

Organizational Performance Management: A Tool for Enhancing Effectiveness in Public Service Delivery in Nigeria

BAYERO BUKKUYUM KASIM (Ph.D.)
Department of Public Administration, Faculty of Management Sciences
Usmanu Danfodiyo University, Sokoto - Nigeria

Abstract

Growing concerns with efficiency of public services rendered by governmental organizations inform the development of mechanisms that evaluates as well as enhance the performance of these organizations. This paper intends to examine the concept of performance management as a process aimed at monitoring, measuring and adjusting aspects of performance of public sector organizations, and in the broader Nigerian context to focus on how performance management would foster control this involved verifying whether everything occurs in conformity with the plan adopted, instructions issued, and the principle established. To address the issues raised by this paper, an appropriate review of related literature on general concept of performance management and related explanatory terms was conducted. To thoroughly evaluate this phenomenon a content analysis of secondary data on performance management techniques and performance management in governmental context in Nigeria was carried out. The paper concluded that entrenching performance management principles and practices will guarantee attainment of organizational goals by equipping managers with skills to appraise and review organizational and individual performance. The paper recommends that performance management techniques need to be institutionalized and perfected in Nigerian public sector to ensure that officials have the capacity to derive goals from the mission statement and use target setting, accountability, performance standards and measures to enhance both organizational and employee performance.

Keywords: Performance Management, Public Service Delivery, Nigeria.

1. Introduction

Performance Management is the total system of managing the achievement of organizational goals and objectives through the assignment of duties and tasks to employees, appraising performance and institutionalizing a performance based reward system. Programmes are closely monitored with respect to both their implementation and their results; areas of under-performance are identified, and administrative and financial remedial action taken. Remedial measures may take the form of disciplinary or other management action, improvement in personal incentives, and the redirection of resources. The main aim of performance management is to convert the unpolished capabilities of the employees of the organization into performance by eliminating the obstacles in between them, along with revitalization and the encouragement of the employees (Kandula, 2006). Performance of public institutions in Nigeria leave much to be desired at both centre and at federating units, hence the need to institutionalized performance management regime and ensure effective application for achieving individual and organizational goals. The objective of this study is to examine the performance management system as a strategy used to enhance performance in the public service. The focus will be on whether the introduction of a Performance Management System contributes to the improvement of productivity in the public service with particular focus on the public sector in Nigeria.

2. Concepts of Performance and Performance Management

Performance is referred to as being about doing the work, as well as being about the results achieved. It can be defined as the outcomes of work because they provide the strongest linkage to the strategic goals of an organization, efficient service provision and economic contributions. Performance is defined as Behaviors and Results (Brumbach, 1988) Performance management system includes behaviors and results. Behavior in terms of how the task or goals are achieved. What employees are doing or do. Behaviors are not always measurable and observable so results can be used as proxy for behavioral measure. There are different kinds of behaviors that advance or hinder organizational goals (Boland & Fowler, 2000)

The term "Performance Management" refers to any integrated, systematic approach to improving organizational performance to achieve strategic aims and promote an organization's mission and values. In that sense Organizational Performance Management is quite different than individual Performance Management which specifically targets the personal performance of an employee although the latter comprises an essential part of the overall organizational performance framework. In fact, a Performance Management system aims at improving the results of people's efforts by linking these to the organization's goals and objectives. It is, ideally, the means through which employees' performance can be improved by ensuring appropriate recognition and reward for their efforts, and by improving communication, learning and working arrangements. According to Armstrong (2001) performance management is a means of getting better results from the organizations, teams

and individuals by understanding and managing performance within the agreed framework of planned goals and competency requirements. It is a process for establishing shared understanding about what is to be achieved and an approach to managing and developing people. Performance management is action, based on performance measures and reporting, which results in improvements in behaviour, motivation and processes and promotes innovation (Radnor and Barnes 2007).

3. Literature Review

A performance management is a strategic and integrated approach to deliver sustained success to organizations by improving the performance of the people who work in organizations. This can be done by developing the capabilities of teams and individual contributions. In several public sector performance management literatures the three Es of: economy, efficiency, and effectiveness were extensively discussed. A good performance measurement approach should consider measuring and assessing the three Es: economy, efficiency and effectiveness: Economy regarding, Procurement and delivery of inputs human, physical and financial resources, Quantity and quality, Cost element, Timeliness and Operational level. Efficiency in respect of; the optimal transformation activities of inputs into outputs (UNDP), Utilization of means to achieve results and objectives, rational use of resources, Least costs maximum results / return, activities in perspective of results, Work planning and timelines, and tactical levels. Effectiveness in; the extent to which a program or project achieves its immediate objectives or produces its desired outcome (UNDP), achievements of results, objectives, goals, Focus on target groups, beneficiaries, clients, Medium and long-term perspective, much more difficult to measure and assess, and strategic level.

Organizations can achieve their goals and objectives only through the combined efforts of their employees and it is the task of management to get work done. Employee performance management is fundamental to the effective operation of organizations. Performance management is an integral part of the employees and organizations relationship. It is essentially an integrating activity that permeates every fact of the operations of an organization (Laurir J. Mullines, 2007).

Performance management is a holistic approach and process towards the effective management of individuals and groups to ensure that their shared goals and institutional objectives are achieved (Nel, *étal* 2008: 493). Amos *et al.*(2008: 285) refer to performance management as an approach to managing people which comprises a set of practices used by managers to plan, direct and improve performance of employees in a particular institution in order to achieve overall strategic objectives.

According to Armstrong (1995: 429) performance management is a means of getting better results from an institution, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements. Cardy and Dobbins (1994: 2), on the other hand, define performance management as a formal and systematic process by means of which the job-relevant strength and weakness of employees are identified, measured, recorded and developed.

Performance management is the system through which organization set work goals, determine performance standards, assign and evaluate employee's work, provide performance feedback to employees, determine training and development needs and distribute rewards to employees (Briscoe & Claus, 2008).

Performance management is a ubiquitous term in today's business environment, being embedded in the body of knowledge of various disciplines and being used it at all organizational levels (Brudan, 2010). Although performance management may sound as if it has the same meaning as a performance management system, they are different. A Performance management system is an authoritative framework for managing employee performance that includes a policy framework as well as a framework relating to all aspects and elements in the performance cycle, including performance planning and agreement, performance monitoring, review and control, performance appraisal and moderating, and managing the outcome of appraisals (Simeka Management Consulting, 2004: 12). Armstrong and Baron, defines performance management as a strategic and integrated approach in delivering sustained success to organizations by improving performance of people by developing the capabilities of teams and individuals. These experts consider performance management as a strategic tool since it is concerned with achievement of long- term organizational goals and effective functioning of organizations in its external environment. They further added that, Performance Management affects four types of integrations namely, vertical, functional, human resource and goals: Vertical Integration – aligning objectives at organizational, individual and team levels and integrating them for effective performance. The individuals and teams agree upon to a dialogue to work within the broad framework of organizational goals and values; Functional Integration – it deals with focusing several functional energies, plans, policies and strategies onto tasks in different levels and parts of the organization; Human resource Integration – this ensures effective integration of different subsystems of Human Resource Management to achieve organizational goals with optimum performance. These subsystems include people management, task monitoring, job design, motivation, appraisal and reward systems, and training and empowerment and goal integration – it focuses on arriving at congruence between the needs, aspirations and goals of the line managers with that of the goals and objectives of

the organization.

A Performance management system is also a process that begins by translating overall institutional objectives into clear individual objectives that will be set as targets for individual employees on a quarterly or annual basis (Amos *et al.* 2008: 286). The performance target of individual employees also sets the agenda for supervisors and individual employees regarding the monitoring and reviewing of performance. It is in those set performance targets and requirements that the satisfactory or non-satisfactory performance of employees will be determined. After such determinations, good performance may be rewarded and poor performance may be improved through appropriate improvement measures. Good performance refers to a performance where an employee achieves the set performance targets and bad performance refers to a performance where an employee fails to achieve the set performance targets.

The study by Herholdt (2007) provides several significant lessons to public sector institutions. Public service institutions are increasingly recognizing that planning and enabling individual performance have a critical effect on institutional performance. It is therefore of paramount importance for institutions to remove outdated systems of performance appraisals and adopt the new PMS which is able to help in linking institutional strategic objectives with individual performance targets. According to Ravhura (2006: 3) the performance appraisals system was often seen by managers as an irritating administrative chore, and as an unfair and arbitrary system of policing by supervisors. Another weakness was that the system did not encourage discussion between managers and subordinates which has often led to protracted disputes. The system of appraisal was not linked to results or areas of responsibility but based on an assessment of generic behaviour and events.

3.1 Determinants of Performance Management

In relation to the organization's performance at strategic level, Bayle and Robinson (2007) suggest there are three principles that performance depends upon: the system of governance; the quality of the organization's network (affiliations, supporting bodies); and the positioning of the organization within its particular function. The study refers to these principles as 'The Strategic Performance Mix'. At the operational level, Bayle and Robinson's (2007) study suggests there are three further performance issues that facilitate overall organizational performance: forms and levels of professionalization; the presence of a participatory organizational culture; and adopting a partnership approach.

3.2 Performance Management Process

Performance Management concept proposes that organizations can improve service delivery by:

Focusing on goals, objectives and targets, mobilizing employee capacity and potentials, ensuring high quality standards, accountability for achieving objectives, ensuring employee training and development and; efficiency

The civil service is the executive arm of the government. It is responsible for government policies, plans and programmes. In addition it provides inputs into the decision making process at all levels of government. The effectiveness and efficiency of any government is therefore a function of the performance of its civil service.

According to Fagbemi (2000) the framework for performance management technique comprised of ten components, which include: organization's mission, which is a long-term vision of what the organization is trying to aim at. It is a statement of the reason for the creation of an organization; governments Priorities are the important issues among various ones. Within the organization's mission, some issues are more pressings than others; Organizational goals/Key Objectives/ critical elements are areas of results expected from the mission statement, which can be stated in broad terms; Performance Measures/Indicators are events or incidences that would confirm that the goals of an organization are being achieved or will be achieved. They are landmarks for accomplishment of key objectives; a strategic plan is a long-term plan and intended course(s) of action of an organization in its interaction with its external and internal environment; departmental operational plans are yearly plans derived from the organizational goals and the strategic plans; Individual targets for key tasks are time, cost, specification quality and quantity bound statements of what an individual is to achieve on a key task; employee Performance Appraisal is the periodic assessment of employees job performance against assigned responsibilities, duties and tasks. The guidelines for employee performance appraisal must be in accordance with the extant government employee appraisal rules and regulation; Organizational/Departmental Review is a process of getting feedback on the achievement of operational plans of each department; and performance Related Pay is a reward system that is linked to the level of performance of employees and managers.

4. Performance Management in Public Sector

With the increase in the size of public bureaucracy and growing domestic and international commitments, government organizations around the world will face the challenges in the new century of complex governance from both internal and external environments. The spill-over effect of functions, the linking effect of issues and the involving of pluralistic actors have appeared in a number of new public issues and public affairs. These

effects not only increase the complexity of public governance but also cause public organizations, within the pluralistic governance environment, to improve governance ability to ensure the delivery of quality services. Within the public sector, performance management may also be useful to politicians and a focus on “managing for results” has become an important complement to the traditional emphasis on managing inputs (budgets and staff) and managing processes (rules and structures). As such, it has a clear affinity with the strategies for improving the performance of business organizations, some of which have previously been imported into the public sector (albeit with mixed success), such as Management By Objectives and corporate planning.

According to Boyne (2010), performance management in the public sector is generally composed of three interlinked elements:

- Performance measurement
- Target-setting; and
- Rewards and/or sanctions.

Similarly, Hood et al. (2001) identify three key components of all regulatory regimes:

Information gathering (Hood et al. describe this as ‘detectors’), Setting standards (‘directors’), and behaviour modification (‘effectors’).

Importantly, they point out that these three different activities may be undertaken by different actors. For example, organizations may develop their own indicators and set their own standards or these may be imposed on them from outside? Or there may be a combination of internally and externally determined performance measures and benchmarks. Rewards and sanctions are, though, usually imposed from outside – for example by membership organizations, regulators or government departments. These three elements identified by Boyne and by Hood *et al.* reflect the main stages involved in developing effective performance management systems. First, policy-makers and/or managers need to select a relevant set of performance indicators which can be used in two ways to analyze an organization’s achievements - through time and/or in comparison with other relevant organizations. Next, they must define expected standards of attainment on those indicators in relation to benchmarks, such as minimum standards or initial baseline performance. Then they apply appropriate tools of managerial control to incentivize managers and employees to meet the expected standards. Sun (2009) advanced similar submissions on the three dimensions of the performance management of public organizations or governments which include:

Performance management is a type of control program: The program includes three steps: goals establishment, performance measurement and error corrections. Goals establishment means creating the future development’s core value and various policy application indices of public organizations. Performance measurement, however, focuses on establishing more valid and reliable indices to measure the operating performance in public organizations. Performance monitoring is mainly expected to follow and discover the error between actual performance and initial plans using the methods of performance monitoring. In related control programs, the essential step is the correction of errors. During the performance management process in public organizations, if errors or omissions have been detected but are not corrected, this indicates the development of organizations will enter into a losing-control plight;

Performance management is a process of political communication: Government organizations’ performance management in democratic countries actually involves a series of revolution process of political communication. Firstly, administration leaders elected by people, as the sole person establishing policy goals and objectives, may employ performance management to strengthen the political control of the civil service system. The managers within this system will convert a number of requirements into performance indices and require fellow civil officials to apply related indices to improve the quality of public services. For the administration system, elected members of parliament and common people are able to use related administration performance indices to measure the governing ability of the government and become the essential monitors in administration performance management. Various political disputes could be caused if there is a dramatic difference on the understanding and requirement of performance management between the above public sector actors, as these participants will not be able to establish good political communication methods; and

Performance management has the function of leading: Previously, government performance management focused on a ‘top-down’ strict management, and believed the hierarchical management model could guarantee the efficiency of administration. However, in recent years, the performance management movement integrated various government innovation ideas, and promotes the idea that governments should swap its role to a ‘navigator’, who leads to result-oriented performance type government and customer-oriented service type government.

5. Performance Management of Nigerian Government Programmes

Nigerian government rolled out ambitious programs with various targets and time frames ranging from medium and long term reform initiatives aligned to target each MDG. The national development strategies saw the birth of National Economic Empowerment and Development Strategy (NEEDS- with actionable goals of wealth

creation, employment generation, poverty reduction and value re-orientation), which was extended to states and local governments as SEEDS and LEEDS respectively. In addition, the federal government envisaged placing Nigeria among the top 20 leading economies in the world; Nigeria vision 20: 2020 and 7- Point Agenda comprising sustainable growth in the real sector of the economy, improvement of infrastructural (power, energy and transport), agriculture and agro-industry development, human capital development (education and health), security, law and order (including electoral reform), combating corruption and conflict resolution through promoting equitable and sustainable regional development (Niger Delta development) (OSSAP-MDG's: 2010). The Nigerian government also introduced widely acknowledged innovative initiatives to reduce poverty and improve public service performance. Such was evident in the pioneering schemes such as the Virtual Poverty Fund that tags and tracks funds allocated to poverty reduction from debt relief; compulsory free basic education; conditional cash transfer to the vulnerable for social protection; conditional grant scheme; federal grants to support MDGs investment by states and local governments; all of these were in the determination to achieve the MDGs and re-position Nigeria (NPC: 2010). As the target year 2015 draws closer, the need to speed up with government commitment led to the introduction of a new 5-Year (2010-2015) Countdown Strategy closely linked with Nigeria's medium and long term – Roadmap to Accelerate Nigeria's Progress Towards achieving the millennium Development Goals with the following objectives :

1. Improving the governance and accountability environment
2. Strengthening coordination and cooperation among the three tiers and arms of government
3. Mobilizing and committing all communities and key stakeholders to the MDGs
4. Ensuring effective mainstreaming of MDGs into overall national and sub-national development visions and plans (NPC: 2010).

However, the integration of the strategies and initiatives have reflected mixed results. Government claimed sustained growth in the economy with average GDP growth rate; gains in agriculture reduced the proportion of underweight children from 35.7% in the 1990 to 23.1% in 2008; nearly 9 out of 10 children (88.8%) are now enrolled in school; reduced infant mortality from 100 per 1,000 to 75 per 1,000 between 2003 and 2008 (NPC, 2010).

6. Conclusion

Performance management is a vital part of the process of managing human resources with the aim of achieving employee and organizational goals. Performance management techniques such as the use of targets and benchmark competition improve the effectiveness of public services and have a positive impact on outcomes. Performance management at the field level is particularly effective, so long as there are sufficient comparator organizations to allow performance competition and comparative learning between organizations. Performance management is particularly well-suited to delivering improvement in performance indicators which have a high degree of public acceptance, such as level of poverty halve and increased school enrolment. There is less hard evidence that performance management produces efficiency savings, so alternative means for promoting cost-cutting innovations may be required. Public services delivery in Nigeria can be enhance with effective utilization performance management techniques at all the three tiers of Nigerian government. To this end Nigerian public sector must ensure that officials have the capacity to derive goals from the mission statement and use target setting, accountability, performance standards and measures to enhance both organizational and employee performance.

References

- Amos, T.L.; Ristow, A.; Ristow, L. & Pearse, N.J. (2008) *Human Resource Management*. 3rd Edition. Cape Town: Juta & Co Ltd.
- Armstrong, M. (1995). *Performance Management: Key Strategies and Practical Guidelines*: London, UK.
- Bayle, E., & Robinson, L. (2007). A framework for understanding the performance of National Governing Bodies of sport. *European Sport Management Quarterly*, 7, 240–268. doi:10.1080/16184740701511037
- Bevan, G. and Hood, C. (2006) 'What's measured is what matters: Targets and gaming in the English public health care system', *Public Administration*, 84(3): 517-538.
- Boland T. & Fowler A., (2000), "A System Perspective of Performance Management in Public Sector Organizations" *The International Journal of Public Sector Management* Vol. 13 No. 5, pp. 417-446
- Boyne, G.A.. (2010) 'Performance management: Does it work?', In: Boyne, G.A. Brewer G.A and Walker R.M. (eds), *Public Management Performance: Research Directions*, Cambridge University Press: Cambridge
- Briscoe, DB. & Claus, LM. (2008) *Employee performance management: policies and practices in multinational corporations*, *Performance Management Systems: A Global Perspective*, (Ed) PW Budwah and DeNisi, Routledge, Abingdon.
- Brumbach, G. B. (1988). *Some ideas, issues and predictions about performance management*, *Public Personnel Management, Winter*.

- Cardy, R. & Dobbins, G. (1994) *Performance appraisal: Alternative perspectives*. Cincinnati, Ohio: South-Western College Publishing.
- Fagbemi, A.O. (2000); *Performance Management Practice: Case studies of Management Development Institutes*. Topo-Badagry. Administrative Staff College of Nigeria,
- Herholtd, M. (2007) *Public policy: Framework and instrument for action*. Johannesburg: MacMillan.
- Hood, C., Rothstein, H. and Baldwin, R. (2001) *The Government of Risk*, Oxford: Oxford University Press.
- Kandula, S. R. (2006). *Performance Management*. New Delhi: Prentice Hall of India Private Limited.
- National Planning Commission (2010) *Nigeria and Millennium Deveopment Goals*. Retrieved from <http://www.npc.gov.ng/home/doc.aspx?mCatID=68299>
- Nel, P.S.; Welner, A.; Haasbroek., G.D.; Poisat, P.; Sono, T. & Schults, H.B.(2008) *Human Resource Management*. Cape Town: Oxford University Press.
- Simeka Management Consulting. (2004) *Performance Management System Information Manual*. Polokwane: Limpopo Provincial Government.