

# International Journal of Sciences: Basic and Applied Research (IJSBAR)

International Journal of
Sciences:
Basic and Applied
Research
ISSN 2307-4531
(Print & Online)
Published by:

(Print & Online)

http://gssrr.org/index.php?journal=JournalOfBasicAndApplied

# **Employee Performance Measurement and Management in the African Public Sector**

Clement Mbore<sup>a</sup>\*, Thomas Cheruiyot<sup>b</sup>

<sup>a,b</sup>Moi University, P O Box 3900-30100, Eldoret-Kenya

<sup>a</sup>Email: mboreclement@yahoo.com

<sup>b</sup>Email: cheruto@gmail.com

# **Abstract**

This article addresses nexus between employee performance measurement and management in the African public sector. This paper reviews the different performance measurement system design processes published in the literature and creates a framework for comparing alternative approaches. The paper then proceeds to review the literature on performance measurement system implementations and finds that the performance measurement is at the stage of identifying difficulties and pitfalls to be avoided based on practitioner's experience and many attempts to introduce results-based management in the African public sectors are still unsuccessful. Literature on public-sector performance management, however, points to problems in the design and management of these systems and questions their effectiveness as policy tools for increasing governmental accountability and performance. The paper further develops, from theory, a framework for analysing the implementation of a performance measurement system and uses this framework to propose adoption of more appropriate employee performance measurements. The paper concludes that specific processes are required to continuously align the performance measurement system with outcomes-based performance management.

Keywords:	Employee	performance	measurements;	performance	management;	performance	measures;	and
African public sector.								

<sup>\*</sup> Corresponding author.

## 1. Introduction

Reference [37] defined performance management as "a strategic and integrated approach to increasing the effectiveness of organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors". Furthermore, the main objective of human resources management (HRM) is to utilize the human resources (HR) in a most optimal manner so that targets can be achieved very effectively and efficiently. For this purpose managing employees' performance measurement as a whole is very important. According to [31], for an organization to be effective for its goals, it is very important to monitor or measure its employee performance on a regular basis. Employee performance measurement also includes effective monitoring, providing timely feedback and reviews of the employees for their work and performance according to the predetermined goals and solving the problems faced [70]. Reference [57] suggests that timely recognition of the accomplishment motivates and helps to improve the performance of employees.

Nowadays, Nations spend more attention, time, and money on performance measurement and evaluation in the public sector than ever before [49,45]. Reference [49] suggests seven main reasons for this new trend: the changing nature of work; increasing competition; specific improvement initiatives; national and international quality awards; changing organisational roles; changing external demands and the power of information technology. Results-based management is the talk of the day at all levels of the public sector: local, regionally and nationally in colleges and universities, local governments, and other administrative agencies, developmental aid organizations (nongovernmental organizations and international nongovernmental organizations) and organizations such as the World Bank, are all involved in producing data and information on performance results and if possible, the impact [7]. References [44,45,46] refer to this as the "audit explosion" or the "audit society." Believers in New Public Management (NPM) attribute the high priority to measuring output and outcomes and aim to base their new policies and management activities on this type of information, ideally meant to make policy implementation more efficient and effective.

Reference [28] suggest that after planning and development activities, the next task of performance management is to measure the performance of the people at work. Concept of performance is an important topic to put emphasis on, in order to raise awareness among the workers about their own potentials and to get better outcomes from them [38]. While [23] defines the performance assessment as "whatever role an employee has in an organization, it is the inspection of his works, activities, inadequacies, competences, excesses and incompetences that are examined. Briefly, performance assessment is an inspection of the employee as a whole across all dimensions." Reference [54] define as the performance assessment as " a planned tool which is integrating the success of individual at a given task, his attitude and behaviors at work, his moral conditions and characteristics and contributions to the success of the organization".

The most difficult part of the performance measurement policy is to accurately and objectively measure the employee performance [64]. Measuring the performance covers the evaluation of the main tasks completed and the accomplishments of the employee in a given time period in comparison with the goals set at the beginning of the period [57]. Reference [1] avers that measuring also encompasses the quality of the accomplishments, the compliance with the desired standards, the costs involved and the time taken in achieving the results. Reference

[64] contend that measuring employee performance is the basis of performance appraisal policy and performance management. Accurate and efficient performance measurement not only forms the basis of an accurate performance review but also gives way to judging and measuring employee potential [4].

## 1.2 Employee performance measurement in African Public Sector

In the present competitive situation the organization in the public sector that gives better results can survive, stabilize, grow and excel in the performance [50] and this helps a lot in achieving the objectives of the entire nation. Further, performance management includes activities to ensure that goals are consistently being met in an effective and efficient manner. Performance management can focus on functions of the organization, a department, a process to build a product or a service, employees, etc. [36]. Reference [36] summarizes these functions as follows: create healthy work environment; develop performance plans; selection of appropriate people; decision regarding performance standard; plans for development of employees; measurement of employee performance; conducts performance feedback; design compensation, recognition and reward system and contributes in developing good will. Evaluation studies show that many attempts to introduce results-based management in the public sector in African public sectors are still unsuccessful [15].

During the 1990s, in what has become known as the 'new public sector management (NPM)', many services in growing and advanced economies, such as those in Africa, U.K. and Scandinavia, have come under pressure to become more efficient and effective [39] so as to reduce their demands on taxpayers, while maintaining the volume and quality of services supplied to the public. To achieve this, they have been subjected to the introduction of various 'private sector' management techniques and the frequent adoption of some form of neomarket system in which the purchasers and providers of public services have been split and are frequently required to contract with each other.

Management control systems (hereafter, ISO stds., PC, MCS) which are used in New Public Management (NPM) have been introduced in several African countries such as Nigeria, Gambia, Ghana and now Kenya [42]. These are "formal (written and standardized) information-based procedures and statements, used by managers to monitor and influence the behavior and activities in a firm" [59]. They enable managers not only to cope with increasing information needs, but also to avoid loss of control because of lack of monitoring [25]. Reference [49] elucidates that these control procedures are cascaded from top to bottom. For example in performance contracting every employee is expected to sign a performance contract with management while the management signs with the supervisory entity. It follows that the individual performance culminates in the total performance of the entire firm. The ISO standards on the other hand comprises of procedures in quality control manual which is adopted and used in all areas of the firm by employees to ensure quality service and products. These management control systems are ideally meant to provide information about the entire organisation and are therefore unable to measure individual employee performance accurately [49].

These control systems are costly and time-consuming to install and operate. As a consequence, early-stage firms are likely to choose their systems selectively [62]. For example, the issues underlying the choices of formal controls in early-stage firms differ from those confronted by mature firms for three reasons. First, mature

companies usually have an extensive amount of formal systems already in place and thus are less concerned about running "out of control" than early-stage firms. Second, the first formal controls introduced provide a foundation for the future development of formal controls in the firm [66,67,54]. In this respect, while the main concern in a mature company will be how to integrate new formal controls with the existing ones, a young firm must consider how the first formal controls will affect the choice of future formal controls. Third, early-stage firms utilize informal control systems more intensely than do mature firms [33,35] and, thus, they might decide to invest only in those formal controls that liberate managers from routine operations and allow them to informally focus on the firm's strategy.

This article therefore explores the implementation of multidimensional performance measurement of employees and organisational management in the public sector. It discusses the various initiatives taken in an attempt to improve the performance of employees in the public sector especially in African countries. This is followed by a section that explores the purpose of employee measurement. The article looks at the failures experienced in the performance of the public sector in the light of the new public order of liberalization and free enterprise. The main concern here is the justification of continued use of taxes to support the public sector. The other concern is the continued use of formal management controls that do not articulate the individual performance and contribution in the organisation. The optimal utilization of the individual skills for the development of the firm is also highlighted. This infers that appropriate performance measurement may be used as a suitable guide for reward management. The research proposition explores the adoption of performance metrics which guide task performance in the light of efficient use of available resources. Finally, the implications, conclusions, limitations and recommended areas for further research are discussed.

#### 2. Literature Review

# 2.1 Employee performance measurement

New Public Management (NPM) is an international or even a global phenomenon that represents and attempts to correct the shortcomings of traditional public organization in efficiency and service-delivery to citizens, and one of its central themes is to stress the importance of public managers' discretionary space or freedom to manage [49]. Reference [20] traces the use of performance measurement by [56], who suggested the criteria for appraising administration. Reference [29] points out that though the earlier efforts have subsided, each of the earlier reforms left a residue that has helped support subsequent attempts to introduce greater rationality into public sector decision making.

Different criteria have been fixed in business firms for measurement of performance such as output per hour/shift quality of work, behaviour, discipline and level of commitment [28]. This helps to find out the poor and good performers out of the lot on the basis of measurement of performance so that further remedial action can be taken. Performance measurement is following up the firm's program and reporting it appropriately [65] and when it is done regularly by using suitable metrics, it is aimed to give the feedback needed by administrative level [63]. Performance assessment is highly important while achieving the goals of the organization and determining the individual contributions to the organization [57].

Reference [68] confirms that performance measurement policy is the best tool for measuring employee performance and guiding employee development and improvement. However, performance measurement policy can be a frustrating ritual of the modern organization. Reference [61] states that the most frequent complaint is that a large number of managers are poorly trained in how to give feedback to employees and they provide little coaching, mentoring or support. Moreover, performance measurement policy procedures are often poorly designed, making the policy cumbersome and difficult to administer. Reference [30] contends that employees often place the entire burden of the review policy on the supervisor, doing little to seek feedback on employee performance avenues for improvement or development. According to [61], employees often assume a defensive position when deficiencies are pointed out. This is especially true if pay, recognition or rewards are at stake. In addition, employees will resist a policy that is perceived to evaluate or reward unfairly [30].

Reference [48] highlights that conflicts on the purposes and goals of a performance measurement policy often exist during implementation. The performance measurement policy must be part of a performance management policy that emphasizes ongoing communication and coaching in order to motivate the employee [71]. The significant barriers to the implementation of an employee performance measurement policy are often neglected [53]. While performance measurement policy may improve employee performance, ill-prepared performance measurement policy can adversely impact on employee performance [12]. Reference [24] contend that commitment from the organization to conduct performance measurement policy correctly is essential. This includes logistical and technical support, in-depth job analysis and on-going training. According to [18], managers may often fail to provide timely and accurate expectations and feedback to employees regarding performance and when feedback is provided, it is often communicated incorrectly thereby reducing morale and further reducing employee performance [61]. Furthermore, employee groups often oppose the implementation of a performance measurement policy due to a variety of factors including distrust of management's ability or just a perception.

The goal of performance measurement is to access and summarize employee performance and develop future work, performance goals and expectations. Performance measurement therefore is an important human resources function, which provides management with a systematic basis for effectively recognizing and evaluating the present and potential capabilities for human resources. The supervisors should continuously determine how effectively their subordinates are performing different tasks. Employees should be evaluated frequently, as this will contribute to increased employee efficiency and performance [57]. According to [36] performance measurement policy is a joint process that involves both the supervisor and the employees, who identify common goals, which correlate to the higher goals of the organization. If employees are effectively evaluated, then the organization will experience increased performance and improved quality of output [43]. Reference [32] states that when employees are treated with care, shown trust and developed, then performance measurement policy plays a key role since it enables an organization to identify objectively the employee's strengths and weaknesses which result in ultimate utilization of the human talent [57]. The organization will then be able to counsel the employees to improve on weak areas. This will help all the employees to contribute positively to the attainment of the organization objectives [70].

Reference [64] postulate that when performance measurement policy is smooth it makes a great investment in

employee and the skills necessary to be effective. It is also used for linking training and development, performance planning and a tool to encourage employees to perform to their optimum potential [70]. Reference [43] highlights that the policies establish general procedures for such evaluations and delegates oversight on specific formats and detailed procedures to the line manager of an organization. Research on evaluation utilization has demonstrated that involving stakeholders in development of evaluation efforts leads to a greater likelihood that such efforts will be deemed successful. Commitment to intended use by intended users should be the driving force behind such efforts, and intended users' commitment to use can be enhanced by actively involving them in making significant decisions about the evaluation [52].

Organizations do utilize performance measurement policies that suit their original strategies, therefore performance measurement policies vary from organization to organization [32]. Performance measurement policy is more prevalent in the private sector, but its usage in the public sector is also increasing [32]. There is a need for an effective performance measurement policy in an organization in order to improve employee performance as the current annual appraisal policy found in many firms has shortcomings or may be outdated in the light of new emerging trends. Furthermore, it has the potential capacity to improve employee performance and drive organizational performance. For the employees who have a strong desire to find out how well they are doing, this is the only means they have to obtain feedback [1].

#### 2.2 Dysfunctional measurement systems

The employees' performance appraisal system has been used over the years. According to [71], in some performance appraisal policies, the employee is passive. Therefore, the employee does not have a significant input to the process. They merely receive an evaluation on their performance over the given performance appraisal policy period. However, in general the performance appraisal policy interview is a sensitive interpersonal situation, where the skill of the appraiser and maturity of both parties are keys to whether a successful outcome is reached. [34] state that in practice, there exists emotional tension and defensiveness is the outcome of the interaction of the superior and subordinate in sharing performance appraisal policy information in the feedback interview. Furthermore, this can be a real block to employee development and while this is a potential danger, it does not have to be the case. Reference [68] highlights that managers' ability to perceive subordinates' emotions has an impact on the subordinate's satisfaction with the performance appraisal process.

Some organizations today seem to take measurement to an extreme by measuring too much detail [13]. However, measuring too much can be as dysfunctional as measuring too little. One employee described the situation in her organization in the following way: "We measure everything that moves, but little that matters!" It seems as if every function, every area, and even every team in an organization has its own scorecard, instrument panel, and idiosyncratic measures of success. That means that many organizations can have literally hundreds of different sets of measures. It is a sad fact that much of the measurement data being collected today is never acted upon because organizations don't know what to do with it. For example, one supermarket chain collected 340 million different data points per week, but used only 20% of the data.

The article postulates that the performance measurement literature on African public sector is at the stage of

identifying difficulties and pitfalls to be avoided based on practitioner experience. Literature on public-sector performance management points to problems in the design and management of these systems and questions their effectiveness as policy tools for increasing governmental accountability and performance in African public sectors. It would however be regrettable if we gave up on current performance measurement efforts either because past efforts were often misused and lacked staying power, or because of the risk that such efforts would fail to rise to the methodological rigor of program evaluation. Perhaps even more to the point, Napoleon said, "History is the version of past events that people have decided to agree upon" [8].

Within the evaluation profession, it would be premature to declare that, as a profession, we agree that performance measurement in the African public sector is inherently flawed and limited. Such a consensus at this time would be premature, and would likely keep the evaluation profession away from the table, so to speak, where we can and should be a player. Now is the time for empirical research and dialogue, on "evaltalk", at our national conference, and between evaluation professionals and those seeking to develop and use performance measures. Our expertise in empirical matters and methodologies, data collection and analysis, and accountability dictates that we get involved in national and local performance measurement efforts, and that our voices be heard in a positive and constructive way.

## 3. Proposed New Approaches in Employee Performance Measurement in African Public Sector

Many organizations are scrapping the traditional performance appraisal policy in favour of new performance measurement [10]. Reference [24] highlight that a new approach focuses on coaching and feedback. For the purpose of measuring employee performance in African public sector, different input forms can be used for taking the feedback from the various sources like the supervisor, peers and the employee [27]. Reference [19] posits that measuring the performance of the employees based only on one or same factors can provide inaccurate results and leave a bad impression on the employees as well as the organization. For example, by measuring only the activities in employee's performance, an organization might rate most of its employees as outstanding, even when the organization as a whole might have failed to meet the goals and objectives. Therefore, a balanced set of measures should be used for measuring the performance of the employees [1].

According to [30], employees often find themselves in situations where they must change direction frequently. Therefore, the employee seeks constant feedback to determine whether the direction they are working is what is expected by the organization. Reference [15] contends that the performance measurement policy for employees must be frequent, accurate, specific and timely. Reference [21] suggests that it is becoming increasingly popular for organizations to ask employees to evaluate the performance of their colleagues and it is especially true with the increased focus on the use of teams in the workplace. According to [56], all the perspectives thus received should be combined in the appropriate manner and to get an overall, complete view of the employees' performance. Four categories of the most suitable metrics for the public sector in Africa are proposed: work quality metrics; work quantity metrics; work efficiency and organizational performance metrics.

# 3.1 Work quality – Employee performance metrics

Work quality metrics say something about the quality of the employee's performance. These include: Management by objectives (MBO), 360 degree feedback and 180 degree feedback. Management by objectives (MBO) is a management model aimed at improving performance of an organization by translating organizational goals into specific individual goals [51]. In such a policy the manager and the employee agree upon goals. Goals should be flexible to reflect changing conditions in the economy and workplace and employees should think of their managers as coaches who are there to help them achieve success. These goals often take the form of objectives that are set between the employee and the manager. The employee works towards these goals and reports back to the manager on their progress. These goals can even be given a certain weight (a number of points). Upon successful completion of these goals, points are awarded to the employees. In turn, managers are able to make goals more tangible and make performance reviews more data-driven.

Manufacturing firms all over the world are known to use this method though sometimes it may predispose itself in form of piece-rate evaluation/payment technique. It helps them to be able to balance the output and inputs at any given time. When the input exceeds the output, then there is reason to worry. In the public sector, targets of individuals in line with those followed by the organisations as per their performance contracts (introduced in Kenya in 2008) can be introduced. The employee will then be asked to sign a contract on what they will achieve within a given period. Evaluation will then be done to find out whether there are any discrepancies. In Kenya, Government entities are required to apply this technique amid fierce criticisms and resistance from the employees.

360 degree feedback is another tool to measure employee performance that assesses an employee's score, his peers, subordinates, customers and manager are asked to provide feedback on specific topics. This feedback often represents an accurate and multi-perspective view of an employee's performance, skill level and points of improvement. 180 degree feedback is a simpler version of the 360 degree feedback tool. In the 180 degree feedback system only the employee's direct colleagues and manager provide feedback. The system is therefore often used for workers who do not manage people and/or do not have direct customer contact. Reference [48] states that while there is general agreement that peer evaluation provides a more complete picture of employee performance, the acceptance of peer performance measurement policy by employee is generally low. Reference [21] suggests that peer evaluation may be guided by social comparison processes, but because of the obviously different supervisor-subordinate relationship, supervisor evaluations would likely not follow a social comparison process.

# 3.2 Work quantity employee performance metrics

As quantity is often easier to measure than quality, there are multiple ways to measure this employee performance metric. Reference [2] suggest that number of sales, number of units produced and product defects or errors are particularly easy ways to pinpoint an employee's output. This means that, for example, organized street vendors only steer on the number of sales, because, when given sufficient time, the people with the best skills will sell the most in an hour on the same location. This is an example of an *outcome metric*. However, when sales is more complex (i.e. a longer sales cycle), the number of sales becomes less reliable because lower frequency and randomness/luck will play a larger role in the successful outcome of the sale. Complex sales

cycles, like software solution sales (which can have a sales cycle of up to 1.5 years) are best measured to other metrics. These are so-called the *process metrics*, as they represent the actions one needs to do that increase the chance of a successful sale. For example, the person who calls the most customers has in the end the best shot at making a successful sell. In this case the number of phone calls would be a more reliable metric of long-term sales success. Employee performance metrics like this include: the number of (potential) client contacts one has, the number of phone calls one makes, the number of company visits and the number of active leads.

Reference [2] clearly explain the use of number of defects as a measure of employee performance. They state that it is tricky to measure (production) quality objectively. An approach often seen by more traditional manufacturing industries would be to calculate the number of product defects. Defect, or incorrectly produced products, are an indication of low work quality and should be kept as low as possible. Even though increased standardization of production processes has rendered this metric almost useless, the approach to measuring employee performance can be applied to other areas.

Reference [2] suggest that the number of input errors could act as an alternative to the previously mentioned product defects. The same goes for the number of corrections in written work or the number of bugs in software code. Especially in computer programming, a single error can stop an entire program from working. This can have a major impact on the business, especially for companies who release weekly or monthly new software versions. The conciseness of a piece of code is another important quality factor. If ten lines of code can produce the same computational result as 100 lines of code, the former is an indication of better quality.

Different industries have different ways to express their quantitative output. In traditional manufacturing the number of units produced was often a reliable quantitative metric [2]. In modern (service) organizations, similar metrics are still being used. For example, Bloomberg tracks the number of keys that their 2,400 journalists hit per minute when they are typing on their keyboard. Another way to measure quantitative production is to track the number of lines of code that programmers produce (check for example this Quora question/discussion on "how many lines of code do professional programmers write per hour?").

There are some obvious disadvantages to using a purely quantitative metric of production. Like in the previous example, only when one's output is very simple and straightforward should such an output metric be used. Furthermore in public service, most of the work is services oriented rather than production. The customers therefore may take varying timings depending on the complexity of the problems. Nevertheless this technique should be used in hospital consultation rooms and Government service counters to bring out an element of competition and efficient time utilization among the employees. This will eliminate the long tea and lunch breaks that are common in such organisations.

# 3.3 Work efficiency – employee performance metrics

The difficulty of both qualitative and quantitative employee performance metrics is that they do not say much on their own and there should always be a balance between quantity and quality [31]; indeed, the best employees produce high quality labour. Reference [31] further avers that efficiency considers the resources (e.g. time and

money: quantity) needed to produce a certain output (quality). It is hard to achieve this balance, which is one of the reasons a lot of companies struggle with rating employees and with the performance review practice itself. Companies like Deloitte, GE and Adobe scrapped performance reviews mainly because of this reason. They have stuck with the annual appraisal [17].

In the case of public sector, a system that measures the time taken to serve a customer or to prepare a report may be considered. This kind of measurement will have to be tested over time before a standard service time is set against which all other service providers undertaking similar tasks can be compared. Kenya has attempted to use this technique by preparing a 'service charter'. In this charter some of the items mentioned include waiting time on a telephone line; the time taken during waiting in a queue and at the service counter and response time to a letter or mail. It has been noticed that those public entities that have adopted and followed these new methods have improved their services a great deal amidst the aforementioned limitations.

# 3.4 Organisational level employee performance metrics

Organizations can also use their own employee performance metrics to assess their own competitiveness. Reference [41] illustrates a famous example in the following info-graphic by Expert Market: Revenue per FTE = Total revenue / FTE. This function calculates the revenue per FTE (Full-time equivalent). This metric gives a ball-park estimate of how much an individual employee brings in. Low revenue and many employees give a lower rating than the combination of high revenue and fewer employees. This metric can also be used to benchmark companies. Reference [17] suggests that measures to evaluate handling time, first-call resolution, contact quality is essential and should be considered. Organizations can also use employee performance metrics to assess their own competitiveness (e.g. Revenue per employee). These metrics give a ball-park estimate of how much an individual employee brings in. Low revenue and many employees give a lower rating than the combination of high revenue and fewer employees. This metric can also be used to benchmark companies; measuring performance of insurance and investment firms such as real estate.

# 4. Conclusion, Implications and Recommendations for further research

Reference [5] suggest that measurement has the potential to be a very powerful, highly functional, and extremely positive force in organizations and for their employees. When used well, no other single aspect of management provides greater functionality than performance measurement. But there is a flip side. Unfortunately, when used poorly, not only does it not live up to its positive promise, but performance measurement can be highly dysfunctional. Because measurement is the lens through which most performance is viewed, because it is the most fundamental management system upon which other management systems are based, and because it is the triggering mechanism for most of what happens in organizations, it should be apparent that there is the potential for both unintentional and intentional distortion and manipulations. If your lens is out of focus or focused on the wrong things; if your most fundamental management system is being poorly used and if your triggering mechanism is triggering the wrong actions then bad things are virtually guaranteed to happen to the firm. Managers are looking for an appropriate set of metrics that provides a certain breadth and scope both financial and non-financial measures. This set of metrics addresses employee

performance measurement at different organizational levels, processes and functions. Reference [13] discusses some of the practices that deserve to go down in the measurement "hall of shame."

There is considerable support among those involved in strategic HRM for the notion that how a firm evaluates its workforce affects its performance. This idea is strongly reflected in the high performance human resource management (HPHR) discussion where the effect of HR is assumed to impact positively at the employee level [14,47,58]. Further, the employee performance level in turn is considered to be an important mediator of the relationship between the system and corporate performance or between the system and company production level outcomes [22,40,26]. In terms of explaining this, there is widespread consensus for the idea that the main benefits come from using a coherent bundle or set of HR dimensions or metrics [40,6]. Reference [52] adds that research on evaluation utilization has demonstrated that involving stakeholders in development of evaluation efforts leads to a greater likelihood that such efforts will be deemed successful. Further, commitment to intended use by intended users should be the driving force behind such efforts, and intended users' commitment to use can be enhanced by actively involving them in making significant decisions about the evaluation [52].

Reference [13] suggests that weaknesses of most measurement systems together with the need to base rewards on measurement cause a lot of measurement dysfunction. People tend to do what they are paid to do even if it's the wrong thing. When managers and employees are striving for rewards anything from "employee of the month" to a pay raise or stock options they will often revert to self-serving behaviours, even when they know the behaviours are harming the customer, the company, or both. Even when there is minimal dysfunction, very rarely does measurement with strong incentives lead to healthy outcomes or continuous improvement.

#### 4.1 Implications of employee performance measurement

According to [36], the issues of accuracy and fairness in performance measurement are of research interest. In the field of Human Resources management, performance measurement may be used as a means of measuring employee performance. The purpose of measuring employee performance is not to indicate only where things are not going according to plan but also to identify why things are going well so that steps can be taken to build on success [21]. Leaders are reluctant to change the employee measurement policy because they have deeply invested in the existing measurement system and being rewarded by it, they don't know how, and they are afraid that they might create an even more dangerous monster, "better the devil that you know." Given the examples of policy downside cited, it is no wonder that employees are cynical about measurement and its positive potential, but those who avoid or criticize measurement are really just reacting to the way they have traditionally experienced it. The positive power of measurement remains just an unrealized promise. Most companies still have a long way to go to make measurement both useful and relevant to their employees. It is a challenge, but a worthy one.

Performance reviews can appear to be a waste of time for both employees and managers. Managers struggle to use the process as an effective means of holding poor performers accountable as well as give proper credit to the finest achievers. Those who measure performance well have the advantage of tuning employee development and encouraging employees by helping them understand how their contributions matter to the success of their

organization. Any institution significantly impacted by technology will benefit from having the right talent to leverage technology accelerators for a business advantage. This talent is defined by knowledge skills and abilities which are, at times, measured by certifications or assessments. The performance review and future planning practice is a wonderful opportunity for documenting a dialog between employer and employee regarding the needs of the organization. The goal of the whole process is to enable better business results for the organization and all of its contributors. Anything less makes the time it requires a poor investment.

## 4.2 Limitations and Recommended area of further research

This conceptual paper like many others relied primarily on literature which may be of different contextual nature, thus rendering the discussions limited in their conclusions. Therefore, future empirical research in this area is recommended and it should take the form of longitudinal case studies to track differing paths of development and their effects through time because the need for measuring output, outcomes, and evaluation activities remains an important element in improving government's performance.

#### References

- [1]. B. Kuvaas. "Performance Appraisal Satisfaction and Employee outcomes; mediating and moderating roles of work motivation". International Journal of Human Resources Management 2006, 17(3): 504-522.
- [2]. B. Modarress and A. Ansari. "Production and Inventory". Management Journal; Alexandria, 1989.
- [3]. B. Perrin. "Effective use and misuse of performance measurement", American Journal of Evaluation, 1998. 19(3), 367-379.
- [4]. C. Fletcher and C. Bailey. Assessing Self-awareness: Some Issues and Methods. Journal of Managerial Psychology 2003, 18(5): 395-404.J.
- [5]. C. Homburg et al. "Marketing Performance Measurement Systems: Does Comprehensiveness Really Improve Performance?" Journal of Marketing 2012, **76**(3): 56-77
- [6]. C. Ichniowski, K. Shaw and G. Prennushi. 'The Effects of Human Resources Management Practices on Productivity: A Study of Steel Finishing Lines', The American Economic Review 1997, 87(3): 291– 314.
- [7]. C. Pollitt and G. Bouckaert. "Public management reform": A comparative analysis. Oxford, UK: Oxford University Press, 2000.
- [8]. D. Borenstein. "The Land of Quotes": Paradoxes of public-sector managerialism, old public management and public service bargains 1998: http://www.quoteland.com/quotes/topic/74.html. Date 1-5-2017
- [9]. D. V. Day. Developing leadership talent: A guide to succession planning and leadership development. Alexandria, VA: Society for Human Resource Management Foundation 2007.
- [10]. D. Dessler and R. Gary. Human resources Management. 8th Edition. Harlow: Prentice Hall 2000.
- [11]. Dessler and Gary. Human Resource Management, Tenth Edition, Prentice Hall, 2011.
- [12]. D. Fandray. "The new thinking of performance appraisals". Workforceb 2001, 80(5): 35-44.
- [13]. D. R. Spitzer. "Instructional/performance technology competencies". Nonprofit Management

- Leadership 1988, 27: 11–13. doi: 10.1002/pfi.4170270704
- [14]. E. Appelbaum, T. Bailey, P. Berg and A.L. Kalleberg. "Manufacturing Advantage": Why High Performance Work Systems Pay Off. London: Cornell University Press, 2000.
- [15]. E. Rechter. "Emotional and cognitive reaction to feed forward intervention". Paper presented at the 11th Annual meeting of the society for personality and social psychology. Kansas City: Missouri, 2010.
- [16]. F. L. Leeuw and G. Van Gils. "Performance management in the public sector": An analysis of existing research. The Hague, the Netherlands, 1999:
- [17]. G. David. People Analytics: Create Space Independent Publishing, 2016
- [18]. G.E. Roberts. "Employee performance appraisal system participation": A technique that works. Public Personnel Management 2002, 31(3): 332–372.
- [19]. H. Aguinis. Performance Management. 2nd Edition. Upper Saddle River, NJ: Pearson Prentice Hall 2009.
- [20]. H. Hatry. Tracking the quality of services. Handbook of public administration, Second Edition. J. L. Perry (Ed.), San Francisco, CA: Jossey-Bass Publishers 1996.
- [21]. H. Levinson. "Management by Whose Objectives". Harvard Business Review on Appraising Employee Performance. Harvard Business School Publishing, 2005.
- [22]. Horgan. "High Performance Human Resource Management in Ireland and the Netherlands: Adoption and Effectiveness". Amsterdam: Rozenberg Publishers, 2003.
- [23]. I. Findikci. Human Resources Management. Alpha Edition Publication and Distribution, 2003.
- [24]. I. Wade and R. Ricardo. Corporate performance management. How to build a better organisation through measurement Driven strategic Alignment. Butterworth: Heinemann, 2001.
- [25]. J. Child and R. Mansfield. "Technology, size and organizational structure". Sociology 6 (1972).
- [26]. J.P. MacDuffie. 'Human Resource Bundles and Manufacturing Performance: Organizational Logic and Flexible Production Systems in the World Auto Industry', Industrial and Labor Relations Review, 1995 48: 197–221.
- [27]. J.A. Mello. "Strategic Human Resources Management". 3rd Edition. Mason, Ohio: South Western, 2010.
- [28]. J. R. Schermerhom, G. Hunt and R. N. Osborn. "Managing Organizational Behavior". New York: John & Sons Publishing, 1985
- [29]. J.S. Wholey. Trends in performance measurement: Challenges for evaluators. In E. Chelimsky & W. R. Shadish (Eds.), Evaluation for the 2lst century. Thousand Oaks, CA: Sage Publications, 1997.
- [30]. J. Freeman. "How to improve the effectiveness of performance management and appraisal by overcoming the root cause of the problem". The Human Resources Management Guide Network (2002) [Online]. Available: http://www.hrmguide.com/performance. Dated 17 May 2017.
- [31]. J. Combs, Y. Liu, A. Hall and D. Ketchen. "How much do high-performance work practices matter?" A meta-analysis of their effects on organizational performance. Personnel psychology 2006, 59(3), pp.501-528.
- [32]. J. R. Anderson. "Measuring Human Capital": Performance Appraisal Effectiveness. Paper presented at the Human Resource Track Midwest Academy of Management Conference. Kansas City: Missouri, 2002.

- [33]. K. Moores and S. Yuen. "Management accounting systems and organizational configuration": A life cycle perspective. Accounting, Organizations and Society 2001, 26 (4–5):
- [34]. K. Mackey and G. Johnson. The Strategic Management of Human Resources in New Zealand. Auckland: Irwin/McGraw-Hill, 2000.
- [35]. L. B. Cardinal, S. Sitkin, and C. Long. "Balancing and rebalancing in the creation and evolution of organizational control". Organization Science 2004, 15 (4): 411–431.
- [36]. M. Armstrong. A Handbook of Human Resources Management Practice. 8th Edition. London: Kogan, 2001.
- [37]. M. Armstrong and A. Baron, Performance Management. Science and Education Publishing, 1998.
- [38]. M.M., Fuentes, F.J Montes, and L.M. Fernandez.). "Total Quality Management, Strategic Orientation And Organizational Performance": The Case Of Spanish Companies, Total Quality Management &Business Excellence 2006, 17: 303–323.
- [39]. M. S. Haque. "International Review of Administrative Sciences", SAGE Publications (London, Thousand Oaks, CA and New Delhi Vol. 66 (2000), 599–617; 015342
- [40]. M. A. Huselid. 'The Impact of Human Resource Management Practices on Turnover, Productivity and Corporate Financial Performance', Academy of Management Journal 1995, 38
- [41]. M.E. Van Buren. "A yardstick for knowledge management". Training & development, 1999. 53(5), pp.71-78.
- [42]. M. Kobia and N. Mohammed. "The Kenyan experience with performance contracting". Discussion paper. 28<sup>th</sup> August AAPAM, Annual Roundtable Conference, Arusha, Tanzania, 2006.
- [43]. M. Peiperl. "Getting 360-degree Feedback Right". Harvard Business Review on Appraisal Employee Performance. Harvard Business Publishing. Boston: Allyn & Bacon, 2005.
- [44]. M. Power. "The audit explosion", London: Demos, 1994.
- [45]. M. Power. The audit society. Oxford, UK: Oxford University Press. 1997.
- [46]. M. Power. "The audit society: Second thoughts". International Journal of Auditing, 2000.
- [47]. R. Batt. 'Managing Customer Services: Human Resource Practices, Quit Rates and Sales Growth', Academy of Management Journal, 45(3) (2002): 587–97.
- [48]. N. Hunt. "Conducting Staff Appraisals": How to set up a Review System that will ensure fair and effective appraisal and improve individual performance and organizational results. How to Books, 5th Edition. Oxford: Jordan Hill, 2005.
- [49]. Organization for Economic Cooperation and Development (OECD) and Statistics Canada Literacy in the Information Age: "Final Report of the International Adult Literacy Survey". Paris: OECD, 2000.
- [50]. P. M. Senge. "The art and practice of the learning organization." The new paradigm in business: Emerging strategies for leadership and organizational change. New York: Currency Doubleday. 1990, 126-138.
- [51]. P. Drunker. The Practice of Management, 1st ed. New York,: Harper 1954, R. A. Baron. Cognitive mechanisms in entrepreneurship: Why and when enterpreneurs think differently than other people. Journal of Business venturing 1998, 13 (4), 275-294Q.
- [52]. M. Patton. Utilization Focused Evaluation: The New Century Text (3rdEd.) London: Sage Publications, 1997.

- [53]. R.C. Grote and D. Grote. The performance appraisal question and answer book: A survival guide for managers. New York: Broadway 2002.
- [54]. R. Kaplan and Norton. "Strategic Performance Measurement and Management in Nonprofit Organizations". Nonprofit Management and Leadership 2001, Vol 11, N3 PP: 353-370.
- [55]. R. Nelson and S. Winter. An Evolutionary Theory of Economic Change. Cambridge, MA:Harvard University Press, 1982.
- [56]. Ridley and Simon. Measuring Municipal Activities: A Survey of Suggested Criteria for Appraising Administration. Sage Publications 1938.
- [57]. R. Rudman. "Human Resources Management in New Zealand". Auckland: Pearson Education New Zealand Limited, 2003.
- [58]. R.S. Schuler and S.E. Jackson. "Linking Competitive Strategies with Human Resource Management Practices", Academy of Management Executive, 1987 1(3): 207–19.
- [59]. R. Simons. "Levers of Control": How Managers Use Innovative Control Systems to Drive Strategic Renewal. Boston, MA: Harvard University Press, 1994.
- [60]. R. Slater and J. Welch "The New GE": How Jack Welch Revived an American Institution. Business One Irwin, 1993.
- [61]. R. Stone. Human Resources Management. 4th Edition. Brisbane: Wiley, 2002.
- [62]. T. Sandino. "Introducing the First Management Control Systems": Evidence from the Retail Sector, University of Southern California, 2006
- [63]. T. Argon. Human Resource Management, Ankara: Nobel Mc Graw-Hill 2004.
- [64]. T. Bond and C. Fox. Applying the Rasch Model: Fundamental Measurement in Human Sciences. 2nd Edition. New Jersey: Lawrence Album Associates 2007.
- [65]. T. Calik. Performance Management: Principles Concepts Definitions. Ankara: Daylight Publishing 2003.
- [66]. T. Davila. "An exploratory study on the emergence of management control systems: Formalizing human resources in small growing firms". Accounting, Organizations and Society 30 (2005).
- [67]. T. Davila and G. Foster. "Early-stage startup companies": The role of management accounting in the evolving portfolio of management control systems. Working paper, Stanford University, 2005.
- [68]. S. Fineman. "On being positive: Concerns and counterpoints". Academy of Management Review 2006, 31(2): 230-310.
- [69]. S. Langley et al. "Contact centre performance: In pursuit of first call resolution". Management Dynamics: Journal of the Southern African Institute for Management Scientists (2006), 15(4), pp.17-28.
- [70]. S. Mani. "Forthcoming. Government, Innovation and Technology Policy", An International Comparative Analysis. Cheltenham: Edward Elga, 2002.
- [71]. W. Mondy and R. Noe. Human Resources Management. 10th Edition. Harlow: Prentice Hall 2008.