.

Besides the theoretical contribution outlined above, we seek to illuminate how RBMS work in a specific context. This research is needed because researchers have argued that not much is understood regarding how NPM-like reforms are operating in practice in specific contexts (e.g. Humphrey, Olson and Guthrie, 1998; Guthrie, Olson and Humphrey, 1999; Behn, 2001). Specific to performance contracting, researchers (e.g. Larbi, 2001) opine that different countries have adopted different forms of performance contracts. The Kenya is especially interesting because it is acclaimed to have adopted a unique form of performance contracting (Trivedi, nd) and transformed its public sector to such an extent that it received the coveted UN Public Service Award for “Improving Transparency, Accountability and Responsiveness in the Public Service” in 2007 (United Nations Department of Social and Economic Affairs, 2007). The study also contributes to our understanding of how accounting and accountability operate in their organisational context by focusing on two non-commercial educational

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3 We in no way attribute all corruption to the failures of performance contracting, but as a key innovation in a program whose aim was to transform the public sector – including its ethics and values - we interrogate how it could have contributed to this crisis.
4 See also Humphrey, Olson and Guthrie, 1999 more generally on NPM.
5 The country was also a recipient of the Ash Institute for Democratic Governance and Innovation Award (Harvard University)
institutions. This focus is partly in response to researchers (e.g. Roberts, 2014) who have argued that in spite of significant research efforts, much still remains to be understood regarding how accounting operates in organisations and society.

The rest of the paper is structured into seven sections as follows. The next section outlines the context of this study. The third section outlines the theoretical lenses employed in this paper. The fourth section outlines the methodology and methods of this paper including a description of the case study organisations. The fifth section analyses the extent to which the autonomy of public officials has been enhanced and how this affects their moral responsibility. The section analyses the effects of performance contracting on accountability and moral responsibility through attention to actor accounts regarding how performance contracting has affected their participation, autonomy, way of working and accounting. The section also examines how public sector actors enact their moral responsibility in respect to the other. Sections seven and eight discuss the findings and their implications, and conclude the paper.

2.0 The Context of the Study

The context of this study is an enduring concern by the Kenyan Government – often at the behest of international institutions - to pivot focus away from inputs and processes and towards outcomes and performance, as a means of bringing about overall improvement in the performance of the public sector and the economy generally (see Republic of Kenya, 2003). RBMS were introduced in 2004 following the election of a new government led by the then opposition alliance National Rainbow Coalition (NARC) in 2002. Prior to this change, employees in the public sector in Kenya were traditionally hired under employment contracts that specified the responsibilities of the employee in a relatively straightforward manner. They were formally subject to the rules and regulations of their work which were encapsulated in the Code of Regulations (Republic of Kenya, 2006, Revised) and various institutions that effected these regulations and established their own further regulations. But beyond these formal regulations and institutions, public sector workers were bound by the expectations of the traditional Westminster model of civil service that Kenya had inherited at independence. Thus, this model constituted a key part of the responsibility of Kenyan public sector workers. At the same time, many public sector workers are members of professional and other similar bodies or groupings, which would be expected to exert a professional responsibility by dint of their membership (Odhiambo-Mbai, 2003).

6 Such as the Public Service Commission (for civil servants), the Teachers Service Commission (for teachers) and the Judicial Service Commission (for judiciary officers).
The sum of these different institutions was a certain general expectation of what the ‘moral’ public worker was supposed to be, among them: disciplined, impartial, fair, efficient, effective and all the time working for the public interest above personal interest (Nyamu, 1975; Republic of Kenya, 1980). These expectations were not limited to narrow or measured targets; rather, employees were to perform “any other duties” they were assigned, in addition to those specified. This meant that any gaps in responsibility could be dealt with dynamically as they arose.

Public sector accountability structures evolved after independence. Initially, accountability in the civil service was hierarchical with seniority revered, and promotion largely based on longevity. The civil service provided salary scales into which the civil servants were hired; they were remunerated on the basis of their level, not on performance. Though there were annual increments, often these were a matter of course, though it was expected that only those who were deemed as performing well would be recipients. Public sector workers were not expected to engage in activities that conflicted with their work for the government. The above structure of responsibilities had however, become eroded over time, with the Kenyan public service coming to be viewed as inefficient and corrupt, necessitating numerous reform efforts (e.g. Republic of Kenya, 1980; 1971).

These reform efforts included initiatives to reduce the wage bill through retrenchments and privatising SOEs, but beyond these austerity measures, there was an enduring concern to link remuneration with performance in the public sector. Further, the Government asserted that “…by the end of 1996, modalities will have been worked out for the introduction of and implementation of performance–related pay for identified critical cadres” (Republic of Kenya, 1996, p. 16). The first attempt to introduce RBMS occurred in the 1980s when the Kenyan Government introduced performance contracts in four state corporations in the 1980s (Republic of Kenya, 2005e), among a raft of measures, in a series of attempts to reform the Kenyan public sector following perceived wide ranging performance failures and as part of the structural adjustment programs (SAPs) imposed by lenders that culminated in the suspension of lending to Kenya (Cohen, 1993). The second attempt to introduce RBMS occurred in 2001 with introduction of Results Oriented Management (ROM) – which involved setting strategic plans and developing performance targets from this plans (Kobia and Mohamed, 2006). The initial efforts at RBMS were neither sustained nor achieved the expected improvements in performance and change in focus from inputs to outcomes.

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7 Public servants were however, allowed to own businesses and this is a subject that continues to elicit controversy.

8 The state corporations included Kenya Railways Corporation, National Cereals and Produce Board, Mumias Sugar Company and Kenya Airways.
This state of affairs was to change radically following the election of an opposition led government in 2002. The new government concluded that the parlous state of the economy was, in large measure, a product of the poor performance of the public sector (Republic of Kenya, 2003). The Government argued that public sector ethics had deteriorated to a point where corruption had become endemic and where impunity, absenteeism, nepotism, and outright theft had eroded public confidence (e.g. Odhiambo-Mbai, 2003; Hope, 2013; Republic of Kenya, 2003).

The government introduced a raft of measures\(^9\), among which were the introduction of performance contracting as a mechanism through which public sector workers could be held accountable for improved performance, in order to restore public trust in the public service (Republic of Kenya, 2003). Performance contracting was adopted by the Kenyan Government to clarify the objectives of service organisations and their relationship with government (Republic of Kenya, 2005e). This clarification was ostensibly intended to facilitate performance evaluation and accountability based on results against these objectives, instead of conformity with what were perceived as ambiguous bureaucratic rules and regulations. The expectation was that performance contracting would reduce reliance on the Exchequer, improve services to citizens – hence confer legitimacy on the new government – and lead to overall improvement in the economy (Republic of Kenya, 2003). But more fundamentally, it was expected to change the culture of the public sector by refocussing it on results:

Traditionally, the Civil service management culture emphasized inputs and conformity to laws regulations and procedures rather than on outputs, efficiency and cost-effectiveness. The Government has committed itself to create a management culture in the public service that is focused on results. Emphasis on results requires a performance-oriented management culture that is guided by the right values and behaviours (Kenya Government, 2005d, p. 22)

The performance contract was promoted to be an instrument which would bind the signatories to this agreement to achieve defined results and to be periodically held accountable for the targets they agreed and signed on. Performance contracting required all state agencies to prepare strategic plans drawing from national planning documents such as Vision 2030 (Republic of Kenya, 2017), the Economic Recovery Strategy (Republic of Kenya, 2003) (Republic of Kenya, 2005e). These agencies were provided with a performance contract matrix, which specified the performance criteria – and associated performance indicators with their weights - on which they would be assessed. A copy of the performance contract template is attached in Appendix 1.

\(^9\) The reforms included public service reforms, local government reforms, legal sector and judicial service reforms and reforms to enhance integrity and accountability in the public sector (Republic of Kenya, 2005b,c).
The agencies were required to identify performance targets (that they would be expected to achieve) for their “core mandate” performance criteria, negotiate these targets with designated government agencies, sign the agreed targets into performance contracts and then prepare regular reports showing progress on achieving the agreed targets. Furthermore, state agencies and their employees were expected to be involved in deciding their targets and working to achieve them. Contracts specified the roles of the various actors: the government was expected to provide required resources, while the state agencies were to exercise their discretion over the methods to be implemented to attain their targets. In turn, state agencies were to be rewarded for achieving targets, or sanctioned for failing to do so (Republic of Kenya, 2017).

As part of this new focus on achieving results, the Government announced that it would establish the Public Sector Reform and Development Secretariat to operationalise a Results Based Management (RBM) approach in the public sector (Republic of Kenya, 2005c, d). RBM was presented as an approach that would achieve targeted results in a “cost effective, efficient and timely service delivery” (Republic of Kenya, 2005c, p. 5). Under RBM, structures and roles in the public sector were to be restructured in line with “… a results oriented management culture”, aligning the appraisal system with the RBM approach. The overarching aim was to transform the public service to “a performance oriented organization” (p. 6). So-called Rapid Results Initiatives (RRI) – which involved assembling boundary-less teams to implement specified targets – were introduced to achieve results on specified targets within one hundred days (Republic of Kenya, 2005b,). A citizens’ charter was promulgated – providing a mechanism through which citizens would provide feedback on the services that they were receiving from the public sector. A service delivery dimension was included in the performance contracts as a key element of performance and one of its measures was customer satisfaction (Republic of Kenya, 2017).

In the context of state corporations – the focus of this paper - Boards of state corporations were required to prepare strategic plans (drawn from the national “Vision 2030” and other national development plans), from which they were expected to derive specific targets to be achieved each year. The targets were to be negotiated between the state corporation (represented by the Chairman, an independent director/council member and the CEO) and the government (represented by the Cabinet Secretary of the parent ministry, the Principal Secretary of the ministry and the National Treasury). These negotiated targets were to be initialled and vetted by the Performance Management and Coordination Office to ensure that they comply with performance contracting guidelines, were aligned with national priorities and were growth oriented (Republic of Kenya, 2017).

Since each corporation is domiciled within a defined ministry, the Cabinet Secretary (who represents the government) of the parent ministry was to sign the contract with the Board of
Directors (represented by the Chairman and one independent director) of the state corporation. These contracts were then to be countersigned by the Cabinet Secretary, National Treasury. The Board of Directors were to then sign a performance contract with the CEO of the state corporation who in turn was to sign the performance contracts with the directors or heads of departments within the corporation (Republic of Kenya, 2017).

Each quarter and every year, State corporations are required to prepare and file performance reports with the Inspectorate of State Corporations with copies to the parent ministry and the National Treasury. Separate reports which highlighted performance on a specific performance indicator were submitted to those agencies concerned with that particular issue, e.g. performance on “Resolution of Public Complaints” was submitted the Commission for Administration of Justice (Republic of Kenya, 2017). The reports indicated for each performance criteria and indicator, what the target and actual results were and the variance between these and explanations for unfavourable variances (Republic of Kenya, 2017). These reports were to become the basis for their evaluation, which takes place in two stages. In the first stage, state agencies undertake a self-evaluation through the Automated Performance Evaluation Platform. A meeting is then arranged where their performance is evaluated by an “independent evaluation team”. During this phase, the entity is required to provide evidence of performance and any factors that may have affected its performance (Republic of Kenya, 2017).

The expectation is that State corporations that are found to be meeting their targets will be rewarded, while those not meeting their targets will not be. Previously, every year, state corporations were grouped into similar categories and ranked on the basis of performance. The top performing corporations were feted at a national event presided by no less than the President of Kenya; trophies were awarded and accolades showered on the ‘stars’. Within these corporations, it was expected that top performing public sector workers\textsuperscript{10} will themselves be rewarded for superior performance. Performance contracting has since 2016 been incorporated within a wider framework of performance management in the Kenyan public sector (Republic of Kenya, 2016). This regime of RBMS promised to improve the performance of SOEs, reduce their financial reliance on the Exchequer, and make them accountable – on the basis of results. We next outline how we study this novel modality of governing the Kenyan public sector.

\textsuperscript{10} The term ‘public sector workers’ is used here broadly to refer to anyone who works in the government. In the analysis later in the paper, we distinguish these workers in terms of the positions they occupy in the organisational hierarchy.
3.0 Theoretical Framing

This paper employs the work of Zygmunt Bauman (esp. Bauman 1994, 1998, 2009; Bauman and Donskis, 2013) to provide a sensitising device and lens for interpreting how contract-based technologies – in this case, performance contracting in the Kenyan public sector – affect the manner in which public sector workers define and enact their moral responsibilities. Bauman’s work is itself informed by Emmanuel Levinas and Knud Løgstrup, from whose work Bauman builds a perspective that sees the essence of morality as “being-for ... the Other ... to assume responsibility for the Other ... this being-for is unconditional (that is, if it is to be moral, not merely contractual)” (Bauman, 1994, p. 15, original emphasis).

Bauman conceives moral responsibility as residing in the individual and as unconstrained by external constraints. In this theorisation, moral responsibility necessarily implies more than the keeping of promises or the meeting of obligations in accordance with the provisions and requirement of contracts. Putting his position in stark terms, Bauman (1998) argues that “… moral responsibility behaves in a manner exactly opposite to that of the contractual obligation … moral responsibility tends to grow in such situations in which contractual obligation tends to shrink, and vice versa …” (p. 19 emphasis added). Within this theorising, moral responsibility is tied to personal autonomy because this quality suggests that the moral individual is the author of his/her own actions and does not act at the behest of any external authority (see also Harmon, 1995). A morally responsible person would neither refer to rules or some external authority to justify his/her conduct, nor delegate responsibility to an external agent, because “responsibility is moral in so far as we see it to be ours alone” (Bauman and May, 2001, p. 41). Adopting Bauman’s perspective, in the Kenyan case we might expect to find a diminution in the moral responsibility of public officials following the introduction of performance contracting under RMBS. To understand this inverse relationship between contracts and moral responsibility, it is necessary to articulate what Bauman means by moral responsibility.

To be morally responsible means to be self-reflective, and to engage with the conscious and non-conscious inner self in determining appropriate actions, especially when confronted with a choice or decision (Harmon, 1995). This reflexivity becomes apparent only when confronted by a moral situation. A moral situation is one in which there is “a possibility of being good (or of being evil, for that matter)” (Bauman, 1998, p. 17). When at this point “…a feeling of responsibility arises within us for the welfare and well-being of the ‘other’” (Bauman and May, 2001, p. 41) beyond prescriptions (such as contractual obligations), sanctions, or the

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11 Or: something different to ...
prospects of personal gain, but, simply, from the existence of the other, then we can infer a moral relationship.

What to do in such situations cannot be prescribed, for it is based in taking the responsibility to “listen to the unspoken demand” of the other, informed by an overarching concern for the welfare of the other (Shearer, 2002). As Bauman (1998) outlines (following Levinas), this necessarily creates a situation of anxiety about whether one’s actions are sufficient to meet that (moral) demand that emanates from the Other. In these circumstances, Bauman (1994) argues, “To be responsible does not mean to follow the rules; it may often require us to disregard the rules or to act in a way the rules do not warrant” (p. 36, emphasis added), if the rules have pernicious effects on the other. It is this that “makes all the difference between moral responsibility and contractual obligation ... Contractual obligation tells me exactly what to do ...” (Bauman 1998, p. 18), which is different from moral obligation, where the nature of the duty stems not from a reciprocal or contractual obligation, but an acceptance of responsibility for the other notwithstanding the nature of any contractual obligation.

Harmon (1995) argues that a responsible actor is one who understands that his/her action is contingent on the relationship with the other: ‘right’ action is never predetermined but inheres in that relation. This concern is not limited by what the other does, and is characterised by a restlessness and a lack of satisfaction over whether one has done enough for the other:

Moral responsibility is unconditional and in principle infinite and thus one can recognize a moral person by their never quenched dissatisfaction with their moral performance; the growing suspicion that they were not moral enough (Bauman, 1994, p. 36).

The infinite quality referred to above suggests that “... one cannot imagine a point at which one could say with any sort of moral right: ‘I have done my share, and here my responsibility ends” (Bauman, 1994, p. 15). The limitless nature of moral responsibility suggests that concern for the Other is an all-encompassing responsibility: it cannot be limited to the strictures of a contract that specifies certain targets to be achieved (amongst a range of potentially specifiable targets).

Bauman (2009) thus conceptualised morality as

... nothing but an innately prompted manifestation of humanity—it does not serve any "purpose" and most surely is not guided by the expectation of profit, comfort, glory, or self-enhancement (62).

Part of the inevitable dissatisfaction with one’s moral performance arises from not knowing the demand of the other; on the contrary, though one may be aware of the existence of a demand from the other, the specificity of the demand remains silent. This silence arises from the inherent state of the other, who is often silent due to a position of powerlessness and an
inability to demand for an account (or accountability) from the subject. Although the other is often not in a position to demand an account, a moral person would be aware of the inherent demand of the other even though it may lack in specificity. The subject, however, retains a choice – in spite of the silence of the demand – to ignore the demand or to act in light of it. This gives rise to the dilemma of how to act in the face of such an unarticulated demand – this is the dilemma confronting the morally responsible person.

The character of moral responsibility described above implies that it is likely to be at odds with modern conceptions of accountability. Bauman (1994) argues that the modern organisation is typified by a procedural rationality that requires actors to simply follow rules and codes, with morality itself coming to be equated with an instrumental means–ends rationality (Bauman 1994). Instrumental rationality dictates that actors maximise returns from available means – maximisation being “the only question” (p. 8) that can be asked. This approach brings “its own special kind of morality ... [that] is mostly concerned with keeping promises and abiding by contractual obligations” (Bauman, 1994, p. 9). This is a kind of “legal–rational legitimation [that] separates action from value choice and hence appears to render it value-free ... [with a] tendency to absolve the actors from their responsibility for value choice” (Bauman and May 2001, p, 67).

The overall diagnosis is that the modern organisation has exiled (Bauman, 1994) or de-emphasised (Harmon, 1995) the moral responsibility of (public) actors. They are constantly in search of more rewarding opportunities, oblivious to the collateral damage left behind – with such damage itself justified in terms of returns (Bauman, 1994). This organisation is fearful of the uncertainty of moral responsibility and instead exiles it through strategies of “floating responsibility” and “instrumental responsibility” (Bauman, 1994, pp. 7–8).

In Bauman’s analysis, moral responsibility is exiled by distancing the individual from it, severing the link between daily actions with their outcomes; thereby obviating responsibility for those outcomes and exempting them from “the realm of moral evaluation” (Bauman and Donskis, 2013, p. 13). Bauman refers to this as adiaphorisation – “rendering actions ethically neutral and exempting them from ethical evaluation and censure” (Bauman, 2009, p. 53), in part through the tendency to “cleanse acts of possible consequences” (Bauman, 1994, p, 16).

While individual actions might produce pernicious consequences, individual actors might not be aware of their contribution to those consequences; the hierarchical nature of organisations tends to ensure that the actor remains blissfully unaware, producing an adiaphorising effect that removes the other as an object of ethical responsibility or moral concern (Bauman, 2009). Modern organisations also exile moral responsibility by removing

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12 Which may include animals, children, the mentally ill, the unborn, and the environment.
issues of morality from public actors’ daily work and evaluation and instead using a procedural criterion of ‘correct or wrong’ as the basis for decisions (Bauman, 1994).

In the context of the public sector, Harmon (1995) demonstrates how recent reforms in the public sector, which separate policy from implementation creates a situation of “floating responsibility” (Bauman, 1994, p. 7), where neither the administrator nor the politician is held responsible for failures emanating from wrong policy or (in)actions. This separation and the associated hierarchical accountability is informed by a logic of instrumentalism that tends to be associated with the suppression of moral values. The focus is on implementing policy while ignoring the ethical consequences of actions taken in the name of policy (Gray, Owen and Maunders, 1988).

The resultant morally indifferent subject may make decisions based on calculation, enabling the numbers to shield the actor from engaging conscience. Thus, organisational accountability exercises a power that renders the subject actor morally insensitive to the plight of the other (Bauman, 1994). Modern organisations do display concern for ethics, but it is an impoverished form of ethics that is concerned with loyalty to the organisation’s interests and to fellow workers in the fulfilment of ‘duty’ (Bauman, 1994). Instrumental rationality requires that “all other emotions must be toned down or chased out” (p. 6).

Therefore, in practice, apparent professional or job-specific responsibility can compromise moral responsibility by spawning goal displacement, which is “covertly controlling the policy process and enhancing agency power through the assertion of professional expertise” (Harmon, 1995, p. 74) for personal gain or for the gain of certain interest groups. The obvious danger is that the public interest is diminished. Public actors are able to hide behind professional principles or authority, which are used to justify action, thus “divorcing action from its “original affective source” (Harmon, 1995, p. 81). This blind obedience to professional or job-specific responsibility might inculcate a situation where impersonal principles that categorise everybody as a ‘case’ that deserves a similar approach prevail, ignoring the unique history, experiences and problems of each individual (Harmon, 1995).

This paper employs the theoretical insights outlined above as sensitising devices for the investigation of how public sector actors define and enact moral responsibility, following introduction of an accountability regime based on performance contracts. Oakes, Townley and Cooper (1998) suggest that introduction of a RBMS has the potential to change the capital of a field and with it the control over that field. We suggest that performance contracting introduces a regime of external control based on performance measurement, evaluation and targets, and hierarchical accountability which can engender a procedural and instrumentality rationality that sees obedience to the rule (or number) trump moral responsibility. At the same time, the ostensible promise of performance contracting is to confer greater autonomy
on public servants to influence both the means and ends of their work. This change has a latent potential to enhance moral agency or the individual pursuit of narrow achievable targets, among other possibilities. Prior work has recognised these possibilities, but little is known about what is happening in practice. This paper aims to address this lacuna, by shining a light on how public officials define and enact their responsibilities in the light of this novel regime in a Kenyan context.

4.0 Methodology

The study employed both primary and secondary data. The primary data were collected from two non-commercial state corporations in the Kenya education sector - a training institution and a national book depository - over a six-month period in 2012 starting from February 2012. The two cases were chosen because they had been used as pilots in the implementation of performance contracting in the Kenyan public sector and hence would be expected to have been advanced in the implementation of this technology compared to other state corporations. Furthermore, being in the same sector, we were hoping to get a greater depth of understanding of performance contracting in state corporations. This choice is consistent with purposive sampling (Silverman, 2013; 2006). Access to these institutions was gained through contacts in the Kenyan Government and universities.

The training institution, named KVA\textsuperscript{13}, offers diploma and certificate programs developed in-house; it also offers degree programs in collaboration with other local universities. The college is governed by a Council composed of a non-executive chairman, chief executive officer and representatives from the National Treasury and from the parent ministry and other agencies. The Council is responsible for policy formulation and appointment of the Principal, who is in charge of the day to day running of the institution. Nine officers of this college were interviewed between March and July 2012. Six of the officers were chosen so as to represent the different departments, with the remaining three interviewees chosen because they were considered experts in performance contracting at the College.

The second case study, KLA, is a state corporation which provides library facilities for people to study, with branches located throughout the country. KLA is also tasked with preserving national documents and producing a Kenyan national bibliography. Six staff from one of KLA branches were interviewed. The interviewees were selected to represent different departments, with most interviewees also directly involved in spearheading performance contracting implementation. The branch was recommended to us by our contacts as representing the mosaic of the KLA by containing both library services and the management

\textsuperscript{13} Not it’s real name.
of these services and also because the actors championing performance contracting in KLA resided here.

The interviews were conducted by one of the researchers (who collected all the data) with officers in the two case studies over the period January to July 2012. The officers comprised nine (9) from KVA and six (6) from KLA, a total of 15. A schedule of interviewees is provided in Appendix 2. The positions occupied by these interviewees ranged from top management to middle level management. The initial interviewees were selected based on referrals from senior government personal contacts. These initial referrals then suggested other officers within the two case study organisations that would have knowledge of performance contracting by dint of having been involved in its implementation either as champions or heads of departments. This approach is consistent with a snowballing method of sampling. The researcher then contacted these officers and booked a time for the interviews.

The interviews were conducted in the interviewees’ work offices for a period of between one and two hours. Following the tradition of qualitative research, our questions were mostly about how, what and why, the aim being able to understand how our actors defined and enacted performance contracting. The interviewees were based on a semi-structured interview schedule (Appendix 3) developed from a reading of the literature on RBMS and strategic performance management systems generally. The schedule was structured into sections, with one section for the middle level managers and the other for the top managers in view of our expectations as to what each of them would be expected to experience. These questions served as an opener for the interviews, but they were not necessarily followed sequentially; instead, we probed emerging issues as they arose. We also gave the interviewees opportunities to suggest areas of further inquiry, to ask us questions, and to suggest other people we could also interview (in the tradition of snowball sampling). Detailed notes were taken before and during the interviews, and expanded upon after the interviews, in order to capture as faithfully as possible what we had recorded. Copies of the interview notes were offered to the interviewees in order to confirm the accuracy of the recording; all except one (TC at KVA) declined to do so, citing lack of time. TC read the detailed notes of his interview and remarked that he was impressed with the accuracy of recording of what had transpired.

When interviewees referred to some documents, we requested the documents to be provided if possible. Several interviewees were able to provide copies of their own signed performance contracts, strategic plans, and templates for performance contracting.

Secondary data were collected from the relevant entity websites, internal government sources, local newspapers, and the National Archives. These data included, but were not
limited to government policy documents, performance contracting guidelines, and annual evaluations of various government entities.\textsuperscript{14}

The data were interpreted employing an integrated interpretivist approach (Dey, 2001; Jönson and Macintosh, 1997), which include elements of critical theory and interpretivism. While we were of the view that a technology called performance contracting had been introduced, we did not assume that it was understood and felt about the same way by our interviewees, hence our ontology was relativist (Silverman, 2013; 2006). The empirical stage was conducted with minimal initial theorising, but cognisant of the impossibility of going to the field without some prior theoretical dispositions. The initial theorising involved a reading on the subject of RBMS generally and performance contracting, in particular. This meant that the researchers were aware of the theories informing introduction of these technologies (such as agency theory) and some of the controversies associated with them. This initial reading informed the interview schedule and initial thematic coding (Braun, Clarke and Rance, 2015) of the data. We recognised that there is no single perfect method of coding so ours was a choice between what is called lumping and slicing (see Bazeley and Jackson, 2013). We chose the former by coding the data into broad themes in line with our interview schedule themes, e.g. introduction to performance contracting, implementation, reason for signing the contracts, change in performance appraisal etc. We then later analysed these broad categories and further coded them into sub-themes. It is during this phase that we noticed the contradictions introduced by performance contracting: e.g. on one hand, it offered clarity and focussed effort on the targets, and improved performance based on targets, but on the other hand, it seemed to encourage or facilitate a unique focus on the targets almost to the exclusion of everything else. It is during this stage of data analysis that we decided that Bauman’s work could provide some intelligibility into these apparent contradictions in our interviewee accounts. Thus at this stage we recoded the data with an eye to understanding in what way our interviewees were interpreting and enacting their responsibilities following introduction of performance contracting. For example, how were they defining their responsibilities? This repeated coding procedure is in line with the qualitative research tradition (Silverman, 2013; 2006; Bazeley and Jackson, 2013).

The secondary data were read with a view to obtaining a deeper understanding of the history, the rationale and the structure of the policy frameworks associated with performance contracting and thus provided background support for the primary data. For example, when our interviewee mentioned that he had initiated an RRI to achieve his targets, we were able to obtain the background, rationale and structure of RRI by reading “Results for Kenyans”

\textsuperscript{14} Following the implementation of performance contracting in Kenya, government ministries, departments and authorities were annually subjected to an evaluation exercise whose results were made public.
(Republic of Kenya, 2005b). Following an inductive approach, our analyses of these documents focussed on the meaning (both semantic and latent) (Braun, et al., 2015). The collection and analysis of publicly available data continued intermittently from 2011 to 2019. A list of the secondary data sources is provided in Appendix 4.

Summarizing, while the empirical work was generally informed by the material outlined in section 2 of the paper, the theoretical lenses explicated in section 3 were mobilised at the analysis stage in order to make sense of these data after the initial data collection and analysis. Together, Bauman’s work and the prior literature reading was used to code the data by looking at the meanings stated and implied in what interviewees stated and as written in key documents and other written sources. The analysis does not deal with the effect of performance contracting on moral responsibility separately: rather, in line with the theoretical framing, we juxtapose the changes associated with performance contracting with how actors confront the moral dilemmas they face in their daily lives as they try to come to terms with a new technology.

5.0 How Public Officials Define and Enact Moral Responsibility

This section examines the extent to which public officials’ autonomy to author their actions has been enhanced following introduction of performance contracting. The section then investigates how public officials define and enact responsibility for the “other” in the public sector.

5.1 Defining the Public Official’s Responsibility

While performance contracting ostensibly aimed to confer greater autonomy on state agencies to set the targets they would work towards, the government was keen to ensure that the agencies achieved the outcomes desired by the government:

Permanent Secretaries/Accounting Officers need to coordinate their policies and programs and maintain a balanced focus between annual results articulated in the performance contracts and the Government’s broader goals and objectives stated in the National Development Plans and the Economic Recovery Strategy Paper (Republic of Kenya, 2005a, p. 57).

The government sought to ensure this “balanced focus” by requiring agencies to prepare strategic plans which drew on the national policy priorities (Republic of Kenya, 2005a, p. 23; 2005e). State agencies were required to draw their performance contract targets from these strategic plans which would link their outcomes to national outcomes. The government also provided state agencies with a performance contract template (Appendix 1)15 which lists

15 The template for MDAs differed somewhat from that of commercial state corporations.
seven performance criteria that each of them should seek to achieve complete with the weights that they should place on each criteria which they could not change – but with one performance criteria, core mandate with a weighting of 60% which they could change (Republic of Kenya, 2017).

This limited autonomy extended to individual divisions and public officials through a process where performance contract targets were cascaded down the organization hierarchy. In this cascading, divisions were required to prepare work plans to imbricate these performance targets. Subsequently, individual employees were required to develop their work plans from the division work plans. The Division Work Plans became the basis for line staff to specify the targets to achieve, the resources they needed to do so and the time point when they will achieve the targets within the fiscal year (Republic of Kenya, 2005a). The desire was to link individual work to organizational, and ultimately, national aspirations:

> There is a need to ensure that while preparing individual work plans, the goals and objectives of the organisation are not lost sight of. The employee must understand the connect between what they are performing, and what the organization is striving to achieve (Republic of Kenya, 2005a, p. 23)

The above analysis of secondary documents reveals that performance contracting sought to involve state agencies in deciding what they would be expected to achieve in any one year and what activities they would engage in, in order to achieve these targets – but within the confines of achieving distant national priorities. The influence of these distant centres – hence autonomy - was however, experienced differently by our interviewees.

The principal in KVA expressed the view that though the performance contract was important in defining their responsibility, traditional hierarchical accountability overrode the expectations of the performance contract. He felt that though he worked towards achieving their targets, these efforts were often overridden by their political superiors:

> Performance contracts presume I should complete this meeting before going to another meeting, but my Deputy PS has arrived and I cannot tell him that I cannot see him just because I have a meeting with you. Consequently, the traditional norms of the public sector run in parallel to the requirements of performance contracting ... For example, talking to you will improve my score on customer satisfaction, but if my Minister calls, then the PCs be damned, I have to respond immediately. (BG, KVA)

This official explained – using the instance of the day of the interview – that he could be asked to put aside an activity that related to matters specified in a performance contract in order to respond to a call by his superior. For this public official, there was therefore a persistent
tension between the priorities set under performance contracting and the underlying political system.

For senior officials who reported to a superiors within the organisation – such as managers of specific functions – they felt that their autonomy had been enhanced, but subject to the controls of the civil service (such as who can spend money without approval – “the power to incur expenditure”):

Before, even when you had a budget, your boss had to approve everything. If I plan and have an approved budget and it is in my PC, what I need to do is prepare a budget and say I need this amount of money to achieve these items in the PC and he will approve it. There is little more autonomy. There could be more, there could be delegation of authority to incur expenditure, e.g., the head of the division should approve, there should be greater devolution of the budget. You cannot do away with government bureaucracy. (FM, KVA)

Some of these officials however perceived that their autonomy had been enhanced to a point where political controls played a secondary role:

I am fully empowered, I sign my targets with my director and supervise all heads of departments to ensure the targets I give them are realised. The organisation was established through an Act of Parliament, we are an autonomous organisation. Less funds are directed to the directors, they are not interfered with, we can allocate them according to the PC. The government monitors our usage through audits. Political interference has gone down dramatically since 2003. (SD, KLA)

This category of public officials perceived performance contracting as offering them protection against external interference – as a way to defend their autonomy:

Yes, there is political interference, but it is minimised. The CEO can say he is under contract answerable to the board. The board has more influence over the CEO than the politicians. The PS is still the boss, the politics is still there, but the CEO can say I have a PC to implement, and the board can protect him. (FM, KVA).

The second category of interviewees – who were all in middle management – defined their responsibilities as being delimited by performance contracting and liberating them to work towards achieving the targets in the performance contract. For this category of officials, they defined their responsibility in terms of a focus on ways in which they would achieve their agreed targets:

The PC gives you leeway, freedom, you know what your boss requires of you, you are qualified, otherwise rubber touches the ground. Autonomy is important, you are relaxed, you become innovative. Regarding organisational autonomy, there is not much control over you except with policy. You are evaluated independently (NE, KLA)

This clarity regarding expectations from superiors placed results as an ideal that public workers should focus on working towards:
Previously, we had a top-down approach, but now the system is bottom-up, we are encouraging people to focus on results, the how is their decision, as long as they remain ethical and moral. This brings independence. Now, people have adopted shorter ways of doing things. There are fewer processes: the money must get to our creditors, we want to lock out irrelevant processes, we are seeing a lot of improvement. (PM, KVA)

This results-focus provided employees’ discretion regarding means, and an associated feeling of independence. This enhanced autonomy is evidenced in less monitoring which has become associated with a greater sense of freedom and personal responsibility:

Once PC is negotiated and agreed, you can go away and do your work undisturbed, everybody is busy, they are not looking at others, there is less interference from high office ... (AM, KVA)

It has made me more responsible, I know what I want to achieve, I set the targets myself so I have got to keep my promise. It has made me to become responsible and more innovative. [NP, KVA]

This sense of enhanced autonomy is associated with a “know(ing) what I want to achieve”, suggesting that public officials see performance contracting as defining the boundaries of their responsibility and with it greater certainty and confidence. Within these boundaries, public officials sought to govern themselves by developing plans on how to achieve their targets:

Yes, I plan when to do things, you have to make your own work plan. I give my people leeway, hands off wasn’t the case before, they now know they are accountable, I let each work at their best time. (CB, KLA)

The work plan became a mechanism for employees to demonstrate accountability, to themselves and others: what they planned to do, the progress made, and what they achieved. Performance contracting thus engendered self-accountability, as employees would not be required to wait for an external party to tell them that they had or had not achieved their targets:

Definitely, now evaluation is linked to targets. Even you know that you did not meet the targets, you can evaluate yourself. It is more objective, based on specific, actual performance. (TC, KVA)

Supervisors would feel more empowered to assess their subordinates on the basis of an objective criteria, not the influence of external parties (in the manner of godfathers). The focus on measurable criteria seemed to remove external actors, such as politicians or the tribe, from decisions regarding the work and progression of an employee. This also freed supervisors to sanction those who did not meet their targets, and they could appeal to the objectivity of numbers to account for decisions to reward or dismiss employees:

Before, there was lethargy, political interference, politicians bring their own people and insist that they be employed, board members go to the village and bring people for employment, feel no obligation to perform, lethargy, don’t care attitude. With PC, everyone signs a PC, signs with the boss, if you don’t achieve, you are dismissed or demoted. If you perform, you will be
promoted. Last few years we sacked 100 people because they don’t perform, have no qualifications, those who remain are careful; we have to improve our services. The attitude has improved over 80%, before that people would just talk and go home, now it is positive. (SD, KLA).

Performance contracting was thus becoming associated with a decline in patronage and more focus on performance and achievement. Contracting targets created a visibility for the individual’s performance, making it harder to hide behind a godfather:

It has improved a lot. The service charter which each institution is required to have has helped a lot, people know what to expect, it is clear, there is no mystery. Staff cannot hide under their political masters, should it become public, PC can punish people therefore staff want to keep safe by meeting their targets, therefore though negative, don’t throw it away. (AM, KVA)

In sum, public officials at the senior levels cited political interference as a distraction from their focusing on assigned targets. Overall, though public officials expressed the view that they had greater freedom to focus on assigned targets with minimal monitoring and interference. This situation freed them to develop innovative ways of achieving targets. In this new and apparently more autonomous environment, public officials were able to mobilise the objectivity of the performance contract to depersonalise conflict via the capacity to evaluate and sanction subordinates on the basis of performance contracts. Similarly, the performance contract could serve as a means to ameliorate external interference. At the same time, the requirement to be “ethical and moral” (PM, KVA above) seemed to sit as a background criterion in the context of existing patronage and interference, rather than a wider sense of morality as responsibility to the other, as outlined in our theoretical framing. The resulting autonomy sits within narrow confines of performance contracting, which is an impoverished autonomy when looked at against the needs of moral responsibility.

5.2 Setting Performance Targets

Performance contracting aimed to involve public officials in setting their performance contract. This involvement was however experienced differently by our interviewees. Senior managers expressed the view that public officials were autonomous in setting performance targets:

The targets are freely negotiated between the managers and the CEO. I ask the managers to go and set their targets which they think they can achieve. (BG, KVA).

The use of the word “free” in the above extract suggests an absence of coercion in deciding the final targets, which would be an outcome of a negotiation in which the employee is engaged in the final decision. This arrangement suggests that the employee is given a degree of autonomy, which would enable the exercise of moral responsibility. This “freedom” included the expectation that public officials would consider their capacity to achieve the targets they set for themselves.
Where targets were assigned, supervisors considered the different abilities of their span of control:

We had the targets for around two years. We had to recognise that people are different, they have different capabilities ... I have 20 staff. I cascade the targets according to individual ability ... I look at our core functions/activities, the targets must not deviate from our core functions, I look at the adequacy of resources. We discuss, it is based on what I understand of them, but you can say if you are ok. At the end of the year, I do an appraisal on how well you met your targets. (CB, KLA)

The assignment of targets to people depending on their capacity may be interpreted as an exercise of moral responsibility at the managerial level. The approach outlined by the interviewee suggests that CB thought about and cared for the welfare of those in her span of control – indicative of moral responsibility (Bauman, 1994).

There were however, many instances where officials reported that they had no say in the setting of targets:

Somebody decided. Other targets were already signed, there was no forum ... I have minimal say in target setting, an alternative should have been explored. This sentiment is shared by other ... (CH, KVA)

The above sentiments were expressed by a head of department, but most of those who were not involved in setting targets were mostly from lower down the hierarchy who often had targets assigned to them. This suggests that their autonomy in deciding their own responsibility was curtailed, relative to others as reported above. This suggests that the opportunities for enhancement of autonomy were differentially distributed.

Where officials were involved in setting targets, the evidence suggests that they defined their work in terms of achieving these performance targets:

We set targets, the targets are vetted, the aim is to improve efficiency. Once the targets are vetted, we have to achieve them come rain come sun. We get complements from our readers when we achieve our targets. (NE, KLA)

These officials believed that they had to achieve these targets and part of this conviction arose from expectations of being held to account regarding how well they achieved these targets.

The evidence also shows these public officials defined their targets in ways that had the effect of limiting their own responsibilities. They did not wish to engage in an activity that did not count. Their own moral responsibility thus can be interpreted as being defined by the (relatively limited) overall targets. Within this category, knowing how to set targets in order to achieve good performance results was essential. Employees were coming to set targets not so much to substantively improve organisational performance, but rather to maintain or improve their individual position in the official rankings:
We are categorised and ranked in our category. The rankings are fair, we know where we are. You get to know how to set targets, if you strive to do things outside your targets, they would not get marked. Those complaining do not understand the process. For example, the Minister of Roads was complaining saying his Ministry has built many roads, but there are many bodies building roads and their performance is not that of the Ministry of Roads. (NE, KLA)

For this informant, the kind of criticisms directed at the ranking systems emanated from a lack of ability by the aggrieved to understand how to set targets and stick within these targets. Contradicting the position of SD at the same organisation, NE posited that if one did anything outside the targets, then they “would not get marked”, thus emphasising how targets had the effect of delimiting their moral responsibility.

This category of “knowing” included those who sought to set low targets which they could easily achieve. These public officials sought to limit their effort by incorporating budgetary slack. This might be interpreted as a case of limiting moral responsibility, by curtailing the effort one would be (in practice) capable of making in order to meet the needs of others:

Others set soft targets. We sit down with them and say look at the practical issues, how much teaching and administration do you have, so what more can you do given your level of commitments? (BG, KVA)

Setting “soft targets” suggests that public officials seek to limit their moral responsibility yet Bauman (1994) argues that moral responsibility is limitless. The evidence here suggests that performance contracting has created a situation where public servants constrain the possibilities for moral action.

The other category of “knowing” was one where the public officials set targets albeit that they had no clear conception as to whether they could reasonably achieve them. Their primary motivation was to simply fulfil the requirement to set targets:

Sometimes managers set targets which are unachievable because they don’t believe in it. I challenge them, by looking at the resources, their capacity. Even when they set such unrealistic targets, they do not achieve them, they start looking for excuses. [NP, KVA]

The mode of action reported here may be interpreted as an exercise in moral responsibility, such that employees might refuse to set targets when the work they do may not be framed in terms of simplistic targets.

Despite the involvement of officers in setting their targets, in the public sector context, autonomy in setting targets was limited because the underlying policies and objectives continued to emanate from a wider source (as did the imperative to set targets) as explained in 5.1. This meant that assigned targets were already externally controlled before the process of individual or collaborative target-setting, and therefore sat beyond many public officials.
This distant control suggests that the exercise of moral responsibility by those with autonomy may have been constrained by overriding or macro-level targets.

Nevertheless, where opportunities were available for a less-constrained exercise of moral responsibility, it was open to the individual (manager) to place more emphasis on a caring stance for others. This is because performance contracting had opened a window through which public servants could influence – to varying degrees and in varying ways – their responsibilities. There is however, some evidence that the targets implicit in performance contracting sometimes had the effect of effectively constraining or delimiting the chosen actions of public sector workers and thereby diminishing the likelihood that morally-motivated conduct was considered. Thus, a tendency towards *adiaphorisation*, as diagnosed by Bauman, was not necessarily a direct result of target-setting or the particular levels of autonomy available, but appeared to be an outcome of the choices officials made as they operated within the system. We examine how public officials defined and enacted the choices available to them.

### 5.3 Defining the Boundaries of Responsibility

The public sphere is a tapestry of many aspects – some which can be measured and many that cannot; and many that should, perhaps, not be measured. The traditional system had recognised this by creating an employment contract that defined the responsibilities of the public servant as being “any other assigned duties”. Performance contracting on the contrary, sets targets that, once agreed, have the potential to *constrain* the choices of public officials. A regime may be created whereby employees come to focus on their individual targets alone, thus losing sight of, and focus on, larger and more generic ‘public interest’ and moral considerations. The government was aware of this danger and sought to counteract it by specifying that performance contracting was but *a facet* of public sector performance (Republic of Kenya, 2016). As a result, the Kenyan government started to recognise the need for an integrated approach. In 2016, the government introduced a *Performance Rewards and Sanctions Framework for the Public Service* (Republic of Kenya, 2016) to “… address issues of measurement of performance, linkage of the various systems, recognition of exemplary performance, sanctioning of poor performance, and implementation of rewards and sanctions” (p. ix). The danger of public officials adopting a narrower view of their responsibilities, was however, evident early on.

This narrower view is contrary to the dictates of a morally responsible individual who is characterised by awareness of choices and ability to choose (Bauman, 1994). The choice to focus on only assigned targets suggests a diminished or diminishing moral responsibility. This singular focus endangers the public interest because it fails to recognise that performance contracts do not necessarily encompass (indeed, it is likely that they *cannot* encompass) all
aspects of public life. This characteristic may limit moral responsibility because morality is “exiled” (Bauman, 1994, p. 6) from the larger responsibility of public officials to the public.

This diminished morality was evident in how public officials were coming to view a concern beyond set targets as a burden on their time and performance. Public sector workers claimed to be burdened by the dictates of a performance contracting regime that emphasised what could be measured, while many (other) essential aspects of daily work were not measurable (and included in performance targets). While public sector officials exercised personal responsibility by carrying out all activities, they nevertheless indicated that unmeasurable activities were taking a “toll on your time”, suggesting that they were torn between these wider aims and activities and those specified in the contracts:

I have had a request like that. We opened campuses in Kisumu and Mombasa, I had to direct resources from here to Mombasa, it was a heavy strain on me being able to achieve the targets, I will talk to my boss. But PC enables negotiating, but the employment contract specifies “any other duties”, there is a disconnect between the employment contract and the PC. (CF, KVA)

While moral responsibility is characterised by uncertainty (Bauman, 1998), public officials seemed to embrace the certainty and objectivity provided by performance contracts. The performance contract was coming to define the reality of work as exemplified by the metaphor of a “roadmap”, which was invoked to illustrate the rational clarity engendered:

I see responsibility, accountability, a clear roadmap on what I am supposed to achieve this year, quarter, what I can do better. It translates the appraisal to how can I improve, it is a tool for performance improvement. (CF, KLA)

The certainty of the performance contracting approach inevitably tends to encapsulate and thereby limit the moral responsibility of the individual, constraining it within agreed targets and the rationality on which they were based. This finding underscores Bauman’s (1998) argument that there is an inverse relationship between contracting and moral responsibility.

Public officials were coming to define work as achieving the performance targets in the performance contract:

Coming from a private sector background, PCs are important. Holding people to account for their work, more productivity to government and creates order, you can hate me, but I have achieved my targets. (AM, KVA)

The above interviewee reveals how his sense of fulfilment and security is achieving the performance targets. This achievement depersonalises the relationship with her superiors – the appraisal expectation becomes “did you achieve your targets”?

There were interviewees who saw the dangers posed by assigned targets, but nevertheless worked to achieve their targets, even if they had not been involved in target-setting. The head
of one department decried her lack of involvement in setting targets but went ahead to achieve the targets she had been assigned, albeit that she thought they made no real sense:

I don’t feel motivated to achieve targets I did not help to set. Sometimes you feel this target is not helping anything, but you go ahead, there they have it ... Targets force me to focus if I am involved in setting them, you don’t see where this target is taking the department. Many people are not involved in setting targets. (CH, KVA)

The expression “but you go ahead, there they have it ...” suggests that people may work to achieve certain targets even when they do not think achieving them is appropriate for their organisation. This finding typifies the enactment of a kind of procedural responsibility, where the actor comes to be “ethically indifferent”, exemplifying a situation of “floating responsibility” (Bauman, 1994, p. 7). Public sector officials come to be blind to the manner in which their “but you go ahead” action divorces them from the consequences of their actions. Consequently, instead of a feeling of inclusion, performance contracting may engender exclusion and resentment among employees, as comments from CH, above, suggests.

Many lower-level public officials cited a need to earn a living (represented by the use of the term “payslip”), even when they thought imposed targets were unreasonable:

PC are viewed by junior staff as being a tool for senior staff and as a way in which they can maintain their payslips. PCs needed to be sold from below. While policy is often formulated from above, the people who implement the policy are often the junior officers, the waiters, drivers, lecturers etc. PC operates in a top down manner, from managers to the subordinates. People tend to resist such orders. Instead, they do it to retain their payslips, otherwise there is no real belief in it (BG, KVA).

The quote “they do it to retain their payslips” suggests that employees carry out activities just because they want to earn a living. This further suggests that they have suspended their moral judgement in that pursuit, indicating that the process of adiaphorisation – the removal of the daily work from the moral realm – was present, at least for some.

Not all officers felt so helpless. A Department head at KUC asserted that though she had no say in setting targets, she still chose which targets to implement and which ones to ignore:

Was I really involved? Honestly, I don’t think I was, I had to stand firm, I have suited myself, if I am given this, I say no, this is not suitable. I give a firm no: condoms I can dispense, but telling me to see so many clients, that I cannot do. To give you a practical example: with drug procurement for April to June, early June I will do, for drugs I can fulfil targets, but for clients, I do not agree. (SM, KVA)

The above quote reveals that this employee, at a more senior level, was able to exercise moral responsibility to reject targets that seemed to bear no relationship to her daily work. The reference to “condoms” was a lampooning of performance contracts with their emphasis on measurable targets. While condoms can be counted, setting targets on how many clients or how long she spends with or for them was, to her, unreasonable. This situation where targets
are specified and imposed on professional departments amounts to “deprofessionalisation”, in line with the arguments of Broadbent, Dietrich and Laughlin (1996). In practice, it meant that SM was being compelled to make decisions that she deemed (morally) inappropriate.

In summary, performance contracting was coming to represent a *diminished* view of the public sector, but in the process was also defining how public sector workers viewed their work. While a number embraced the objectivity and certainty provided by targets, others felt helpless to do anything but focus on targets, while a small number questioned the appropriateness and limiting nature of set targets. A range of individual actions and responses in terms of choice of work focus were possible, but the contracting system itself tended to *adiaphorise* the daily work of, particularly, lower-level workers.

The analysis now turns to the implications of the distancing allowed by contracting and targets on the moral sense of care for the other.

### 5.4 Performance Contracting and Care for the Other

As outlined in section 3, Bauman (1994, 1998, 2009) explains how moral responsibility involves an overarching concern for the other. Becoming a morally responsible person is assuming a new identity, a “Being for the Other” (Bauman, 1998, p.19). In this framing, the existence and interests of the Other necessarily impinge on the moral responsibility of the actor. The specific being of the other may not be directly known to the actor, yet moral responsibility implies an awareness of the inherent (albeit not necessarily specific) demands of the other, with a consequent burden of moral responsibility. Thus, the concerns of a morally responsible actor are not delimited by the known or assumed interests of a specific other. Indeed, the nature of the inherent moral burden on the actor is characterised by a persistent lack of satisfaction over whether one’s actions and interactions with others are sufficient to satisfy that moral demand and ethical responsibility attached to it.

What is this Other that is central to our understanding of moral responsibility? The identity of the Other – or rather lack of it – is central to the “Being for the Other”. The Other is positioned as being either weak or strong with greater moral responsibility required in the face of the weak Other. The Other is presented as one not necessarily “…with the ability to extract services from me, with her ability to impose obligations and to force the need to act – let alone with her legal right to do so” (Bauman, 1998, p. 19). Bauman (1998) argues that “…we may say that moral responsibility is the greater the weaker and more helpless the other” (p. 19). Moral responsibility is here contrasted with obligations which arise from the ability and demands of the powerful Other who are able to demand for services and impose sanctions for failure to provide these services. The assumption of moral responsibility has agency effects – it brings the Other to life; it confers “a Face”, a “Voice”, with rights to
demand, to refuse…” (Bauman, 1998, p. 20). The relationship with the Other becomes that of equals “…we talk with each other…” (Bauman, 1998, p. 20). Being morally responsible is based on a relationship of respect and a deep desire to talk and listen to the Other as a basis for understanding and meeting his/her demands.

In the context under investigation, we suggest that the public exemplifies the characteristics of the other that are central to Bauman’s work. Here, we view the public as representing the institutions that are supposed to represent the citizen and the citizen herself/himself. Throughout the years, it is these two which have suffered – necessitating the introduction of RBMS (Republic of Kenya, 2003). While one might argue that the Government is powerful and able to extract obligations, it is evident that over the years, it has not able to do so effectively enough for the public official to be for the Other – the citizen. Instead, public officials’ moral responsibility to the citizen had become diminished – the values and norms of the public service had been corrupted:

Most of the problems bedevilling Kenya and its people arise from the many years of bad governance and poor economic management. The rapidly growing poverty, food insecurity and economic collapse are largely related to the previous government’s inability to manage the country’s affairs in the best way possible. The poor management, excessive discretion in government, appointments of people of dubious characters and political interference and lack of respect for professionalism led to widespread corruption, gross abuse of public office in many government departments and incorrigible intolerance – if not outright encouragement of mediocrity and lack of standards (Republic of Kenya, 2003, p. 8)

We examine whether this state of being – the moral responsibility of public officials has been enhanced following the conditional enhancement of autonomy associated with the introduction of RBMS that is discussed in section 5.1 – 5.3 above.

We found that the public official has come to redefine the citizen as an Other who requires newer, better care and concern, whose interests they would now claim to champion. Thus, on the face of it, public officials under the regime of performance contracts could care more for their citizens. This renewed sense of responsibility was closely associated with a reduction in corrupt conduct such as demanding for bribes before rendering services and improved services to the public:

Yes, attitude in service delivery was not as good as now, there is a service responsibility, someone comes, you feel the person needs a service, before you arm-twist the person to extract a bribe, e.g. a supplier, now the attitude has changed, you do not pay, you take responsibility. (TC, KVA)

The citizen however, is being reconstituted as a customer whose wants are paramount and market forms such as customer charters and surveys are mobilised so as to ‘know’ how to serve this customer better:
It (way you view citizens) has changed. We undertake a customer survey, it shows that we have improved, we are working towards getting 75. We are doing a lot, working on customer feedback though resources limited. We are refurbishing the library, maintenance, feedback, and expanding the library. (CF, KLA)

This new citizen is presented as one with rights, and who can demand answers:

Yes, the consumer, customer is aware of their rights, know what is expected of you, at the end of it, the customer is right. If someone comes and I am not in, I have to explain where did I go? PC has instilled some bit of discipline. We interact, they can criticise you, people are on their toes. (CB, KLA)

Within the performance contract template, a performance criteria of service delivery – which measures, among other things, “customer satisfaction” – was included (Republic of Kenya, 2017). The concept of customer is however, rather problematic in a public sector context for it seems to suggest that it is those who pay – and not the citizen in general – who merits service (e.g. du Gay and Salaman, 1992; Boyce, 2000). This pseudo-contractual approach tends to have an adiaphorising effect because even though actions may change to improve measured performance and create ‘better’ or even ‘more accountable’ outcomes, a deeper sense of care for the citizen Other is diminished as responsibilities are removed from the realm of moral evaluation. This view of the citizen seems to engender a sense of obligation instead of moral responsibility (Bauman, 1998).

The redefinition of responsibility to the citizen has been associated with a recasting of the public official Other. In this recasting, our interviewees were emphasized a need to exorcise the public official of yore who was found to be corrupt, lazy, and recalcitrant. Instead, they were eager to rebirth public official Other who is energised and working towards achieving targets knowing that they would be judged on those and not their supervisors’ subjective assessments. This public official defines his/her responsibility as working frantically in order to meet the wants of the new and ostensibly knowledgeable, demanding citizen/customer and it is meeting these particular wants and demands that defines her/his moral responsibility. This new public official is credited with improvements in public service – as defined by the performance contract. For example, citizens are able to get their passports sooner than before:

The idea is very good, it has brought a sense of responsibility. Before, people did not care about public service, what they would account for. Ultimately, there is something you need to produce. A clear example of the effect of PC is the Immigration Department where you can get your passport in two days. At KUC, there has been a cultural change, before, nobody wanted to

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16 Within the Nairobi County Government, an exemplification of this concept is the requirement that those wishing to use public toilets pay before they can make use of them. This denial of a basic act of nature poignantly speaks to this diminished view of moral responsibility.
improve themselves, but now, PC reward them if they do better. People could not account for their day, they need to show why they are here. (FM, KVA)

In this new dispensation, people reported that they would exert themselves and seek to prove that they are working to achieve expected results. The days of yore when they would absent themselves from work (physically or in work routines) were said to be no more. But accompanying these improvements is the expectation of reward – again underscoring the diminished sense of moral responsibility accompanying performance contracting.

For supervisors anxious to care for the citizen Other, performance contracting offered objective, rational metrics that facilitated characterisations divorced from personal considerations in specific interactions and dealings. When dealing with other public officials, interviewees indicated that they would refer to the objectivity of the target, and not their specific person. Interviewees expressed a view that the focus on an assigned (generic) target enabled them to judge and be judged fairly – not on the basis of subjective considerations, such as one’s tribe:

It has enhanced some level of accountability. It has enabled heads to be held to account by providing a more objective criteria. People can no longer say I am being victimised because of my tribe. There is evidence we have been able to send non-performing people home because of non-performance. We have instilled a new culture of holding people accountable, they cannot run back to their tribes for protection. (BG, KVA)

Supervisors defined their responsibilities as enhancing the efforts public officials to service the citizen other. This enhancement would happen through monitoring progress on the performance contracts of public officers:

For me it is better, therefore I am forcing other people to do better, I have become like a monitor, I ask them why they have not started doing something because I know it is in the PC. Why have you not done this? I have become more responsible. (NP, KVA)

Care for the citizen has also been associated with a redefinition of the public official’s responsibility to his/her employer – public service. Public officials have come to identify with their employer, being keen to work to improve his/her performance as reflected in its position on the national ranking scheme:

I can say yes, there is a sense of belonging. Last year, we were number 11 ... we have been able to move from position 26 in 2009, to 16 in 2010 and last year to 11. The employees want to safeguard that position, if below this rank, issues start arising. We have to ensure the environment of reading is conducive. The PC has improved our performance, before there was no commitment to anything, we used to work because another day has come, but now we measure our output. (NE, KLA)

Achieving a good ranking has bestowed a sense of achievement among some and a desire to keep on improving in the rankings used to evaluate government departments. The feeling of
success associated with being ranked highly enhanced employee commitment to their employer:

I feel proud to be associated, you want to be associated with the winners, and we don’t want to go back. I am happy, in the last five years, things have considerably improved, I used to scan newspapers looking for jobs, but that is time we used. We see where we are going, we dream of where we want to aspire to be, we want to be number 1. (NE, KLA)

While some public sector workers were happy to be working for the government – the citizen Other - and felt energised to work to improve their ranking, others were however, coming to pursue a high ranking as an end in itself. This conduct suggests that rankings exemplified those methods through which moral responsibility was being exiled (Bauman, 1994) and in which performance contracting was becoming performative (Espeland and Lauder, 2007). For example, some interviewees reported that they found ways in which to achieve high rankings, but with little care about how their actions contributed to the wider mission of the organisation:

Looking at rankings, are we comparing apple with apple? Rankings drive people crazy, institutions target rankings, but that is not the reason for the organisation. For example, the City Council is ISO Certified, but what of the quality of services delivered? As an education institution, when you are ranked on signposts and trees planted, it raises the questions as to what your mission is about. The focus should be on quality of the product, the PC has been more on quantity, not quality. There is need to refoce the assessors to quality. Look at Thika Road, the PC for the Ministry of Roads is ok, there are more Km of road, but what is the quality? What of all the accidents? Look at the City Council, the CDF, there is an inordinate focus on structures but little on standards. (MP, KVA)

This quote poignantly captures how moral responsibility may be exiled through the pursuit of high rankings that are based on contracted measures of performance (Bauman, 1994). For many state agencies, success on performance contracts and their associated measurable targets has seemingly become an end in itself rather than a means to overall organisation success in the pursuit of public good – care for the citizen. Whether achievement of targets contributes to the wider mission of the MDAs and to the public interest – what may be encapsulated by the idea of a duty to society – may have become secondary.

This conduct was emboldened by a regime of assessment that also focused on quantitative measures such as the number of roads built, while marginalising attention to the potential (and actual) pernicious effects of these roads (such as accidents) – as indicated in the quote above. In this situation, moral responsibility was becoming sidelined in action, even if individuals may have been aware of the dangers. Worryingly, some public officials have come to employ any means to be seen to achieve their targets:

PC has engendered negative competition at the institutional level, people buying their way, PCs are being manipulated. It has become an exam like thing, not output focussed, it is more academic than practical, there is a bit of favouritism, people are working hard to comply, tick a
box, it is more institutional than individual, it may become an heaven of corruption therefore you may buy your way out. It is a good thing though. (AM, KVA)

This quote reveals that the forms of accountability associated with performance contracting have led to moral responsibility being sidelined while appearing to achieve set targets was elevated. The use of terms “exam like”, and “tick a box” implies the amoral character of achievement of performance contract targets. In this situation, the “floating responsibility” enunciated by Bauman (1994) is surely at play, with no one seeming to be concerned about the wider implications of a singular focus on narrow performance contracts.

In sum, performance contracting has been associated with an enhanced care for the Other, the citizen, but who at the same time has been positioned as a customer. This positioning, we suggest, limits moral responsibility and so we argue, creates an obligation (Bauman, 1998). Accompanying this obligation are intensified efforts by public officials to improve the services they provide and make the organisation successful. Many have identified with this success, but this identification has bred a situation where public officials work towards being seen to be successful, while the notion of success is itself narrowed and drained of a deeper sense of moral responsibility. This highlights and further emphasises the tendency towards adiaphorisisation. Performance contracting is coming to undertake a performative function (Espeland and Sauder, 2007) that defines and shapes both the goals and what is done, which then forms the basis of the targets and measures, in a circular fashion. In these circumstances, moral responsibility is limited to not only achieving a defined output but also ranking higher than other state agencies. The public interest and moral responsibility take a back seat.

6.0 Discussion

Promotion and adoption of RBMS is predicated on expectations of greater clarity of objectives and principals, enhanced accountability of agents to principals, and hence improved public sector performance (e.g. Cavalluzzo and Ittner, 2004; Verbeeten, 2008). Prior accounting research has tended to focus on the implementation of RBMS, the institutions associated with it (e.g. Modell, 2003), and whether expectations are achieved (e.g. Cavalluzzo and Ittner, 2004). The effect of RBMS on the ‘felt’ and ‘enacted’ moral responsibility of public sector officials has not caught the attention of accounting researchers, yet the very appeal of these accounting-based innovations – delineating objectives/targets and locking the public sector worker into those – poses a ‘clear and present’ danger to the moral responsibility of the actors involved. The analysis in this paper suggests that big improvements in accountability in Kenya are regarded as having been achieved. Yet, at the same time, the Kenyan Government is once again experiencing some of the highest levels of reported corruption, and a sense of crisis, suggesting a need to interrogate some of the recent reforms such as performance contracting.
We found that performance contracting works in a highly regulated context. The evidence shows how targets that public sector workers are ostensibly given autonomy to set are drawn from already-set higher-level priorities. State agencies are required to prepare strategic plans that draw on macro-level expectations about what they are expected to achieve (such as those set down in “Vision 2030”). Many of the dimensions included in performance contracts are based on whole-of-government policy prescriptions. For example, state agencies are expected to work to mainstream anti-corruption, gender balance, and HIV/AIDS consciousness (e.g. Republic of Kenya, 2017). This arrangement suggests that public sector workers remain subject to external (and hierarchical) obligations in respect to these broad policy issues, even though these influences may not be evident in the performance contracting process. Nevertheless, unlike the prior situation in which public officials were employed on employment contracts that required their superiors to define their work, performance contracting has enabled many public sector officials to set their performance contracting targets and negotiate these targets with their superiors. Under performance contracting, public sector officials were actually freer to focus on their targets with limited interference from their supervisors or external forces (see Nyamori and Gekara, 2016). This development suggests that autonomy has been somewhat enhanced – a core component of moral responsibility.

This enhanced autonomy – amidst the constraining nature of performance contracting in a public sector context - was apparent in the way public sector workers went about enacting their definition of responsibility. Four responses stood out. The first one involved those who diligently sought to set ‘realistic’ and achievable targets, given the resources at their disposal and enthusiastically worked to achieve their targets, but in so doing defined their work as consisting of achieving set or assigned targets. Though their supervisors – recognising that performance contracting could not include all aspects of public life – sought to extend work beyond what was in the contract, these efforts were often resented and resisted. This curtailed moral responsibility in the manner envisaged by Bauman (1994), as performance contracts had come to limit the moral responsibility of public sector workers who now defined their responsibility as merely meeting contracts. This curtailment is exacerbated by the fact that performance contracts could only encapsulate those aspect of public life and public sector work that could be measured.

This constraint on moral responsibility extended to the way some of these public officials defined the ranking of public sector organisations. For them, the meaning (and successful performance) of their work was defined in terms of engaging only in those activities that would enable the organisation to achieve the highest possible rank. This delimitation (and debasement) of moral responsibility was extended to suggestions that some may actually use
corrupt means to achieve a higher ranking. Since organisational and employee performance were ranked against others, individuals were finding ways to retain or improve their rank.

The focus on getting the best ranking tended to cloud the very purpose of the public sector. Care for the Other (Bauman, 1998; 1994) – the citizen was divorced from the way these officials defined performance. A system that was meant to improve accountability was (seen to be) doing so – but by exiling the worker from her/his moral responsibility, creating a disconnect between it and the rankings. This singular focus on results came to spawn its own pathologies, in the manner suggested by Harmon (1995). Public sector workers seemed to pursue targets for their own sake without reflecting on what those targets meant for the public sector mission.

For this group, performance contracting conferred certainty on what they needed to do. The language of “road map”, “focus” was used to describe the effect of performance on their responsibility. This is however a limitation on moral responsibility aka Bauman (1998). Bauman sees certainty as eroding the inexorable search for understanding and meeting the needs of the other. He argues that:

\[
\text{In its unstoppable search for the meaning of unspoken demand and unconditional responsibility, the moral self will never reach the certainty it aims at; yet only while seeking such certainty can the self become and stay moral} \text{ (Bauman, 1998, p. 22).}
\]

Bauman here posits that certainty is a journey, yet performance contracting seeks to make it a destination and thus diminishing its moral responsibility. Public officials had come to see performance contracting as bringing them to this destination where they were certain of what to do.

The second group would seek to set targets requiring little effort to achieve. We have interpreted this as an attempt to diminish moral responsibility (Bauman, 1998; 1994). The third group disengaged from setting targets, but nevertheless worked to achieve agreed objectives, suggestive of a floating responsibility. The fourth group did not participate in setting targets – and many (not all) were located in the lower cadres – and simply worked to achieve the targets they had been assigned. While unenthusiastically proceeding to do so, citing a lack of choice – due for example to a need to maintain their employment – these actions may be interpreted as a capitulation to a constraining of moral responsibility under performance contracting.

Following Bauman (1994, 1998, 2009; Bauman and Donskis, 2013), we have found that requiring public servants to focus on contract-based targets spawns adiaphorisation – the exemption of daily practice from the realm of moral evaluation. The resultant moral indifference reflects a loss of basic moral sensibilities and, in the extreme, moral neglect.
Bauman and Donskis (2013) summarise this situation with their overarching term: “moral blindness”. This outcome is however, not surprising in the context of performance contracting: one of the greatest proponents of this approach argues that “what gets measured gets done” (Trivedi, 1994). Metaphorically, these chickens come home to roost when what gets measured becomes the instrumentally-rational focus of all that is done.

Moral responsibility should be characterised by concern for the other (Bauman, 1998). We found that many public officials were coming to define their responsibility to the citizen - public workers seemed to be becoming more committed and faithful to them through devoted and honest service – such as by not being absent or not demanding bribes. Concomitantly, however, the citizen was coming to be constituted as a customer, with market mechanisms ostensibly used to know and meet the wants of this customer. This reveals the constitutive nature of accounting – its core values constitute the subject of their target in the image of these values (Miller, 2007; 2001; 1992). This repositioning of the citizen Other as customer suggests a diminished form of moral responsibility in as much as the customer is portrayed as having rights and occupying a position of power – the power to demand to demand on the basis of having paid (see du Salaman and Du Gay, 1992; Boyce, 2000; Bauman, 1998).

This care for the citizen was demonstrated in two turns – a greater commitment to the employer – the public sector and a more ruthless approach to the public sector official. Regarding the public sector, the public official now defines his/her responsibility in terms of enhanced effort and employee commitment and loyalty. This renewed commitment in the public sector is perhaps evidenced by enhanced annual performance evaluations which claimed that the output of public sector workers had improved tremendously (Republic of Kenya, 2009; 2010; 2011; 2012). This improvement however, came at a cost as some of the public sector workers viewed the ‘management of their target setting’ and being placed high on rankings as the definition of what it means to be a good worker (or good organisation). The morality or otherwise of the actions that may have contributed to the higher performance or and ranking (or not) was not attended to. The incessant questioning of one’s performance that is central to moral responsibility – that questioning of whether one had done enough – is missing from these officials’ definition and assessment of their responsibility.

The second turn in pursuit of this renewed care for the citizen is a depersonalised and somewhat ruthless one. Public officials cited performance contracting as providing them with an objective and depersonalised tool for enervating, evaluating and sanctioning their spans of control and even their fellow workers. Again performance contracting seems to have conferred objectivity and certainty – elements that are antithetical to moral responsibility (Bauman, 1998). This turn reflects a double-edged sword: workers are freer to work to achieve their targets (however narrow), knowing that they would be assessed on the results
and not on their individual actions and personal characteristics. Tribalism and favouritism are reduced and a fairer system has emerged. But accompanying this change has been an apparent sense of ruthlessness, as performance is applied without consideration of the humanity of the other. Set targets would be drawn on to justify decisions, such as dismissal. While there are mechanisms for engagement as to why one failed to achieve targets, our analysis suggests that public workers could find themselves constantly subjected to scrutiny on the basis of limited criteria and having to defend themselves to a less-kinder audience.

These findings suggest a diminished moral responsibility in terms of care for the other – irrespective of what public sector workers specifically do (Bauman, 2008). The formal structures and processes adopted, set in the wider political context introduced earlier in the paper, provides that public sector work becomes:

... exempted by social consent ... from ethical evaluation, and therefore free from carrying the threat of pangs of conscience and moral stigma. Courtesy of social ... consent, the self-esteem and self-righteousness of the actors are a priori protected from moral condemnation; moral conscience is thereby disarmed and made irrelevant as a constraining and limiting factor in the choice of actions (Bauman and Donskis, 2013, p. 41).

On the other hand, our findings show that the resultant exiling of moral responsibility cannot be said to be totalising. Some workers appeared to resist efforts to limit their moral responsibility, either by defining target-setting as something to be ignored or done perfunctorily; or, if targets were assigned, to strategically choose which to implement and which to ignore. Some refused to sign performance contracts\(^{17}\). These actions may suggest a refusal by some to have their moral responsibilities defined by, and limited to, set targets, which may be deemed by workers to be inappropriate for their work. Supervisors were also coming to impose a more holistic view of the public sector – the resentment of public sector workers notwithstanding.

There were apparent benefits for the organisation from the singular focus on targets, with perceptions that accountability had improved. Our respondents indicated that they: had a clearer view of what they needed to do; felt empowered to do their best to achieve the best results for the organisation; and went out of their way to ensure that the performance of the organisation (as indicated in the achievement of targets) continued to improve. This apparently enhanced sense of personal responsibility arose however, from the conviction that all that mattered were results (however defined).

Some national ills such as nepotism and lethargy seem to have been banished from Kenya – or at least diminished – by the performance contracting system. The objectivity imbued in

\(^{17}\) The Judiciary and the Teachers Service Commission held out signing performance contracts until far much later, often citing their unsuitability for the nature of their work.
targets inoculated some employees from previously hard decisions including reporting a subordinate who was perceived not to be performing, or terminating a subordinate’s employment. A greater sense of justice – defined in this specific way – may have come to pervade the organisations as greater reliance was placed on a rational objective criteria of performance appraisal and management. It is however, the fraying of the boundaries of moral responsibility that are a concern, for this portends a greater threat to what may be referred to as the wholesomeness of the public sector.

7.0 Conclusions

This study has been motivated by a need to interrogate recent reforms in the public sector that are said to promote more accountability – especially measurement based ones - as a solution to public sector problems. The research enhances our understanding of how public sector officials define and enact their responsibility in such circumstances. The specific context and time period under examination followed the introduction of performance contracting in the Kenyan sector since the early 2000s.

Bauman’s work – particularly his theorisation of moral responsibility – provides a useful sensitising device for research in this context. Moral responsibility implies a concern for the wider consequences of our actions. This necessarily extends beyond mere observance of rules and procedures, yet performance contracting has the effect of limiting the kind of wider attention that is central to moral situations. This setting thus provides an arena where conflict between accountability and moral responsibility are likely to be manifested. The paper contributes to an understanding of not only how performance contracting works in practice but also how it affects moral responsibility. Our analysis suggests that the investment in NPM technologies such as performance contracting must be interrogated so that their wider implications can be understood (see for example Caicedo, Hoglund and Martensson, 2019; Lapsley, 2009).

The problems facing the Kenyan public sector are not limited to (in)ability to calculate performance in the manner suggested or implied by performance contracting. There are multiple causes for these problems, which include weak institutions of governance and lack of a national values system (Republic of Kenya, 2003; 2005e; Odhiambo-Mbai, 2003). These problems partially manifest themselves in collective action problems where both principals and agents have incentives to be corrupt (e.g. Persson, Rothstein and Teorell, 2013). A remedy such as performance contracting that focusses on a narrow aspect of performance – and is informed by agency theory – misses the complexity of the problems bedevilling the Kenyan public sector – or any a public sector (Bromwich and Lapsley, 1997) - that eat into the moral fabric of public sector workers.
To avoid moral blindness, whatever technology is introduced must be devoted to ensuring that public sector workers appreciate that there is a link between what they do and the welfare of the public that they serve, but at the same time that there is a link between the wider social environment and the work environment of the public servant. These links would often not be measurable. The pursuit of narrow measurable targets poses serious challenges to the unity of the public service and the fabric of society.

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Other Readings


Appendices

Appendix 1. Performance Contract Matrix for Ministries, Non-commercial State Corporations and Tertiary Institutions

<table>
<thead>
<tr>
<th>S/No.</th>
<th>Performance criteria</th>
<th>Unit of measure</th>
<th>Wt (%)</th>
<th>Status Previous Year (FY 2016/17)</th>
<th>Target (FY 2017/18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td><strong>Financial Stewardship &amp; Discipline</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Absorption of Allocated Funds</td>
<td>%</td>
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<td>100</td>
<td></td>
</tr>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pending Bills</td>
<td>%</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Weight Sub-total</strong></td>
<td></td>
<td>10</td>
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<td>Project Completion Rate % 100</td>
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<td>Cross-Cutting</td>
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Note: the stars indicate that this performance criteria applies to some specific MDA, which is normally specified (Source: Performance Contracting Guidelines 2017-2018)

Appendix 2. List of Interviewees

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<th>Comments</th>
<th>Position</th>
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<td>03/07/2012</td>
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<td>KVA</td>
<td>TC</td>
<td>06/04/2012</td>
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<td>Operations Controller</td>
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<td>KVA</td>
<td>BG</td>
<td>07/03/2012 &amp; 08/03/2012</td>
<td>First interview was interrupted and rescheduled for the following day</td>
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<td>NP</td>
<td>13/03/2012</td>
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<td>Data Processing Officer</td>
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</table>
Appendix 3. Interview Schedule

1.0 Introduction to performance contracts

When did you first sign a performance contract?

Why did you sign the performance contract?

In what way were you involved in implementing performance contracts in your organisation?

Please describe as comprehensively as possible, from your own perspective, the process followed by your organisation to implement performance contracts.

2.0 Nature of performance contracts

Describe what your first performance contract required you to achieve.

Explain in what ways your performance contract has changed since you first signed it.

If it has changed, explain why it has changed?

Explain how your performance contract is linked with the performance contract of your organisation.

Explain how your performance contract is linked with that of other employees in the organisation.

Explain how the targets in your performance contract are arrived at.

Specifically, what factors are considered when setting the targets?

What is the nature of your involvement in setting the performance targets?

How was your performance evaluated before the implementation of performance contracts?

How has evaluation of your performance changed following the implementation of performance contracts?
3.0 Personal Experience with performance contracts

What do performance contracts mean for you?

Explain how the way you look at your work has changed following the implementation of performance contracts.

Have you introduced any new practices (new ways of doing things) within your department following the implementation of performance contracts? If yes, describe these practices/innovations.

How has the relationship with your fellow employees changed following the implementation of performance contracts?

Explain how you deal with requests which are not specified in your performance contract.

Has your work ethic changed following your signing of the performance contract? Explain how.

What is the effect of the performance targets on your work?

Explain whether and how the work ethic of your fellow employees has changed following the signing of performance contracts?

4.0 Effect on Performance

Explain whether and how your performance has changed following the implementation of performance contracts.

Overall, explain whether and how the performance of your organisation has changed following the implementation of performance contracts.

Has the way you view your organisation changed? Explain.

Has the way you view citizens changed? Explain

Has your autonomy increased? What of the organisational autonomy?

What are the challenges you have faced in implementing PCs?

5.0 Questions for the top management (Principal and CEO)

Please give us a historical account of how the contracts were introduced.

How many people are under performance contracts and how is it decided who should be included?

How were the performance dimensions and targets for your organisation arrived at?
How were these dimensions and targets linked with the vision and mission of the state corporation?

How was each individual contract linked with other individual contracts?

How has the organisation changed following the implementation of performance contracts?

How has the relationship between the state corporation and the Government changed following the implementation of performance contracts?

How has the relationship between the state corporation and other government agencies changed following the implementation of performance contracts.

How has the performance of your organisation changed following the implementation of performance contracts?

**Appendix 4. List of Secondary Data**


