

# REFORM IMPLEMENTATION AND ORGANIZATIONAL PERFORMANCE MANAGEMENT: CHALLENGE FOR BUILDING EFFECTIVE INSTITUTION

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## ABSTRACT

*Performance management is a key aspect of public administration and management but, research on the determinants of successful implementation of result oriented performance management is in its infancy. On the basis of data collected from 184 survey respondents and document review, this research examines how implementations of reform tools influence performance management system. It analyzes the extent of the practices of the result oriented performance management and the level of implementation of BPR, BSC, citizen charter and change army and tests the association between the implementation of the reform tools and institutionalization of result oriented performance management, with particular reference to the public sector organizations in Ethiopia. The Ethiopian experience shows public organizations have gap in implementing reforms. Moreover the study reveals the implementation of BPR and BSC significantly predict the extent to which performance management is result oriented, while citizen charter and change army were not statistically significant to predict practice of result orientated performance management.*

**Key Words: BPR, BSC, Citizen Charter, Reform tools, Performance Management, result oriented performance management**

## 1. INTRODUCTION

Results suggest that PMS affects strategy development processes by influencing both employee relational and calculative trust in their superiors (Lewandowski & Cirella, 2023). A research by Bauwens, Audenaert & Decramer, 2023) suggest that performance management practices such as planning, feedback and evaluation contribute to unlock potential for innovation. Performance management is a key aspect of public administration and management (Muriu, 2017), therefore, it is practically useful to explore how organizations carry out its components such as

goals setting, and performance measuring, and use performance information in decision making (Hodgkinson et al., 2017).

A meta-review of public sector performance management research by Van Helden and Reichard (2013) identifies the limitation of the consistency of evidence of the contingency variables on performance measurement and suggests further investigation on performance management to illustrate evidence on the determinants of performance measurement design and use. In broader sense, a study by Amnions et al. (2013) reveals, research on the determinants of successful implementation, adoption and use of performance management is in its infancy. Thus, it is worthwhile to bring to the research agenda the study of determinants of performance management.

As part of efforts to introduce result oriented performance management, Ethiopia implemented a wide range of reforms (Meskerem et. al., 2019). However there is no adequate study on the changes occurred in performance management system following the adoption and implementation of the reform tools. Gomes and Liddle (2009) witnessed that despite widespread adoption of change tools in developing countries, little empirical evidence had been reported about their application in the literature. Moreover, the existing studies on result oriented performance management predominantly concentrate on the Western Developed regions. For instance, 519 research reports reviewed by Pollitt and Dan (2013) were from developed countries, whereas, the contexts of developed countries differ from the context of developing countries. One of the contextual differences is that, in developing countries performance oriented reforms have had a shorter life span and mostly adopted (sometimes involuntarily) as part of conditions for accessing development aid (Muriu, 2017). Study of experiences in specific contexts is vital to develop theory, improve practice, and support training in the emerging field of result oriented performance management (Wholey, 1999).

The experience of Ethiopia is appropriate to examine the link between public sector reforms and result oriented performance management, because Ethiopia has initiated a package of reform tools associated with performance management. The country introduced Business Process Reengineering (BPR) in 2005 with intention of achieving radical change in public service delivery. Since 2008, Ethiopian government has placed emphasis on the measurement of performance using the BSC tool, which has been used as a planning and communication tool and used to embed strategic management principles into the public sector (Tadesse, 2019). In pursuit to formalize the service standards developed in the BPR design process, the Citizen's Charter was found important instrument by the government (Adebabay, 2008). While all these change tools were under implementation, government further pushed public organization to adopt Change Army (Adebabay, 2011), which involves performance review by small work group. After adoption of all these reforms, results achieved remain doubtful (Girmaw, 2017). Taking the

Ethiopian context is therefore an added advantage to investigate the influences of reforms on the performance management system.

The foregoing discussion reveals, research on the determinants of successful implementation of result oriented performance management is in its infancy; and performance management literature largely lack context of developing countries. Therefore, it is worthwhile to validate the link between implementation of reform and result orientated performance management taking case from developing countries. This research aimed at analysis of how implementations of reform tools assist institutionalization of result oriented performance management system in countries where public sector organizations adopted a range of reform tools. The specific objectives of the study are:

- 1) To explain the extent to which organizational performance management system of the public sector is result oriented;
- 2) To assess the level of implementation of BPR, BSC, Citizens charter and Change army in the public sector; and
- 3) To examine the relation between implementation of the reform tools and institutionalization of result oriented performance management system.

BPR, BSC, Citizens' charter and Change army are reform tools implemented across government organizations and their purposes are associated with improving performance management. For instance, the management and measurement aspect of BPR requires setting service standard, establishing challenging goals, measuring performance and instituting result based rewards and accountability. BSC program involves performance goal setting, performance measurement and reporting to account for results. Change Army program undergoes performance review and the Citizens' charter aims to promote accountability in service delivery. These reform tools entail essential elements of result oriented performance management and their successful implementations are foundation for establishing the result oriented performance management system.

## **2. NEW PUBLIC MANAGEMENT AND RESULT ORIENTED PERFORMANCE MANAGEMENT**

In the pursuit of higher performance and in response to continued pressure for enhanced public service delivery, governments around the globe have experimented with a large array of management reforms (Walker & Boyne, 2006). A plethora of private sector style performance indicators, performance measures, and performance management techniques were adopted by public organizations (Johnston et al., 2002). Among these management techniques, BSC, Performance Prism, Lean Thinking, Six Sigma, BPR, Kaizen and Total Quality Management, as well as blended approaches such as Lean Six Sigma" have been widely adopted (Hodgkinson et al., 2017). The 'New Public Management' (NPM) is emerged as

renowned terms in public administration to refer to the adoption of such private sector's management styles in the public sector. Along the global trend of changing public administration, Ethiopia has introduced a range of public sector reforms. The Government of Ethiopia consecutively launched management techniques that include but not limited to BPR, BSC, Citizens Charter, kaizen and Change army (Tadesse, 2019). Among others, BPR and BSC have been adopted with desire to introduce the result oriented performance management system in the public sector; while the citizens' charter and Change army also have potential to contribute for improvement of performance management. The impacts of the adoption of these reform tools depend on effectiveness of the implementation.

Result oriented performance management is a subset of the wider NPM doctrine, which is a kind of performance management that characterized by clear goals, with results measured against these goals, decentralization of authority to operating levels, flexibility in using resources, controls focus on outputs and outcomes rather than on inputs and procedures and the accountability for the use of resources and the results produced (Ingraham & Moynihan, 2001). The result oriented performance management approach set performance standard, measure actual performance and links performance with pay and accountability.

Rendering to the ideas common to NPM, the results will be achieved when: managers have clear goals, with results measured against these goals; managers are given flexibility in using resources; operational authority is devolved from central agencies and agency headquarters to operating levels and units; government decisions and controls focus on outputs and outcomes rather than on inputs and procedures and managers are held accountable for the use of resources and the results produced (Moynihan, 2006). The theory of result oriented performance management assumes that managers can be given clearly understood tasks, performance targets to achieve and be held accountable for the use of resources to achieve those tasks. To put result oriented performance management in to practice organizations pass through two stages process of adoption and implementation. According to Holzer et al. (2019), "adoption" represents the development of measures of outputs, outcomes and efficiency, while "implementation" refers to the actual use of performance measure for strategic planning, resources allocation, program management, monitoring, evaluation, and reporting to internal management, elected officials, and citizens and the media.

The steps in performance management process may vary from one organization to another; but, certain core activities from the highest level of the organization down to the individual are common in most programs (Yitbarek, 2017). A common Performance management model comprises setting performance targets that meet the agreed up on performance standards, measuring actual performance using performance indicators and using performance measurement information for decision making. The literature documented these three activities constitute



performance management. For instance, Lee and Kim (2007) defines performance management as a concept that comprises goal setting, performance measurement and using measurement information for decision making. Likewise, a performance management model used by Sutheewasinnon et al. (2016) indicates that Performance Agreement Framework of Thailand consists of same components: setting of objectives for government agencies, measurement of results obtained against these objectives and financial rewards for achieving these objectives.

A public sector reform is among the major environmental factors that can alter the institutional system within which performance management is conducted. In fact, performance related reforms are likely to continue into the foreseeable future, because performance management reforms appeal to managers, politicians, citizens as well as development partners (Yang & Hsieh, 2007; Muriu, 2017). Public Sector Reform is defined as strategic and intentional structural or managerial change to the internal administration of public organizations aimed at improving performance (Williams & Yecaló-Teclé, 2019).

### **3. RESEARCH METHODS**

This research follows a pragmatic view and quantitative driven mixed method research approach. It used together archival and perceptual data. Using data obtained from such diverse sources reduces the subjectivity and bias in one data set (Walker & Boyne, 2006). Creswell and Creswell (2017) also indicates the combination of the two approaches provides a comprehensive understanding of the problem compared to using either quantitative alone or qualitative alone.

The primary data was collected from civil service commission/bureau of the Federal government of Ethiopia, the regional state government of Oromia, the city government of Addis Ababa, and the regional state government of Afar. The organizations were selected because of their mandate in supervising reform implementation and performance management. In order to overcome the chance of occurring of sample bias in surveying informants from only one organizational level, the study included employees at the rank of senior experts, team leaders and directors. From these groups, a total of 184 useful questionnaires were collected. Pilot test was conducted and the reliability test shows  $\alpha > 0.7$ . The content validity was evaluated by panel of expertise to ensure that the instrument includes the important dimensions and excludes irrelevant elements.

Factor analysis was performed to provide evidence on whether a certain set of items together likely measure a predefined constructs that combined the scores on several items. As indicated in Kootstra (2004) and Field (2009), factor analysis offers not only the possibility of gaining a clear view of the data but also the possibility of using the output in subsequent analyses. Straub, Boudreau, and Gefen (2004) recommend running exploratory factor analysis separately for each set of items posited to reflect a given theoretical construct. Thus, the current research ran

separate exploratory factor analyses for result-oriented performance management, and for four reform implementation tools.

Based on the literature review, five major dimensions of result-oriented performance management were identified; these include the characteristics of goals, decentralization of authority to the operating level, the orientation of performance measure, performance-based reward, and performance-based accountability. To measure these dimensions of the concept, initially, twenty-four statements were designed. The initial factor analysis led to exclusion of three survey items. After exclusion of inconsistent variables, factor analysis was run again with twenty-one survey items, which extracted four separate factors. Therefore, the Factor Analysis provides evidence to suggest that the twenty-one item measure of result-oriented performance management is in fact measuring four factors separately; namely: orientation of performance measures, performance-based reward and accountability, goal characteristics, and decentralization of authority to operating level.

Literature documents that the organizations that implement management and measurement aspects of BPR set performance standards and evaluate organizational performance. Initially, 13 statements were designed, but one item was excluded due to low factor loadings. After the exclusion of inconsistent variables, factor analysis was run again with twelve-item survey. The Eigenvalue table shows the Factor Analysis on a 12-item measure extracted two components having the highest coefficient and therefore strongest relationship with the factor. Computing a Factor Analysis on a twelve-item measure extracted two separate factors, which provide evidence to suggest that the twelve-item measure of BPR Implementation is in fact measuring performance standard setting in redesigned organizations and evaluation of organizational performance in redesigned organizations. Likewise, the implementation of BSC is one of the concepts that this research intended to measure initially using 13 statements. Among the thirteen variables, two variables had low factor loadings. Therefore, these two variables were excluded and the factor analysis was repeated with the remaining eleven survey items, which extracted two components having a coefficient greater than 1 and therefore strongest relationship with the factor. The pattern matrix shows, that from 11 variables designed to measure the implementation of BSC, the first factor that consists of seven items was named as Use of BSC as a performance management tool, and the second factor consisting of four items was named as BSC Integration.

Implementation of citizens' charter in the public organizations was supposed to influence the extent to which the organizations practiced result-oriented performance management. The Factor Analysis on a five-item designed to measure it extracted one factor. Factor loadings ranged from 0.793 to 0.890. Since the factor loading greater than 0.5 is practically significant (Hair et al., 2019), it can be seen that the Factor Analysis provides evidence to suggest that the five-item measure is in

fact measuring the implementation of the Citizen's Charter in the public organizations. Similarly, to measure the Implementation of change army as a concept, seven statements were designed. The Factor Analysis provides evidence to suggest that the seven-item measure is in fact measuring the implementation of a change army. Factor analysis also provides evidence of construct validity, as the factor loading of greater than 0.5 indicates the existence of convergent validity. Factor analysis explored the relationships between survey items and the underlying construct and identified variables that are not adequately represented in the underlying construct.

This study applied descriptive statistics to describe the attributes and characteristics of a system of performance management in the public sector. Furthermore, the hypothesized relationship between reform implementations and the result oriented performance management was tested using regression analysis. Content-analysis of secondary sources was triangulated with questionnaire data. Ethical issues are thoroughly considered on the basis of guidelines forwarded in (Creswell & Creswell, 2017). The purpose of the study was disclosed to survey participants, their views were interpreted with in its context, and the privacy and anonymity of participants were respected.

#### **4. IMPLEMENTATION OF REFORM TOOLS AND INSTITUTIONALIZATION OF RESULT ORIENTED PERFORMANCE MANAGEMENT**

##### **4.1 Result Oriented Performance Management in Practice**

In line with the definition of result oriented performance management, this section assesses characteristics of performance goals, characteristics of performance measures, level of decentralization and the extent of performance information use. The result of these assessments lead to map out the extent to which the public sector organizations practice result oriented performance management.

In result oriented performance management, performance goals are clear to understand, reasonably measurable, achievable, be quantitative and stated in terms of results. The extent to which organizational goals in the public sector meet these characteristics was determined by survey items that respondents rated with five-point scale measurement. The overwhelmingly positive rating reveals that public sector organizations set clear goals and communicate organizational goals to their employees. Likewise, the responses in rating measurability of goals pinpoint that organizations' goals were measurable and quantifiable. The assessment of how performance goals are stated in organizational plans verifies that, in

Like the characteristics of goals, the types of performance measures also provide signals on the orientation of performance management system. Thus, the extent to which public sector organizations use different types of performance indicators were rated and the comparison of different measures is used to infer the extent to which organizational performance management was result oriented. The survey

data shows the mean values of the use of each performance indicator falls between 2.89 to 3.07 ranges; which tells us that organizations use all the types of performance measures to varying levels. The comparison of mean values specifies that the level of services provided was the most often used type of performance indicator with the highest mean value of 3.09. The level of service provided is an output measure, hence, output measure was the most often used performance measure in the public sector organizations. The next highest mean were 3.07 and 3.0 which corresponds to achievement of intended result and efficiency respectively. While the achievement of the intended result is outcome measure, efficiency is a combination of inputs and outputs measures. The combined mean of outcome measures (customer satisfaction, goal achievement, distributional equity and service quality) was 2.98. The least used of all types of performance indicator next to quality measure were input measures (mean 2.95) and process measure or compliance with work procedures (mean 2.94).

Performance measurement is meaningful where the performance information obtained from the measurement process is used for decision making in developing organizational plan, budgeting, adopting new approach or changing work process and identifying performance problems to be addressed. Performance information is also useful for taking corrective action to solve low performance problem, to revise existing performance standards and goals, and for refining performance measures. In a result oriented performance management system, rewards and accountability are performance based, for which performance information is vital. In Ethiopia however, public organizations have low culture of documenting and using performance information, particularly for decisions related to reward and accountability as shown by the mean values 1.95 for performance based reward and 2.23 for performance based accountability. The use of performance information for other decisions was moderate; as shown by mean 3.02 and SD 0.89.

The level of decentralization of authority to the operating units in the organizational hierarchy is another indicator of result oriented performance management. Decentralization of authority to the operating level allows greater participation of employees in goal setting and in negotiation of performance targets. According to the principles of result oriented performance management, managers are given adequate autonomy in using resources and endowed with adequate decision making authority, while correspondingly organizational goals are communicated to ensure responsibility for results. Beside this, control on inputs is relaxed while control on results is increased in result oriented performance management. Four elements of decentralization were assessed, from which this study make infer the working of result oriented performance management in the public sector in Ethiopia. These aspects of decentralization were flexibility of managers in using resources, adequacy of decision making authority of operating units, comparison of control on result and on activities and the level to which management takes responsibility for clearly established performance results. The

mean values of the four dimensions of decentralization were less than 3, evidencing for the deficiency of decentralization.

#### **4.2. Implementation of Business Process Reengineering**

BPR is a management technique that attempts to bring significant improvements in performance through radical redesign of business processes. For instance, the rationale for adoption of BPR in Ethiopia was to improve service delivery performance; through redesigning organizational structure, work process and staffing. Though BPR influences organization structure, work process, staffing, workplace layout, and customer oriented values, this paper focuses only on its management and measurement aspect, which involves establishment of performance standards, setting challenging performance targets and using performance indicators for measuring organizational performance. Management and measurement aspect of BPR also involves the decentralization of decision making authority to managers at the operation level, execution of performance based rewards and performance based accountability.

The Ethiopian version of BPR, from the outset requires conducting baseline study to determine service standards in terms of time, cost, quality and stakeholders' satisfaction. Ideally, baseline study establishes performance standards that would be used for monitoring progress in performance improvement over a period of time. Opinion survey and desk reviews conducted to check the agreement between BPR design and practice in public sector organizations show public organizations had established service standards as part of business process redesigning and had communicated their service standards in citizens' charters. However, the survey responses show some respondents lack awareness on service standards.

Organizations need to update their services standards regularly in parallel with changes in organizational capacity, customer expectations, technological improvement and other changes. Considering the need to update performance standards, the Ethiopian BPR directive requires benchmarking, customers' need analysis and performance gap assessment. Regardless of this requirement, public sector organizations did not regularly update their performance standards. The responses to the survey show the practice is different from the adopted BPR design.

Once the performance standard is established, organizations implementing BPR are expected to set challenging performance targets that enable them to achieve or surpass the established standards. Taking into consideration the BPR principle that supposes challenging goals help organizations to achieve radical performance improvement in service delivery, the government of Ethiopia encouraged organizations to set challenging objectives. However, public organizations had poor tradition in conducting performance gap analysis, benchmarking and analyzing customer expectations; be for the purpose of setting performance



standards or for setting performance targets. The opinions of respondents show public sector organizations set goals, which are not challenging. By implication public organizations were not motivated for achieving envisaged radical improvements in service delivery.

Additionally, organizations implementing BPR are required to regularly conduct performance evaluation against potential service quality, customer satisfaction, time saving, learning, transfer of responsibility to process owners and ensuring accountability. Likewise, organizations in Ethiopia use performance metrics like service quality, customer satisfaction, time saving, learning, decentralization of responsibility and ensuring accountability from a small to moderate extent. Thus, observation from this study reveals the commitment to implement BPR as designed was low.

### **4.3. The Adoption and Implementation of Balanced Scorecard**

BSC is another important reform tool that can transform the system of organizational performance management. The notion of BSC itself was originated as a solution to update performance measurement and management (Kaplan & Norton, 1992). Performance management best practices involve the setting of goals, goal-alignment, monitoring progress, providing feedback, and review of employees' targets (Abane & Brenya, 2021). A study by Haldma and Lääts (2012) reveals that the BSC advances performance management by improving the understanding of objectives, strategies and success factors at all levels. Targets and corresponding performance measures detailed at an operational unit level as well as at the organization's management level provide an opportunity to develop the integrated organizational performance management system (Haldma & Lääts, 2012).

In Ethiopia, BSC has been introduced into the public sector organizations to complement the implementation of BPR and to substitute first generation result oriented performance appraisal system (ROPAS), which was implemented from 2002 to 2007. The narrow focus of ROPAS on measurement alone was understood as a challenge to advance performance management in the public sector. Unlike ROPAS, the BSC takes broader perspective of performance management by incorporating goal setting in strategic plan, performance measurement and the use of performance information. Furthermore, ROPAS was known by its inability to align the individual performance with the organizational performance, while the BSC in contrast, seeks to create direct links between employees' performance and the organizational performance measures along the four perspectives; namely clients/citizens, budget/stewardship, internal processes, and learning and growth.

The BSC system puts in place a result oriented performance management system as

it offers a tool for measuring performance at organizational levels, team level and individual level. The BSC translates high-level strategy into lower-level objectives, measures, and operational details. Team and individual scorecards link day-to-day work with department goals and corporate vision. Hence, cascading is the key to organization alignment around strategy. Since, measuring performance of public sector organizations is crucial (Hoque, 2012) and BSC encourages developing performance measurement that is used to monitor public services delivery performance (Haldma & Lääts, 2012), BSC has indispensable role in improving performance management.

This study analyzes the extent to which work unit's objectives are aligned with the organization's vision and mission; the extent to which key performance indicators (KPIs) allows to measure accomplishment of individual performances; and the extent to which the work unit's performance measures clearly demonstrate how each individual and team can contribute to the achievement of organizational goals. It also analyzes the level to which organizational performance matrices is considered in designing individual performance measures. The data shows, integration of individual performance goals and measures with organizational performance matrices is weak, while KPIs in BSC of public organizations had limitation to allow measuring individual performance. Similarly, organizations had limitations in considering organizational performance matrices for designing individual performance measures. Overall, the data reveal integration of individual and organization level goals and measures are not achieved as desired during the adoption of BSC. This conclusion supports earlier studies on BSC by Zemenu and Menwuyelet (2016), which argues one of challenges in BSC implementation in Ethiopia is the difficulty of cascading organizational goals and performance measures to the lower levels.

Performance measurement is one of the areas of performance management where acute shortage is observed in the Ethiopian public sector. The data reveals lack of regularity, documentation and objectivity of employee performance evaluation, and deficiency in using performance evaluation information. This finding supports prior research finding by Zemenu and Menwuyelet (2016); which reported that employee performance evaluation in the public service was not regular, objective and well documented. This research added that employee performance evaluation information is neither properly used for learning and developmental purposes nor for reward and recognition.

In principle, BSC involves monitoring of organizational performance, facilitates analysis of performance data, requires performance review and encourages using performance information for decisions on rewards and accountability. The data from the Ethiopian experience indicates that the performance targets and measures developed in organizational plan are not adequately used in monitoring of organizational performance. Scanty use of BSC for monitoring performance is

related to failure in continually organizing and analyzing data regarding goal achievement along each perspective. Furthermore, human resource capacity and lack of automation for handling performance data hinder performance measurement and performance data analysis. Absence of crosschecking performance reports and inability to give performance feedback indicates ineffectiveness of performance management. An organizational level performance review on weekly, monthly, quarterly and annual basis is not practical due to limitations in using information communication technologies. Thus, this study concludes that organizations were unable to use BSC as performance management tool.

#### **4.4 The Introduction of Citizen Charter in Ethiopia**

Citizen's charter is another reform tool that the public sector organizations in Ethiopia have universally adopted. The Ministry of Civil Service launched Citizens' Charter in 2012 with intention to improve service deliveries in the public sector and to publicize service standards which have been established during the BPR designing process. Moreover, citizen's charter facilitates collection of feedbacks from beneficiaries that can allow continuous re-engineering of service delivery processes. Therefore, the citizen's charter has been implemented in integration with BPR and the BSC.

As far as performance management is concerned, the implementation of Citizens' Charter is expected to have positive contributions to institutionalize result oriented performance management system; as it promotes explicitly setting performance standards, communicating performance standards to stakeholders, and achieving targets that meet or exceed performance standards. Moreover, Citizens' Charter provides means of feedback collection, which in turn allows customer centered service delivery and accountability for results. The communication of service delivery standards has positive contributions for performance management, particularly in setting performance targets and evaluation of organizational performance. Communication of information with service users, collections of citizen's feedback and the establishment of customer complaint handling procedures offered by the citizens' Charter can facilitate performance measurement along customer satisfaction dimension. Finally, the kind of accountability promoted by citizen's charter is basically based on performance, particularly in meeting customer expectations.

This theoretical relationship between citizen charter and result oriented performance management however is affected by weak use of the charter by both service provider and service users. This research assessed the level of implementation of citizens' charter in the public sector in Ethiopia using five survey items. The first item were related to whether the citizen charter provides clear understanding of service delivery standards, the second item rates the options

citizen's charter has provided to handle customer complaints and the third survey items rates enhancement of accountability. The last two items were related to opportunities created by citizen's charter in information communication to and from clients.

The analysis of responses to the survey reveals the existence of many contradictions between the principles of citizen's charter in theory and practice. Citizen's charter provides service users and providers with a clear understanding of service delivery standards in principle, which was not realized in practice. The organizations surveyed did not use citizen's charter as an instrument of communication with service users and as instrument for handling customer complaints. In the Ethiopian public sector organizations, citizens' charter did not facilitate information dissemination, feedback collection and ensuring accountability, because of lack of commitment in implementation.

Prior empirical studies on the implementation of citizen's charter in Ethiopia reveal that the government was far from achieving the intended objectives of the Citizen's Charter. The study by Daniel and Worksew (2016) reveals that the consultation process in developing Citizen's Charter was minimal; the concept of Citizen's Charter has not been properly understood; most citizens do not have a clear understanding about the Citizen's Charter and in many cases, the concerned staff were not adequately trained and sensitized. Nigussa (2014) notices a bad track record and pick-drop culture of reform implementations, top-down approach, lack of adequate consultation of stakeholders and lack of implementation capacity were the major challenges of implementation of Citizens' Charter in the public sector.

The study by the World Bank shows absence of systematic monitoring of the organization's actual performance against the standards in their Citizen's Charter. In parallel, Daniel and Worksew (2016) found that accountability and responsibility for failures in service delivery were only nominal. Therefore, Citizens Charter has a limited influence on the daily activities of civil servants (World Bank, 2016).

#### **4.5 The Civil Service Change Army in Ethiopia**

Change army (other calls it reform army) is peculiar reform tool to the civil service system as it was taken from the military sector (Sime, 2016) and is not common in the civil service system of other countries. Government attempted to bring experience of building an effective military army into building a public service army (Kebede, 2018). Change army was primarily used to organize farmers in the rural areas, and after it passed a test in mobilizing farmers under a government command, it has been streamlined into the civil service in 2012.

Though it has been widely implemented, the concept of Change Army has not been properly understood among its major actors and the intention of introducing a

Change Army in the civil service has been highly debated. The Change Army is taken as both part of the spectrum of teamwork and group dynamics. But, beyond team building, the change army needs to apply some basic disciplines of military science such as acting as a standby-armed-force, which seems the ruling party borrowed from its military experience. Some civil servants consider forming the change army group and conducting a review meeting as an end itself. Government on its side describes the change army as a platform for collective review of performance, identification of leading civil servants in their performance, identification of work challenges, evaluation of problems encountered, and searching the way to solve the problems, which is similar with quality circles that are established for ensuring quality in Kaizen and Total Quality Management.

The Civil Service Commission provided public sector organizations with change army implementation guidelines. The focus of the guideline was to facilitate the integrated implementation of all reform tools being adopted. The guideline indicates that members of the change army conduct regular performance review meetings (MoCS, 2014). Performance review is an essential component of performance management in which problems and their solutions are identified. Moreover, change army review meeting has intention to build the capacity of performers through coaching and feedback. The ideal approach of the change army requires measuring performance of individuals and work units and nominating high performers for reward. Based on continuous or periodic review, change army is expected to celebrate success, recognize achievements and reward high performer civil servants to motivate employees and cascade best experiences and scale up organizational performance (Gebre & Nigussie, 2016).

In practice however, the civil servants that team-up to form the change army did not review performance regularly due to resistance of employees. The expected results of change army review meetings were to identify problems, search solutions for the problem and improve capacity of civil servants through coaching. But, responses to survey indicate the change army made a meager contribution in identifying problems encountered and searching for their solutions.

The other expectations from the change army reviews were nomination of high performers, regular celebration of success and recognition of performance achievements. With absence of proper appraisal, and transparency in selection and nomination of higher performers for reward, the change army reward system was not useful for motivation. Similar with this finding, a research by Gebre and Nigussie (2016) concludes that change army practiced performance appraisal in the civil service organizations inconsistently and adequate evidence was not found whether the nomination of model civil servants and celebration of success improved outcomes in terms of learning, motivation and accountability, and finally whether such review has positive contribution to organizational performance.



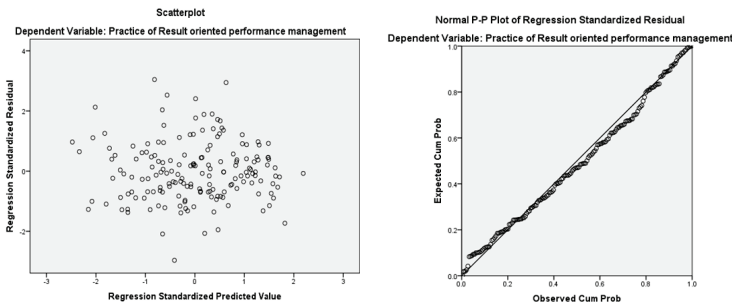
#### 4.6 Association between the Implementation of Reform Tools and the Result Oriented Performance Management

The mean of the practice of result oriented performance management is 2.7785, which is below the mid-point and shows a limitation of public sector organizations in practicing result oriented performance management. The mean values of the level of implementation of reform tools were below 3, except for BSC integration, showing unsatisfactory accomplishments of reform implementation. This study assumed failure to practice the result-oriented approach is associated with the failure of government organizations in the implementation of reform tools. A multiple linear regressions model is developed with one dependent variable, which is the practice of result oriented performance management and six independent variables, which are indicated in descriptive statistics table. The dependent variable, as a multivariate construct, is a continuous variable and measured in a five-point measurement scale that ranges from 1 to 5.

#### Descriptive Statistics

	Mean	Std. Deviation	N
The practice of result oriented performance management	2.7785	.61720	172
Performance standard setting in redesigned organizations	2.8062	.82476	172
Evaluation of organizational performance in redesigned organizations	2.6676	.81460	172
BSC Integration	3.0015	.85818	172
Use of BSC as a performance management tool	2.6520	.81885	172
Implementation of Citizen's Charter	2.7744	.93723	172
Implementation of Change Army	2.5532	.95183	172

The independence of observations was checked by application of the Durbin-Watson statistic. If there is no autocorrelation (where subsequent observations are related) and observations are independent, the Durbin-Watson statistic falls between 1.5 and 2.5 (Karadimitriou et al., 2018). In this regression analysis, the Durbin-Watson statistic is 2.070, which falls between 1.5 and 2.5. Moreover, linearity of relationships were checked by creating scatter plots using SPSS Statistics, where the scatter plot depicts the presence of linearity, since the visual inspection of scatter plots in the diagram shows residuals seem to be randomly scattered around zero.



The normal Predicted Probability (P-P) plot shows the distribution of residuals (errors) conform to the diagonal normality, which means they are approximately normally distributed. Homoscedasticity assumption was checked by plotting the predicted values and residuals on a scatterplot. The points in the Scatterplot are approximately equally distributed above and below zero on the X-axis, and to the left and right of zero on the Y-axis, which shows homoscedasticity. A variance inflation factor (VIF) value was used to check the absence of multicollinearity. The VIF values, is below 5, with the highest value being 2.623. Thus, the data did not show multicollinearity. A regression model has a representative of all the sample observations and not only of a few; as significant outliers, high leverage points or highly influential points were absent.

The model Summary table provides the R, R<sup>2</sup>, adjusted R<sup>2</sup>, and the standard error of the estimate, which were used to determine how well a regression model fits the data. The large correlation value (R = 0.765) in the model summary table indicates a strong relationship between the dependent variable and the independent variables. The "R Square" value is 0.586, which implies 58.6 percent variance in the practicing of result oriented performance management is due to the implementation of reform tools, while the rest 41.4 percent of the variation in practicing of result oriented performance management was due to factors not included in the model. The low discrepancy between the values of R square and Adjusted R Square in the model summary table indicates a good fit of the model. The standard error shows how wrong one could be if s/he used the regression model to make predictions or to estimate the dependent variable or variable of interest.

The p-value in the ANOVA table is 0.00, which confirms the overall regression model is a good fit for the data. All six variables were together statistically significant to predict the extent to which performance management is result oriented with a p-value of 0.00 and degree of freedom 6.

**a. Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.765 <sup>a</sup>	.586	.571	.40449	2.070

- a. Predictors: (Constant), Implementation of Change Army, BSC Integration, Implementation of Citizen's Charter, Evaluation of organizational performance in redesigned organizations, Performance standard setting in redesigned organizations, Use of BSC as a performance management tool
- b. Dependent Variable: Practice of result oriented performance management

**b. ANOVAa**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.145	6	6.358	38.857	.000 <sup>b</sup>
	Residual	26.996	165	.164		
	Total	65.141	171			

- a. Dependent Variable: Result-oriented performance management  
 b. Predictors: (Constant), Implementation of Change Army, BSC Integration, Implementation of Citizen's Charter, Evaluation of organizational performance in redesigned organizations, Performance standard setting in redesigned organizations, Use of BSC as a performance management tool

**c. Coefficientsa**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.932	.129		7.237	.000		
Performance standard setting in redesigned organizations	.130	.059	.174	2.208	.029	.403	2.479
Evaluation of organizational performance in redesigned organizations	.201	.058	.266	3.498	.001	.435	2.297
BSC Integration	.087	.049	.120	1.776	.078	.546	1.830
Use of BSC as a performance management tool	.263	.061	.349	4.299	.000	.381	2.623
Implementation of Citizen's Charter	-.006	.048	-.009	-.127	.899	.479	2.090
Implementation of Change Army	.001	.047	.002	.029	.977	.485	2.063

- a. Dependent Variable: Result oriented performance management

Coefficient table shows the test for the statistical significance of each of the independent variables. In this model the p-value is < 0.05 for three independent variables; namely performance standard setting in redesigned organizations, evaluation of organizational performance in redesigned organizations and use of BSC as a performance management tool, while, the p-value is > 0.05 for BSC integration, implementation of Citizen Charter and implementation of Change Army. Performance standard setting in redesigned organizations and Evaluation of organizational performance in redesigned organizations were part of the implementation of the management and measurement aspect of BPR. Thus, the implementation of management and measurement aspect of BPR together the Use of BSC as a performance management tool have a positive influence on the practice of result oriented performance management. This finding supports research findings by Wenene (2016) that indicates the reforms aimed at strengthening performance management and service delivery did not always produce the desired results, implying that the expected results from performance management are not for granted.

## 5. Discussions and Conclusions

This paper analyzed the practice of four aspects of result oriented performance management that include characteristics of organizational goals, the focus of performance measure among different performance metrics, the level of decentralization and the extent of use of information obtained from performance measurement. The analysis reveals the clarity, measurability and quantifiability of organizational goals of the public sector were largely in congruent with the characteristics of goals in a result oriented performance management; however, the tendency of public sector organizations to give more attention to activities than results in stating performance goals is incompatible with the principle of result based management system. With regard to performance measurement, the public sector organizations in Ethiopia tend to emphasize results (outputs and outcomes) than inputs and process as indicator of performance, which is in line with the principle of result oriented performance management.

With regard to decentralization, the study indicates managers lack flexibility in using resources, work units lack adequate decision making authority, controls in the public sector organizations focused more on inputs and procedures than on outputs and outcomes, while goals are not communicated in the way managers can take responsibility for results. The study concludes the deficiency in decentralization is contrary to result oriented performance management approach. Finally, analysis of the use of performance information for decision making, illustrated limited use of information obtained from performance measurement in decision making. Particularly performance measurement information is not adequately used for reward and accountability decisions. Overall, the difficulty of applying result oriented approach is challenging to build effective organization.

The adoption of BPR brought to attention the importance of establishment of performance standards; however, organizations failed in regular update of performance standards in the way that meet customer expectations, solve performance gaps and promote cascading of best practices. Instead of benchmarking best practices, customer expectation analysis and conducting performance gap assessment, public sector organizations in Ethiopia tend to rely on the use of historical data. Furthermore, some employees were unfamiliar with the performance standards as performance standards were established only for formality. Changes made on performance standards were not documented in the way amenable for monitoring of progresses in performance over time. Furthermore, this research indicated goals of public sector organizations were not challenging and in no way assist achieving radical performance improvements. Redesigned organizations were not evaluated to show performance improvement. Thus, it is clear that the measurement and management aspect of BPR had not been adequately implemented in the public sector organizations in Ethiopia.

The analysis of implementation of BSC shows, integration of individual performance goals and measures with organizational performance matrices is

largely doubtful. Moreover, the absence of regularity in employee performance evaluation, lack of documentation of performance evaluation information and low use of information for decisions indicate, the performance evaluation is conducted simply as a matter of formality. As observed from organizations' performance reports, monitoring of annual performances is challenging. There is no crosscheck over reports sent to higher level management by organizational units as well as reports sent to supervising bodies by the public organizations top management. These observations tell us that BSC may served as a planning tool but it has little role as a performance management tool.

As part of implementation of change army, the civil servants team-up to review organizational/unit performance, but the performance review by the team was not regular as well as productive, as the change army initiative was not welcomed by the civil servants. The expected results of change army review meetings were to identify problems, search solutions for the problem and improve capacity of civil servants through coaching, but no evidence was found on the achievements of these results. The absence of proper performance appraisal and lack of transparency in selection and nomination of higher performers for reward made the change army reward system useless for motivation.

Organizations in Ethiopia have prepared the citizens' charter, but without commitment for implementation of what promised in the charter. The analysis indicates insignificant contributions of citizens' charter in creating understanding of service standards clarifying complaint handling and promoting accountability. This is in fact not related to inherent problem of citizen's charter, rather it is due to failure in implementation.

This research concludes, the attempts to implement reform tools were largely unsuccessful, the gap between designed reforms and actual practice is huge and the inability to implement reforms is lack of capacity. Successful implementation of public reform is a key challenge for politicians and policy makers (Klemsdal, Andreassen & Breit, 2022). The regression analysis showed the implementation of management and measurement aspect of BPR and implementation of BSC statistically significantly predicted the extent to which result oriented performance management is practiced. The study also concludes that the difficulty of implementing reforms and applying result oriented approach are challenging to build effective organization.

The study provides practical contribution by showing implementation capacity as a key factor to realize the intended goals of reforms. It also suggests reducing the gap between policy intention and practice to achieve reform goals. The study provides theoretical contribution by conceptualizing performance management, illustrating the link between implementation of reform tools and result oriented performance management. It enriches performance management theory based on evidence from experiences of developing countries. The study recommends further



investigation to identify mechanism of improving capacity to implement reform

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