

Comparative Literature Review of Performance Management in Public Sector and Performance Appraisal Practices in Civil Bureaucracy of Various Countries

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Abstract

The concept of performance management has come a long way from just measuring the past performance of the employees to a more novel approach of improving the potential and future performance of employees and groups by integrating the management mechanisms into the plain evaluation exercise. As an increasing number of private enterprises found ways to put performance management to good use, it started grabbing the attention of public organizations as well. Advanced management techniques including strategic decision making, developing effective performance measurement tools, devising ways to monitor and reward performance, and customer-driven behaviors across organization have become more and more visible in the public sector enterprises in the last decade. The positive outcomes of such techniques have shown to be of significant importance especially in the introduction of administrative reforms in many countries across the globe. This paper discusses various performance measurement practices prevalent in the bureaucracies of various countries in order to get a stock of variety of techniques used in this discipline.

Keywords: *Performance Appraisal, Civil Bureaucracy, Fairness Perceptions, Performance Measurement, Public Sector Performance*

1. Introduction

More often than not, the most researched aspect of any performance management system is the measurement of performance. The objectivity of this activity can decide for

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the largest part whether or not a performance management system will deliver the intended results. This study identifies performance measurement / performance appraisal process as the most decisive factor in designing of a performance management framework that can work in a particular cultural and political setting and more importantly, in the context of public sector organizations.

The systems of public administration vary from country to country. However, the public sector organizations are the main bodies through which the governments manage the business of the state. The spine of the public administration in any country is the civil services. It lies in the center of a government's administrative setup. The major responsibility of the civil services is policy conception and formulation, program and project execution by means of departments and agencies. They are also responsible for the coordination of these agencies which includes semi-autonomous institutes.

It is for the same reasons that in public sector, accountability becomes more critical than the mere rating of performance measures. Performance appraisals make the accountability of individuals possible. Whether the government opts for 'rowing' or 'steering' the bureaucrats, they use performance appraisals to do so.

2. Literature Review

2.1. Performance Management in Public Sector

The very foundation of individual performance appraisals lie in the control philosophy of Weber and Taylor. The control philosophy is weaved into the assumption that any work can be divided scientifically into distinct, quantifiable and measurable steps. Finer (1941) propose the same control philosophy as 'making the managers manage'. This approach requires that at all levels, managers are provided with consistent and elaborated descriptions against all criteria of performance (Behn, 2001). This, when applied in the complex setup of a bureaucracy, becomes an intricate system with excessively detailed rules, plans and timelines.

In the context of public management, however, there has been much hype of New Public Management (NPM) that calls for the accountability of individual public managers regarding the outcomes of their performances. Hood (1991) outlines seven doctrines of NPM. 1) Firsthand professional management, 2) Focus on discrete and well-defined performance measures, 3) Emphasis on the results, not on the procedures, to ensure the quality of outputs and outcomes, 4) Breaking down of larger and more complicated units in the public entities to smaller and more manageable units to improve efficiency, 5) Using contracts and tenders to increase competition within public organizations, 6) Incorporating systems and tools from the private sector into the public sector to enhance performance, 7) Using resources with increased frugality and discipline.

These values of NPM demand greater focus on devolution, consumerism, and market orientation (Christensen & Læg Reid, 2005). The ideal result of adopting these values is a government that is both efficient and accountable (Minogue, 1988). Many developing countries adopted the rules of NPM during the 80's and the 90's to introduce radical administrative reforms in their public service (Hughes, 1998). This foreboding usually falls flat on account of lack of focus on the individual performance appraisals in managing the performance of the organization. This is a gap that needs to be bridged in order to harmonize the overall systems of the public organizations.

While there are many commonalities between performance appraisals and organizational performance management systems, the most critical is the challenge of implementation. Another challenge is that of conflict of interests and multiplicity of goals. Performance management focuses on the goals of the government-run programs and projects that aim to excel in terms of equity, effectiveness, efficiency and fair allocation of resources. This requires development of measures that address all these goals in a way that none of the primary objectives are compromised (Caiden, 2006). In a contrasting analysis, one can find that the performance appraisals are not designed keeping in view the same broader perspectives. They are rather used for more basic decision making regarding promotions, discipline or transfers. In the very heart of performance appraisal lies the focus on professional development of the public managers that conflicts with the documentation

of weaknesses in the performance of the employees or the differences in the individual performance (Daley, 2006).

In the civil services of any country, performance appraisals are a part of regular administrative cycles. Many studies show that the activity of performance appraisals is more often than not rendered futile because of lack of interest in both supervisors and employees. This lack of interest is explained by many factors in the context of civil services. While the supervisors do not feel motivated to evaluate the performance of their subordinates, the employees do not want to be evaluated either (Kellough & Lu, 1993; Berman et. al., 2015; Jin et. al., 2016)

As a result of these issues, most of the times, the performance appraisals have no impact on the working conditions of the employees. Ingrained in the civil services are the problems of life-long employments, preferences given on the bases of seniority, mechanical transfers and promotions put a huge question mark on the utility of performance appraisals (Rouse, 1993).

Studies conducted in different developed countries conclude that most of the problems occur because of the instrument of performance appraisal that has gone through so much change and consequently criticism. With the infinitude of performance measures, the performance appraisals produce highly subjective results. The internal inconsistencies of the systems also lead to supervisors giving high ratings to avoid internal conflicts (World Bank Evaluation Group Report, 2008). Despite of these issues, the tool of performance appraisal has gone through significant and evolutionary changes in many developed countries where they are being progressively related to implications for the personnel.

These implications include performance-based pay and rewards, career progression, individual development, promotions and in some countries job security as well. However, positive results can only be achieved by not only improvising the instrument of performance appraisal but by bringing necessary changes in the entire

systems that interact with the performance management of employees (Manning et al., 2000).

As pretext for any performance appraisal to take place effectively, it is important that there exists a certain level of discretion in the top management to help with the development of proper performance measures and their definition (Friedrich, 1940; Romzek & Dubnick, 1987). With the new found focus on the use of performance appraisals as the means to affect the overall performance of a government organization, the developed countries have been borrowing more and more concepts from the private sector to make it work better in the context of public sector. In many developed countries, the government organizations are developing systems where employees participate in the identification and definition of appropriate performance measures. In some instances, employees are asked to corroborate the performance criteria that are outlined for their jobs. Some other systems ask the employees to work together with their supervisors to chalk out their developmental goals and plans. All these mechanisms rely on the deft judgment of the government employees and their cooperation towards the common goal of improved performance of both individuals and organizations (Kauffmann et al., 2002).

In developing countries, on the other hand, the motive behind implementing performance measurement systems are rather external than internal. The last decade has witnessed an increase in the adoption of the norms of New Public Management (NPM) that seems logical and consistent with the advent of globalization and popular concepts like ‘Good Governance’.

2.2. Performance Appraisal Practices in Developing Countries’ Civil Services

There is a wide array of different styles of performance appraisal practices in the developing countries; from very formal and systemized as in Singapore where the performance appraisal is a participatory activity with its focus divided between the work performance of the employees and their career development (Vallance, 1999), to very informal and relaxed as in Thailand where major managerial decisions regarding pay increase or promotions are made without being based on any formal performance appraisal

method (Snape et al., 1998). In some countries, the performance appraisal is carried out twice a year, for example, in Maldives, the assigned targets of the employees are assessed in the mid-year to ensure that the performance is on track and then a final appraisal is done at the year end to assess the overall performance of the employee (Faizal, 2005).

Furthermore, studies conducted in the African countries have produced intriguing results, bringing to light the very critical component of culture. While Tanzania has been able to eradicate the previously existing socialists' system of corruption and to make meritocracy popular (Debra, 2007), unionization in Mauritania has resisted any attempt to implement formal performance appraisal practices and continue to make their managerial decisions based on the seniority of the employees (Ramguttty-Wong & Dusoye, 2007).

The Asian countries felt the pressing need to reform their governments after the financial crisis of the late 90's. The performance appraisal methods that took roots in the West found a way to impregnate this side of the globe under the cover of globalization and NPM. Turner (2002) suggests that in Asia, the countries can be categorized according to what they choose from the 'NPM' menu. There are some countries that are more eager than others in exploring different items introduced by NPM. One such country is Malaysia, which has successfully introduced results-oriented management after implementing Modified Budgeting System in 1990. Indonesia has benchmarked the performance management system of the US. The less developed Asian countries like Cambodia and Mongolia have been advancing in the same direction. This has led to the surfacing of a trend in Asia otherwise known as 'Institutional Isomorphism' (DiMaggio & Powell, 1983).

2.3. Administrative reforms in Asian countries

International bodies and donors like World Bank and IMF have been urging the less developed Asian countries to discard their old ways of public administration and replace them with more market-oriented and efficient management systems. This can be better understood with the 'push-pull' structure. The 'push' end represents these international funding agencies trying to get countries to change the way they run their governments and public institutions. The 'pull' end represents the fact that the leaders of

these countries get to choose from a list of possible reforms to keep the pace of the change in their own hands. This push-pull strategy has led to many countries experimenting with different combinations of reforms to ensure that the funding agencies are satisfied with their intentions of reforming their governments to be run more effectively and efficiently (Turner, 2002).

It was during the course of the late 80's when the need to introduce administrative reforms became more pressing than ever in the Asian countries. There had been different trends in the same stream that swept this part of the world many times over. NPM was preceded by Total Quality Management (TQM) and the 'Customer Charter' in the 90's. It was a general belief among the political leaders of Asian countries that the administrative reforms will not only result in more productive public organizations but will also restore the public's faith in the public servants once again (Bidhya, 2000).

2.3.1. India

India, having inherited the same infrastructure of civil services as Pakistan has been trying to introduce reforms to enhance the performance of its public institutions but has failed to do so. There have only been petty changes in the recruitment, performance evaluation and retention of the civil servants. Over time, different reform attempts have asked for the otherwise 'confidential' process of performance appraisal to be more 'open' and participatory (Bhattachariya, 2005).

2.3.2. China

Chinese civil services have both experimented and delivered results since the early 90's when their local governments started exploring different components of performance management. These experiments refined over time and in 1995 were introduced as 'Objective Responsibility System' or ORS. In this hierarchical system, the higher management sets targets and objectives for the lower management and devises both formal and informal techniques to hold them accountable against the performance standards. This system of increasingly quantifiable performance measures is now extensively practiced in China in different tiers of government organizations. Although ORS is designed to reward

performance by linking pay and promotions to the performance of the civil servants, the prevalent corruption in the system keeps the system from extracting advantages of the incentives approach (Tang, 2009).

2.3.3. Pakistan

Pakistan, having inherited its bureaucracy from the British, could have immensely benefited from the fact that it was adequately organized and very well structured. However, this came with the cost of a 'colonial-contemporary lag (Nishtar, 2010). The colonial system has had irrefutable impact on the civil services of Pakistan. The colonial way of doing things included impeccable control systems where at the district levels a single person was in charge of collecting revenues, carrying out justice, administering the day-to-day chores, delivering public services and dispensing lands. The same concept of unbridled power existed at the secretarial and departmental levels as well. This strategy of absolute control was aimed to making the citizens subordinate (Burki, 1968).

Today, however, the demands of the governance have changed because of both internal and external pressures. Now, the governments work in a democratic setup where they cannot just 'rule', they have to effectively 'govern'. This demands from the governments to diversify and build their capacity of working with the private sector in the areas that were previously known to be in the public domain only. In Pakistan, the quick changes in the governments hinder any sincere attempts of bringing reform in the public administration. Experiments with the devolution of power and introduction of local governments failed as well and the current situations do not provide for any hope of restructuring and reforming either (Khan & Wazir, 2011).

Furthermore, one of the most important areas where Pakistani governments have been unable to achieve any benefits is that of public-private partnership. While many neighboring countries have successfully implemented reforms that bring the two sectors together and help one learn from the other, Pakistan's public sector remains stuck on remote methods of running their organizations. It appears as if there is no effort made in the vein of bringing contemporary private sector management practices to use in the public sector where it might bring positive results (Lodhi, 2011).

2.4. Misinterpretation of the HRM concept

Another issue that keeps resurfacing is the misinterpretation of the concept of Human Resource Management in the public sector. It seems as if the term is used to represent a few managerial chores like creation of jobs, promotion and posting of personnel and disciplinary actions. This has resulted in a very resistant environment that does not support a culture of performance management and measurement. The current system does not link performance to rewards and incentives and is generally looked upon as a futile activity to keep performance records that are meaningless. Overly centralized approach makes it difficult to devise a framework where performance related pay and incentives can be introduced (Cheema et al., 2004). A drawback of this is that at the higher management levels, where the nature of the job is strategic, another burden regarding operational decision making is also added, making the processes cumbersome and confusing leading to huge amounts of time and resources wasted in everyday decision making. The final outcome is an inefficient system where everybody is doing everything yet nothing ever gets done.

2.5. Effect of administrative reforms

Finally, there is the huge problem of institutionalized exploitation of power and resources. There have been many administrative reforms that have been introduced with the hidden agenda of weakening the system and making it open to manipulation in the hands of both politicians and civil servants (Hussain, 2014). As one of the International Crisis Group report states, the bogus reforms have only made the bureaucracy weak by challenging the previously held notion of a system impenetrable for the politicians to influence. Some of those reforms ensured a safe path for military presence in the bureaucracy and still others simply eradicated any last remnants of honesty and responsibility in the civil service. Overall, different governments used the administrative reforms aimed at the restructuring of the system to increase their power bases within and outside the administration. This has resulted in a culture where civil servants can easily be influenced and played according to their political affiliations and connections in the government. Civil servants have been responding to this situation in a number of ways.

Some believe in delivering their part and providing services to the public irrespective of what the system presents them with. Then there are those that are pressured into 'going with the flow' by their superiors and peers. This lot is more likely to hold back on decisions because of their conflicts with the scheme of things, resulting in unnecessary lags. Another group that seems to have become more popular comprise of those who would rather please their superiors to win their favors in pursuing their career than serve the public. All this has led to a system that is full of inconsistencies in terms of ethics, rules and laws (ICG Report, 2010).

2.5.1. Administrative reforms in Pakistan

Pakistan's bureaucracy has been tainted with political interferences, institutionalized malpractices, ethical crisis and exploitation from both within and outside its ranks. All this has aided in institutionalizing inefficiencies and administrative malpractices. This also presents the main reason why administrators might not be motivated to introduce more effective accountability and performance management reforms. The inherent dichotomy of the scheme of affairs presents as the biggest challenge in bringing change in the bureaucracy of Pakistan and should be the starting point to address the challenges in implementing pro-accountability reforms (GoP, 2001).

However, with time, there should have been modifications in the civil services systems to cope with the issues stated above and also the ones related to policy making, execution, decision making, and political ties. The lack of such reforms has directly resulted in a general perception of inefficiency and incompetency of Pakistan Civil Services (Jadoon and Jabeen, 2013).

3. Conclusion

In countries around the globe where there was a lack of drive in the civil services to perform to optimum levels, NPM has provided with both the logical and subjective background for the performance appraisals to work as individual and organizational developmental tool. This is mainly because of NPM's focus on the results rather than the rules and procedures (Hughes, 1998). NPM points out to the possibility of individual accountability by emphasizing on developing distinct and measurable performance targets

for all individuals. Therefore, in the countries where NPM has had its effects, the civil servants are now required to achieve targets at both individual and organizational levels. This asks for the performance appraisals to focus largely on what a civil servant has accomplished overall with their performance (Hope, 2002). Ideally, a system of performance appraisal that is working under the rules of NPM is linked with the incentives, promotions and career developments of the civil services in order to deliver best results.

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