

Effect of Institutional Performance Contract on Performance Achievement in the Ministry of Public Service, Labour and Employment in Burundi

Jerome Ndakanwa, Willy Marcell Ndayitwayeko, Desire Manirakiza, Anaclet Nzohabonayo

Doctoral School, University of Burundi, Bujumbura, Burundi

Email: ndakanwajerome@yahoo.fr

How to cite this paper: Ndakanwa, J., Ndayitwayeko, W. M., Manirakiza, D., & Nzohabonayo, A. (2024). Effect of Institutional Performance Contract on Performance Achievement in the Ministry of Public Service, Labour and Employment in Burundi. *Open Journal of Social Sciences*, 12, 518-533.

<https://doi.org/10.4236/jss.2024.127037>

Received: April 25, 2024

Accepted: July 27, 2024

Published: July 30, 2024

Copyright © 2024 by author(s) and Scientific Research Publishing Inc. This work is licensed under the Creative Commons Attribution International License (CC BY 4.0).

<http://creativecommons.org/licenses/by/4.0/>



Open Access

Abstract

Purpose: The study aimed at investigating the effect of institutional performance contract on performance achievement in the Ministry of Public Service, Labour and Employment in Burundi. **Methods:** The researchers carried out this study by applying quantitative research approaches. The targeted population was senior managers who signed the institutional performance contract in the Ministry of Public Service, Labour and Employment. Descriptive research design was adopted by this study. The study utilized primary data mainly collected using structured questionnaires. The data collected were then analyzed using descriptive and inferential statistics with the help of Statistical Package for the Social Sciences. Tables were used to present the results of the study. **Results:** The study found out that there was a positive and significant relationship between Institutional performance contract and Organization performance achievement, this, therefore, implied that institutional performance contract influenced the organizational performance achievement. Results of ANOVA established that there was a significant mean because the coefficients were all less than 0.05. Lastly, independent variable had statistically significant association with the dependent variable at 95% level of confidence. The study, therefore, concludes that institutional performance contracting greatly influenced performance in the Ministry of Public Service, Labour and Employment. **Unique Contribution to Theory, Practice and Policy:** This study recommended that there should be adequate consultation and involvement of all employees in Institutional performance contract management, this would lead to employees' commitment to the organizational performance. Also, the study recommended that Employees be allowed to express their dissatisfaction with the institutional performance evaluation results and given chance to improve in case of poor performance. The staff

Management needs to invest in training of employees, both professional and skill-based training. This would help employees understand what needs to be done to improve the organization performance. They should be given all the skills and resources necessary to be able to accomplish their own objectives as well as the overall organization objectives towards improving both personal and organization performance. This study recommended also that the Government should ensure that there are adequate financial resources and equipment if institutional performance contracting is to improve the performance of the Ministry of Public Service, Labour and Employment. Further the government should have to put in place measures to limit the spread of the pandemic and set a mechanism of awareness of the mode of COVID-19 spread and also should adopt the use of several online platforms to facilitate teleworking.

Keywords

Performance Contracting in Burundi Context, Institutional Performance Contracting Management in Burundi Context, Employees' Performance in Burundi, Organizational Performance in Burundi

1. Introduction

Globally, the idea of performance contract has been embraced in Europe, Latin America, Asia, and Africa. This concept originated in France in 1960's after the publication of a report on the reorganization of state-owned enterprises by Simon Nora with primary objective of reducing the government budgetary support to public enterprises (Nganyi et al., 2014). Institutional Performance contracting as a part of the performance management system is a topic which is often discussed but rarely defined. Literally it is the process of quantifying action, where measurement is the process of quantification and action leads to performance (Moy, 2011). Eventually the public sector in many countries warmed up to performance contracting system. In Africa, the end of colonialism brought with it tremendously expansion of public service. Employment in to the public service was used by leaders to reward cronies for loyalty and as a way of ensuring that crucial services were not left in the hands of foreigners (Ong'olo & Awino, 2013). This situation led to ballooning of wage bill relative to Gross Domestic Product leading governments to borrow from multi-lateral lenders to meet operational costs. The inability of governments to meet operational costs leading to borrowing from multilateral donors was the trigger to public service reforms as the lenders specifically the World Bank and the International Monetary Fund forced most governments to reform their public service under structural adjustment programme (Aduamoah & Campion, 2012). In the Burundi context institutional performance contract is a written agreement between Government and a state agency (State Corporation or Central Government Ministry) delivering

services to the public, wherein quantifiable targets are explicitly specified for a period of one financial year (July to June) and performance measured against agreed targets (Kamoche, 2011). The institutional performance contracting practice hence mirrors very closely the OECD definition as a range of management instruments used to define responsibilities and expectations between parties to achieve mutually agreed results. According to Akaranga (2008), performance contract defines it as a management tool for measuring performance against negotiated performance targets. The institutional Performance Contract specifies the mutual performance obligations, intentions and responsibilities between the two parties. Polit and Beck (2014) defined it as a Memorandum of Understanding (MOU). MOU is rooted in an evaluation system, which not only looks at performance comprehensively but also ensures forces improvement of performance managements.

Problem Statement

Institutional performance contracting has been one of the Government Burundi's principal development strategy to build a public service capable of meeting the challenges of the 21st century. The anticipated results of the implementation of institutional performance contract include enhancement of service provision, the institutionalization of a success-oriented culture in public service, enhancement of resource efficiency, performance measurement and assessment and enhancement of general government institutions performance (Gakure et al., 2013). The aim of the Institutional performance contract was to enhance service delivery that meets both the national and international standards. The continuous need to improve both efficiency and effectiveness in the public sector in light of the scarce resources and the high public expectations; all Burundi Public institutions were put on institutional Performance Contracts by the Government since 2005. It was believed that the Institutional Performance Contracts would create a management system that focuses on the attainment of desired results and instilling a framework of improving accountability, efficiency of public service. However, poor management, principles multiplicity, political interference and excessive controls, insufficient physical and financial resources and lack of research, corruption is reported as the major causes that inhibit government agencies from performing. Studies on Performance contracting, and Organization performance show that there has never been a study on how institutional Performance Contracting influence performance of organization and there lied the research gap. Considering this principle, the research, therefore, sought to establish the effect of institutional performance contracting on organizational performance in the Ministry of Public Service, Labour and employment in Burundi. The specific objectives of this study is to determine the effect of institutional performance contracting in improving service delivery, beneficiaries and employees' satisfaction in the Ministry of Public Service, Labour and employment, to determine the level of employee perception or awareness of the

major aspects of institutional performance contract and to document the factors inhibiting the implementation of institutional performance contract in public service.

2. Literature Review

2.1. Theoretical Review

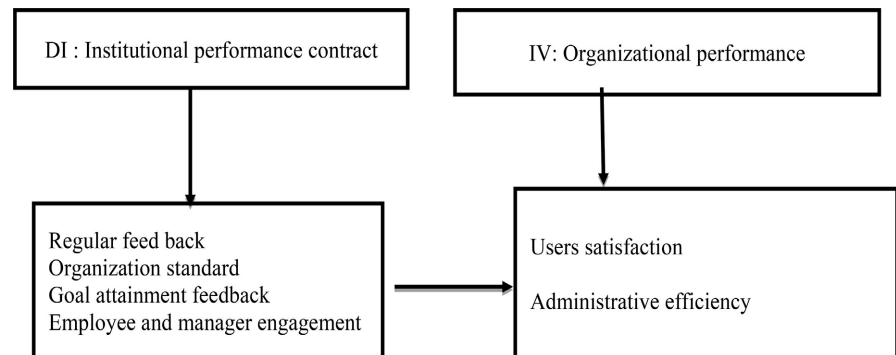
In this section, the study presented the theory and empirical studies conducted on performance contracts effectiveness in organizational performance.

2.1.1. Goal Setting Theory

The goal setting theory assumes that a direct relationship exists between the definition of specific and measurable goals and performance will be the first to be applied in this study. If managers know what they are aiming at, they are motivated to exert more effort, which increases performance (Holmstrom, 1982). The theory asserts that goal setting and encouragement of decision rights are a basis for employee performance. Taking responsibility for results requires that organizational members are given the opportunity to influence their results favourably and have the freedom to take action (Wheeler, 2001a, 2001b). This implies that people have to be authorized by their managers to independently and swiftly take action on problems without having to ask for permission first. Decision rights allow greater involvement of employees in deciding on issues that affect their work (Locke & Latham, 2012). This implies that workers have a say in defining the right Key Performance Indicators (KPIs) and the mandate to establish Critical Success Factors (CSFs) in relation to their job responsibilities. Employees are most likely to meet or exceed performance goals when they are empowered with the authority to make decisions and solve problems related to the results for which they are accountable (Feuerstein, 1996). The performance goals of an organization represent a shared responsibility among all its employees, each of whom has a stake in the organization's success. The relevance of goal setting theory in this study was to provide a parameter of assessing managers commitment and performance, the evidence of this theory does exist that higher performance results when goals are well defined but challenging, as a successful outcome boosts the self-esteem, then employee seeking structure in organizations would find compatibility with goal setting. The goal setting theory was used to support decision rights in this study by the managers through the set structures within the organization hence tackling the first objective. Institutional Performance Contracting is based on goal setting theory principles in that the goals are smart in nature, thus providing flexibility to the staff. The objectives are gradual, therefore difficulty and the involvedness of attaining them is increased every cycle of the institutional performance contracting resulting to enhanced employee performance and output. Staffs are given frequent response on their achievement using the quarterly evaluation of performance statements and in the extensive annual assessment at the end of the duration of the contract. The feedback allows staff to evaluate themselves and modify their actions and

attempt to achieve the goals. Staff members are involved in the performance contract target environment and negotiations with their managers on the performance and accomplishment of the objectives (Nganyi et al., 2014).

2.1.2. Conceptual Framework



2.1.3. Empirical Study

This area of Performance contracting, and Organization performance has received significant studies, for instance; The conducted research on the determinants of employee performance contracts on the Senegalese public media sector Diallo (2017). From the study, Diallo found out that PC contributed to improved morale of workers. Makewa and Susan (2017) did a study on Performance Contracting impact on public universities success in Kenya, they found out that setting of targets contributed to Organizational Performance in Public Universities (Rudasingwa & Uwizye, 2017). Kitsao (2018) did a study on PC, performance of Ministry of Transport in Kenya, the finding of the study indicated that effectiveness of Performance contracting used by government, and private entities rely on employees understanding of performance contracts (Kitsao, 2018). In Burundi, a number of studies have been done in the area of performance contracting. For instance, Bertone and Meessen (2012) wrote Studying the link between institutions and health system performance: a framework and an illustration with the analysis of two performance-based financing schemes in Burundi. In their study, they apply the framework to the analysis of the institutional (re) arrangements of two performance-based financing (PBF) schemes in Burundi by carrying out an empirical comparison of case studies. Their research methods used mainly qualitative data from primary and secondary sources and analyze them with focus on the seven dimensions to look at: institutions, enforcement mechanisms, property rights, incentives, interactions between extrinsic and intrinsic sources of motivation, behavioural changes and organizational performance). The angle and area of analysis differ from mine. In their study, they apply the framework to the analysis of the institutional (re)arrangements of two performance-based financing (PBF) schemes in Burundi by carrying out an empirical comparison of case studies.

The second study is on Physicians' and nurses' attitudes towards performance-

based financial incentives in Burundi: a qualitative study in the province of Gitega (Rudasingwa & Uwizeye, 2017). The Objective was to elicit physicians' and nurses' experiences and views on how PBF influenced and helped them in health-care delivery. The research method used focused on qualitative cross-sectional study.

The third research is on the Effects in spite of tough constraints—A theory of change based investigation of contextual and implementation factors affecting the results of a performance based financing scheme extended to malnutrition in Burundi. The study focused on a multi-methods approach, they explored how contextual and implementation constraints interacted with the pre-identified tracks of effect transmission embodied in the intervention. In their analysis, they used a hypothetical Theory of Change (ToC) that mapped a set of seven tracks through which the intervention might develop positive effects for children suffering from malnutrition. The same, the angle of this study is different from mine either in methodology and area of research. The fourth study is the eye of the beholder: Service provision and state legitimacy in Burundi (Stel & Ndayiragije, 2014). The Study demonstrates, first, that the process of stakeholder interaction, rather than the output of this process, most distinctly shapes state legitimacy and, second, that there are substantial variations in legitimacy attribution by different stakeholders and for different state institutions. The angle and area of research differ also from my research study. None study has been done in Burundi so far to correlate institutional and individual performance contracting on both staff and organizational performance. These Studies on Performance contracting, and Organization performance shows that there has never been a study on how Institutional Performance Contracting influence performance of organization and there lied the research gap.

3. Research Methodology

The researchers carried out this study by applying quantitative research approaches. The study targeted a population of 35 senior managers who signed the institutional performance contract in the Ministry of Public Service, Labour and Employment. Since the target population is small (less than 100) it is recommended to use 100 percent sample which is called a census sample (Smith & Ramil, 2002). This means that the sample is the whole target population. Further, Mugenda & Mugenda (2012) stated that the right population involves all set of people, elements, and groups or items that has certain characteristics and the researcher wants to generalize the information about them (Mugenda & Mugenda, 2012). Primary data was collected using questionnaires. A drop-and-pick later method to the respondents was used to collect the data. Follow up by use of telephone was used to enhance the response rate. The questionnaire consisted of four sections. Section A contained question on general information of the respondents of the ministry. Section B contained questions aimed at establishing the extent of staff perception or awareness of institutional performance

contracting. Section C contained questions on the extent to which institutional performance contract impacted organizational performance while Section D focused on factors inhibiting the fully implementation of institutional performance contract in enhancing organizations’ performance. The data collected was then analyzed using descriptive and inferential statistics with the help of SPSS. Tables were used to present the results of the study.

3.1. Validity and Reliability

The Content Validity Index (CVI) is an instrument proposed by Lynn (1986) Polit and Beck (2014) and is used to rate each instrument item in terms of its relevancy to the construct on a point scale by using following rating point scales: irrelevant; relevant; and extremely relevant. As noted by Lynn (1986), researchers compute two types of CVIs in rating. The first type involves the content validity of individual items and the second involves the content validity of the overall scale. The Content Validity Index (CVI) in our study resulted in the below results.

$$CVI = \frac{\text{Number of the question declared valid}}{\text{total number of questions}}$$
$$CVI = \frac{25}{35} = 0.71$$

If the Content Validity index is found greater equal or greater than 0.70 thereby the instrument is declared valid. The number of the questions declared valid were 25 and the total number of questions were 35. According to the above formula the content validity is (0.71) which is greater than 0.70 and thereby the instrument is valid. In terms of reliability internal consistency of items was measured and the Cronbanch’s alpha coefficient was 0.867 according to Statistic Package of Social Sciences (SPSS) as it appeared in the table under data presentation and analysis.

Validity

A total of 35 questionnaires were issued out, only 25 questionnaires were filled and returned. The returned questionnaires represented a response rate of 71.4%, which the study considered adequate for analysis.

Overall Reliability	
Scale Cronbach Alpha:	
Cronbach’s Alpha	No. of Items

4. Demographic Characteristics of Respondents

4.1. Gender Distribution of the Respondents

Based on Table 1, it is evident that majority of the senior staff working in the ministry of public service, labor and employment female represents 36% whereas male represented 64%.

Table 1. Gender distribution of the respondents.

		Frequency	Percent	Valid Percent
Valid	Male	16	64.0	64.0
	Female	9	36.0	36.0
	Total	25	100.0	100.0

Source: Researcher 2022.

4.2. Experience Distribution of the Respondents

Table 2 below showed that the majority of respondents (76%) had worked for (0 - 10) years, (16%) worked for (11 - 15), 4 worked for (16 - 20) and 4 worked for over 25 years. Moreover, all respondents (39%) had University level indicating that respondents are relatively qualified.

Table 2. Experience distribution of respondents.

		Frequency	Percent	Valid Percent
Valid	0 - 10	19	76.0	76.0
	11 - 15	4	16.0	16.0
	16 - 20	1	4.0	4.0
	over 25	1	4.0	4.0
	Total	25	100.0	100.0

Source: Researcher 2022.

4.3. The Extent of Employee's Perception or Awareness towards Institutional Performance Contract

The study evaluated in the table below the extent to which employee's perception or awareness on institutional performance contract using a Likert scale of 1 - 3 where 1—to strongly agree extent, 2—to strongly disagree extent and 3—to a neutral extent. According to the study results shown in **Table 3**, most of the respondents agreed to a great extent with the various statements on how employee awareness of institutional performance contract: I think institutional contract is not a waste of time (mean = 1.08; Std Dev = 0.400); I know objectives of institutional performance contract (mean = 1.16; Std Dev = 0.554); I find it easy to set targets in institutional performance contract (mean = 1.16; Std Dev = 0.554); I support the use of institutional performance contract to measure performance of my organization (mean = 1.00; Std Dev = 0.000); I understand how institutional performance contract measures performance of my organization (mean = 1.28; Std Dev = 0.678); I believe that institutional performance contract is monitored well (mean = 1.64); I believe in institutional performance contract results (mean = 1.08; Std Dev = 0.400). This implied that all respondents are aware that institutional performance contract is known and played a significant role in enhancing organizational performance in the ministry of public service, labour and employment in Burundi. This is accounted for by the means of the

statements measuring employee awareness ranging between 1.0 and 1.6. This shows that majority of the respondents were in agreement with the statements.

Table 3. The extent of employee's perception or awareness towards institutional performance contract.

	Mean	Std. Deviation
I think institutional contract is not a waste of time	1.08	0.400
I know objectives of institutional performance contract	1.16	0.554
I find it easy to set targets in institutional performance contract	1.16	0.554
I support the use of institutional performance contract to measure performance of my organization	1.00	0.000
I understand how institutional performance contract measures performance of my organization	1.28	0.678
I believe that institutional performance contract is monitored well	1.64	2.059
I believe in institutional performance contract results	1.08	0.400
Overall mean	1.2	

Source: Researcher 2022.

4.4. The Extent to Which Institutional Performance Contract Impacted Organizational Performance

The study sought to examine the extent to which institutional performance contract impact organizational performance in the Ministry of Public Service, Labour and Employments in Burundi. The findings are as follows. From the study findings, the respondents indicated that institutional performance contract influenced performance of employees in the ministry of public service labour and employments in Burundi. The study also evaluated the extent to which respondents agreed with various statements on organizational performance using a likert scale of 1 - 3 where 1) to high extent, 2) to a low extent and 3) to a neutral. According to the study results presented on **Table 4**, most of the respondents agreed to a high extent with the various statements on organizational performance :there is change in public perception on service delivery (mean = 1.08; Std Dev = 0.400); the level of institutional performance contract and satisfaction of institutional users has been significantly improved (mean = 1.04; Std Dev = 0.200); Improve service delivery to the public and users complaints has reduced (mean = 1.24; Std Dev = 0.663); there is provision of quality and efficient services to the public (mean = 1.60; Std Dev = 0.866); Transparency and accountability are improved (mean = 1.12; Std Dev = 1.12 0.332); Organizational culture has been transformed after implimentation of performance contract; (mean = 1.16; Std Dev = 0.374); Institutional performance contract helps in meeting set targets, employees evaluation, employee appraisal and bring efficiency (mean = 1.04; Std Dev = 0.200)

and there is proper utilization of resources (mean = 1.16; Std Dev = 0.554). This shows also that majority of the respondents were in agreement with the statement that institutional performance contract has impact on organizational performance in the Ministry of public service, Labour and Employment.

Table 4. The extent to which institutional performance contract impacted organizational performance.

	Mean	Std. Deviation
There is change in public perception on service delively	1.08	0.400
the level of institutional performance contract and satisfaction of institutional users has been significantly improved	1.04	0.200
Improve service delively to the public and users complaints has reduced	1.24	0.663
there is provision of quality and efficient services to the public	1.60	0.866
Transparency and accountability are improved	1.12	0.332
Organizational culture has been transformed after implementation of performance contract	1.16	0.374
Institutional performance contract helps in meeting set targets, employees evaluation, employee appraisal and bring efficiency	1.04	0.200
There is proper utilization of resources	1.16	0.554
overall mean	1.18	

4.5. The Factors Inhibiting the Fully Implementation of Institutional Performance Contract in Enhancing Performance

The study further sought to establish the factors inhibiting the fully implementation of performance contract in the framework of enhancing performance in the ministry of public service, labour and employment. According to the study findings, the respondents cited various factors inhibiting implementation of institutional performance contracting in their institutions. The study evaluated further the extent to which respondents agreed with various statements on organizational performance using a likert scale of 1 - 3 where 1) to strongly agree extent, 2) to a strongly disagree extent and 3) to a moderate. According to the study results presented on **Table 5**, most of the respondents agreed to a high extent with the various statements on factors inhibiting the fully implementation of institutional performance contract in enhancing performance: Inadequate sensitization of staff on performance contract (mean = 1.00; Std Dev = 0.000); Inadequate monitoring and evaluation criteria (mean = 1.16, Std Dev = 0.374); COVID-19 context has affected the institutional achievement (mean = 1.16; Std

Dev = 0.374); low employee motivation (mean = 1.24; Std Dev = 0.436); The organization requires additional manpower and key competence (mean = 1.36; Std Dev = 0.490); Inadequate financial resources and equipments (mean = 1.44 Std Dev = 0.507); Management ensures training given to staff matches employee job requirement (mean = 1.96; Std Dev = 0.455); There is resistance to changes (mean = 2.00; Std Dev = 1.000). This implied that the majority respondents acknowledged that those factors inhibiting the fully implementation of institutional performance contract in enhancing performance in the ministry of public service, labour and employment in Burundi. This is accounted for by the means of the statements measuring factors inhibiting the fully implementation of institutional performance contract is between 1.0 and 2. This shows that majority of the respondents were in agreement with the statements.

Table 5. The factors inhibiting the fully implementation of institutional performance contract in enhancing performance.

	Mean	Std. Deviation
Inadequate sensitization of staff on performance contract	1.00	0.000
Inadequate monitoring and evaluation criteria	1.16	0.374
COVID-19 context has affected the institutional achievement	1.16	0.374
low employee motivation	1.24	0.436
The organization requires additional manpower and key competence	1.36	0.490
Inadequate financial resources and equipments	1.44	0.507
Management ensures training given to staff matches employee job requirement	1.96	0.455
There is resistance to changes	2.00	1.000
Overall mean	1.41	

Source: SPSS results.

4.6. Inferential Statistics

Inferential statistics for the study were conducted which entailed correlation and regression analysis. This was aimed at determining the association between institutional performance contracting and Organization performance.

4.6.1. Correlation Results

Results of the Pearson correlation, as shown in **Table 6**, indicate that there is a significant positive correlation between institutional performance contract and organizational performance ($r = 0.540$, p value < 0.05).

Our figure of 0.540 indicates a positive correlation. The significance in the

2-tailed significance value—which in this case is ($r = 0.540$, $p < 0.001$). The standard alpha value is 0.05, which means that our correlation is significant.

Table 6. Pearson correlation.

Correlations			
		institutional performance contract	Organizational performance
Institutional performance contract	Pearson Correlation	1	−0.129
	Sig. (2-tailed)		0.540
	N	25	25
Organizational performance	Pearson Correlation	−0.129	1
	Sig. (2-tailed)	0.540	
	N	25	25

Source: SPSS results.

4.6.2. Regression Results

According to **Table 7**, R square is the coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variables. The value of R square is 0.129 which means that 12.9% variation in institutional performance in the ministry of public service, labour and employment in Burundi was due to variations in institutional performance, with 76.1% of variation in institutional performance contracting being explained by other factors and not Institutional performance contract.

Table 7. Regression.

(a)				
Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.129 ^a	0.017	−0.026	0.379
^a Dependent Variable: Organizational performance.				
^b Predictors: (Constant), institutional performance contract.				

(b)						
ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.056	1	0.056	0.387	0.540 ^b
	Residual	3.304	23	0.144		
	Total	3.360	24			
^a Dependent Variable: Organizational performance.						
^b Predictors: (Constant), institutional performance contract.						

Analysis of Variance (ANOVA).

Analysis of Variance (ANOVA) consists of calculations that provide information about levels of variability within a regression model and form a basis for tests of significance. From the findings in **Table 8**, the significance value is 0.540 which is greater than 0.05 thus the model was statistically significant in predicting how Institutional performance contract influenced performance in the Ministry of Public Service and Labour in Burundi.

Table 8. Analysis of variance.

		Coefficients ^a			t	Sig.
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1.261	0.179		7.047	0.000
	institutional performance contract	-0.087	0.140	-0.129	-0.622	0.540

^aDependent Variable: Organizational performance.

Based on the regression results shown on **Table 8** above, holding Institutional performance contract constant at zero, instructional performance contract in the Ministry of Public Service, Labour and Employment in Burundi would be 1.261. A unit increase in Institutional performance contract would lead to a 000 increase in organizational performance. At 5% significance level, institutional performance contract had a $p = 0.000$ which is <0.05 , and hence Institutional performance contract is positively significant and influence performance in the Ministry of Public Service, Labour and Employment.

5. Conclusion

The study targeted a population of 35 senior managers who signed the institutional performance contract in the Ministry of Public Service, Labor and Employment. The findings revealed that the respondent acknowledged the institutional performance contract and it played a significant role in enhancing organizational performance in the Ministry of Public Service, Labor and Employment in Burundi. The means of the statements measuring employee awareness ranging between 1.0 and 1.6. The study examined the extent to which institutional performance contract impact organizational performance in the Ministry of Public Service, Labor and Employments in Burundi. The study findings indicated that the majority of the respondents were in agreement with the statement that institutional performance contracting has impact on organizational performance in the Ministry of public service, Labor and Employment.

The study further established the factors inhibiting the fully implementation of performance contract in the framework of enhancing performance in the ministry of public service, labor and employment. various factors inhibiting implementation of institutional performance contracting in their institution such

as Inadequate sensitization of staff on performance contract, Inadequate monitoring and evaluation criteria, COVID-19 context low employee motivation, Inadequate financial resources and equipment, Management ensures training resistance to changes. The majority of respondents acknowledged that those factors inhibiting the fully implementation of institutional performance contract in enhancing performance in the Ministry of Public Service, Labor and Employment in Burundi. Results of the Pearson correlation, as shown in **Table 6**, indicate that there is a significant positive correlation between institutional performance contract and organizational performance ($r = 0.540$, p value < 0.05).

Analysis of Variance (ANOVA) revealed that the significance value is 0.540 which is greater than 0.05. Thus the model was statistically significant in predicting how Institutional performance contracting influenced performance in the Ministry of Public Service and Labor in Burundi.

6. Recommendation

Institutional performance contracting goals lead to higher performance, therefore, this study recommended that there should be adequate consultation and involvement of all employees in institutional performance contract management, this would lead to employees' commitment to the organizational performance. Also, the study recommends that Employees be allowed to express their dissatisfaction with the institutional performance evaluation results and given chance to improve in case of poor performance. The staff Management needs to invest in training of employees, both professional and skill-based training. This will help employees understand what needs to be done to improve the organization performance. They should be given all the skills and resources necessary to be able to accomplish their own objectives as well as the overall organization objectives towards improving both personal and organization performance. Introduction of institutional Performance contracting by the government was seen as an effective and hopeful method for improvement of the performance in public institutions, therefore, this study recommends that the National Government should ensure that there are adequate financial resources and equipment if institutional performance contracting is to improve the performance of the Ministry. Further the government of Burundi should have to put in place measures to limit the spread of the pandemic and set a mechanism of awareness of the mode of COVID-19 spread and also should adopt the use of several online platforms to facilitate teleworking.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

References

Aduamoah, M., & Campion, C. (2012). An Evaluation of Procurement Challenges in

- Kumasi Polytechnic. *International Journal of Business and Management*, 1, 33-47.
- Akaranga, E. M. (2008). *The Process and Effects of Performance Contracting in Kenyan Public Sector*. MBA Project.
- Bertone, M. P., & Meessen, B. (2012). Studying the Link between Institutions and Health System Performance: A Framework and an Illustration with the Analysis of Two Performance-Based Financing Schemes in Burundi. *Health Policy and Planning*, 28, 847-857. <https://doi.org/10.1093/heapol/czs124>
- Diallo, O. (2017). Performance Contracting Effects on Employee's Motivation in the Senegalese Public Media Sector. *American Journal of Research, Technology, and Science*, 32, 132-148.
- Feuerverte, M. (1996). *Partners in Evaluation: Evaluating Development and Community Programmes*. Macmillan Publishers Limited.
- Gakure, R. W. (2013). Role of Performance Contracting in Enhancing Effectiveness of Performance in the Civil Service in Kenya, State Department of Infrastructure. *IOSR Journal of Business and Management*, 14, 73-82. <https://doi.org/10.9790/487x-1467382>
- Gekonde, T., Ochieng, P. & Lokapel, E. (2013). Performance Contract Impact on Public Service Delivery in Kenya: Review of Persons Registration in Kericho. *International Journal of Humanities and Social Science*, 3, 1-7.
- Greiling, D. (2005). Performance Measurement in the Public Sector: The German Experience. *International Journal of Productivity and Performance Management*, 54, 551-567. <https://doi.org/10.1108/17410400510622223>
- Holmstrom, B. (1982). Moral Hazard in Teams. *The Bell Journal of Economics*, 13, 324-340. <https://doi.org/10.2307/3003457>
- Kamoche, K. (2011). Contemporary Developments in the Management of Human Resources in Africa. *Journal of World Business*, 46, 1-4. <https://doi.org/10.1016/j.jwb.2010.05.011>
- Kitsao, L. S. (2018). *Performance Contracting and Performance of Parastatals in the Ministry of Transport, Kenya*. Master's Thesis, University of Nairobi.
- Locke, E. A., & Latham, G. P. (2002). Building a Practically Useful Theory of Goal Setting and Task Motivation: A 35-Year Odyssey. *American Psychologist*, 57, 705-717. <https://doi.org/10.1037//0003-066x.57.9.705>
- Makewa, M. R., & Susan, W. (2017). Influence of Performance Contracting on Organizational Performance of Public Universities in Kenya. *International Journal of Innovative Development & Policy Studies*.
- Marwaha, J., & Tommerdahl, J. (1995). Outsourcing Your Customer Service. *Telemarketing*, 14, 84-89.
- Moy, P. (2011). Best Practices and Trends in Performance Based Contracting. *A Final Report Submitted to Office of Financial Management*.
- Mugenda, A. G., & Mugenda, O. M. (2012). *Research Methods Dictionary*. Kenya Arts Press.
- Nganyi, J. E., Mulama Shigogodi, J., & Owano, A. (2014). The Effectiveness of Performance Contracting in Service Delivery in Public Universities in Kenya. *International Journal of Academic Research in Business and Social Sciences*, 4, 413-441. <https://doi.org/10.6007/ijarbss/v4-i10/1236>
- Nimpagaritse, M., Korachais, C., & Meessen, B. (2020). Effects in Spite of Tough Constraints—A Theory of Change Based Investigation of Contextual and Implementation Factors Affecting the Results of a Performance Based Financing Scheme Extended to Malnutrition in Burundi. *PLOS ONE*, 15, e0226376.

<https://doi.org/10.1371/journal.pone.0226376>

- Ong'olo, D., & Awino, S. (2013). *Small and Medium Enterprises and Devolved Government System: An Assessment of the Regulatory and Institutional Challenges Affecting the SMEs Development in Kenya*. Investment Climate and Business Environment Research Fund.
- Polit, D., & Beck, T. (2014). *Nursing Research: Principles and Methods* (7th ed.). Lippincott Publishers.
- Rudasingwa, M., & Uwizeye, M. R. (2017). Physicians' and Nurses' Attitudes towards Performance-Based Financial Incentives in Burundi: A Qualitative Study in the Province of Gitega. *Global Health Action*, 10, Article ID: 1270813.
<https://doi.org/10.1080/16549716.2017.1270813>
- Smith, N., & Ramil, J. F. (2002). Qualitative Simulation of Software Evolution Processes. *Proceedings of the WESS*, 2, 41-47.
- Stel, N., & Ndayiragije, R. (2014). The Eye of the Beholder: Service Provision and State Legitimacy in Burundi. *Africa Spectrum*, 49, 3-28.
<https://doi.org/10.1177/000203971404900301>
- Wheeler, D. (2001a). Racing to the Bottom? Foreign Investment and Air Pollution in Developing Countries. *The Journal of Environment & Development*, 10, 225-245.
<https://doi.org/10.1177/10704965-0101003-02>
- Wheeler, F. P. (2001b). A Bayesian Approach to Service Level Performance Monitoring in Supplier, Provider Relationships. *Journal of the Operational Research Society*, 52, 383-390. <https://doi.org/10.1057/palgrave.jors.2601096>