

Performance Management and Organisational Performance in Public Institutions: A Case of Kampala

Capital City Authority, Uganda

Davidson Keesiga

Metropolitan International University, Uganda

ABSTRACT

The study assessed the effect of performance planning on the performance of KCCA. A case study research design using mixed methods approach was used to answer the study questions. A sample size of 126 respondents was considered for the study, 105 respondents participated, giving a response rate of 83%. Simple random sampling and purposive techniques were used to select the participants. Data analysis involved frequencies, means and inferential statistics such as correlations and the coefficient of determination. The main finding of the study was that performance planning was not fair to all employees supervised at KCCA and performance planning did not give recognition for good performance. It was therefore concluded that performance planning positively influenced the performance of KCCA. The study therefore, recommends the need for top leadership of KCCA through the Parliament of Uganda to advocate for amendment of the KCCA Act in order to create a clear demarcation between the role of technocrats and politicians and to realign their reward system so that they start recognizing best performing employees either intrinsically or extrinsically.

Keywords: Performance management, Public Institutions, Organizational Performance, Planning and Rewards.

Introduction

The concept of performance management dates back to the 18th century. Kontz (1971), as reported by (Paul et al., 2023), acknowledges that initially performance management manifested itself in performance planning in the Wei dynasty (Ramadhan et al., 2023). According to him, this was the time when the emperor employed an 'Imperial Appraiser' designed to evaluate the performance of the royal family. However, earlier in the 16th century, Ignatius Loyola introduced a system of formal evaluation of members of the Jesuit society. However, the initial formal monitoring methods stemmed from the efforts of Fredrick Taylor and his cohorts prior to World War I (Wegulo et al., 2023).

In the Ugandan context, the concept of performance management is said to be relatively new and was first used in health systems studies to inform health reforms. Development including; the introduction of results-oriented management in the public sector and the reorganization of the management of healthcare workers from central to local governments (Cand et al., 2022).

Despite KCCA's efforts to improve performance management, KCCA's performance is still below expected levels (Zulaikah & Rebecca, 2023). This is evidenced by the unsatisfactory quality of services provided, but also by observable poor time management, lack of clarity of goals, and thus

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Corresponding: Author: davidsonkeesiga5@gmail.com

general delays in service provision (Allan et al., 2023). In particular, the office experienced a loss of 70% of working hours per quarter, reported cases of poor customer care and delays in reporting to donors (Christopher, Moses, Muhindo, & Komunda, 2022b). Against this background, this study evaluated the effects of performance management on organizational performance in public institutions in Uganda on the case of Kampala Capital City Authority (Ntirandekura, Friday, & Muhammad, 2022).

Literature review

The study was supported by Goal Setting Theory and assumes that setting performance goals can support the performance of employees and the organization on which the study is based. According to the theory, a committed individual will increase their performance to cope with the difficulties of strenuous work. However, various researchers have criticized goal setting (Emmanuel et al., 2023).

Setting goals was said to be difficult and difficult to maintain. It has been shown to work well for simple tasks, but not for complex tasks. Goal setting can encourage gaming and is feared to be used as a control device to monitor performance and therefore may turn out to be an obsession (Godfrey et al., 2023).

Despite all the positive results from goal setting, research has shown that there can be difficulties in recording and documenting goals and achievements, leading to paperwork overload. It also focuses too much on rewards and punishments, as well as top-down goals that are easier to achieve individually rather than as a team. In addition, goals (both

individual and organizational) create a particular sense of tension between employees' current position and preferred position (Tasha et al., 2023).

This tension shapes the desires or behavioral drives of individuals that lead them to achieve a goal to satisfy the evoked tension. If not met, it can be demotivating (N. Moses, 2022). The researcher's view is that goal setting is quite motivating, especially when the employee consistently meets the set goals, but can be demotivating if not met. Therefore, this study sought to determine whether goal setting as a theory can effectively describe the relationship between performance management systems and organizational performance (N. Moses et al., 2022).

The performance planning phase deals with setting performance goals and expectations for individuals and teams, determining what will be measured and how to measure it (Wilton, 2013). Performance agreements are used as reference points when planning and evaluating individual performance and are therefore an important factor in the performance management process. They also contain agreements on expectations (outcomes), capabilities and required actions, which are described as performance and learning objectives; and on action plans to support performance and capabilities (Racheal et al., 2023).

Performance planning sets the expected results or specific goals and it is during this stage that it is imperative for supervisors to identify the requirements of employees to be able to achieve the set goals (Christopher, Moses, Muhindo, & Muhammad, 2022), they argue that the way tasks and

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expectations are delineated, are in fact barriers to aggregating employee performance levels and that communication about these tasks and their quality plays a vital role and its lack can lead to misunderstandings (Christopher, Moses, Muhindo, & Komunda, 2022b).

Despite common best practice is to ensure that employees are aware of how their work relates to higher levels and to link the employee's work to the organization's strategic direction and goals; the truth is that organizational goals can be condescending and not easily transferred to individuals. It turned out to be time consuming and complicated. It sometimes takes several months for the cascade to reach individual employees (Wegulo et al., 2023).

The information flow may have been fragmented along the way. In addition, goals may not replicate an effective goal statement or be most critical to tracking (Pulakos & O'Leary, 2011). In a study conducted by (Musaibah et al., 2023), findings revealed that setting performance standards and targets was a huge challenge in Kumi, Mbale, Sironko and Tororo districts as performance agreements were entered into

incompetently. The study recommended that performance planning considerations and agreements between supervisors and health workers (employees/subordinates) address performance goals and strategies (Christopher, Komunda, & Milton, 2022), arguing that it is essential that workers are made aware of the goal to which they are working, as well as feedback and a bonus contingent on achieving this goal. Performance development plans explain what employees, together with their supervisors, must do in certain areas of their work. This includes setting goals about what needs to be done and by when, reaching agreement on how expected outcomes will be achieved, and plans are also agreed on for how behavioral problems will be addressed (Armstrong, 2015).

In conclusion (District et al., 2023) emphasize that for performance to be successful, it should be a precursor to good planning, which begins with the formulation of strategic plans of the organization, which is; establishing key goals and objectives of the organization (Christopher, Moses, Muhindo, & Komunda, 2022a).

Results

The study used four statements in the questionnaire that required respondents to indicate their level of agreement or disagreement in order to understand the respondents' perceptions on performance planning and analyze whether it had an impact on KCCA performance. The quantitative findings shown in Table 1 were supplemented by qualitative data gathered utilizing the interview guide.

Table 1: Descriptive results on rating of Performance planning

Statements on performance planning aspects	SDA		DA		NT		A		SA		Mean	Std. Dev
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		

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Performance planning gives recognition for good performance at KCCA	31	31.3	37	37.4	0	0.0	4	4.0	27	27.3	2.59	1.616
Performance planning at KCCA suggests changes to improve departmental services and outcomes	1	1.0	11	11.1	11	11.1	10	10.1	66	66.7	4.30	1.111
Performance planning at KCCA uses feedback to help improve performance	1	1.0	0	0.0	10	10.1	7	7.1	81	81.8	4.69	0.737
Performance planning is fair to all employees supervised	46	46.5	10	10.1	4	4.0	0	0.0	39	39.4	2.76	1.874

Source: Primary data (2023)

In Table 1 above, the findings reveal that 68.7% were in disagreement with the statement that performance planning at KCCA gives recognition for good performance; 31.3% strongly disagreed and 37.4% disagreed while 31.3% were in agreement whereby 27.3% strongly agreed and only 4.0 % agreed. This indicates that the majority respondents were of the view that performance planning does not give recognition for good performance at KCCA (Paul et al., 2023).

Furthermore, when asked on whether performance planning at KCCA suggests changes to improve departmental services and outcomes, majority of the respondents at 76.8% were in agreement with the statement; 66.7% strongly agreed and 10.1% agreed while 11.1% were not sure, 1.0% strongly disagreed, 11.1% disagreed. Based on the results in the table above, it may be concluded that planning suggests changes to improve services and outcomes at KCCA since they agreed with the statement (Jac & Kazaara, 2023).

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Related to the above, majority of the respondents were in agreement over the statement that performance planning at KCCA uses feedback to help improve performance at 88.9%, followed by 10.1% who were not sure to that statement and 1% strongly disagreed. This means that majority of respondents were with a view that performance planning uses feedback to make improvements in performance (Ntirandekura, Friday, Mbisi, et al., 2022)

On contrary, majority (56.6%) of the respondents were in disagreement with the statement that Performance planning is fair to all employees supervised at KCCA and 39.4% agreed to the statement while 4.0% were not sure. This indicates that performance planning is unfair to some employees supervised at KCCA (Emmanuel et al., 2023). From the qualitative data, interviews and documentary review were conducted. From interviews, a question was raised to the top management of the Institution regarding whether performance management at KCCA gives recognition for good performance. All in all, the views of the top management revealed that as Institution, they have a policy which recognizes good performance. However, due to limited resource envelope, not all employees are recognized and this negatively affect their performance. This view was represented in the voices of one of the participants who intimated that;

“Employees who feel that they put in a lot of effort to support the functionality of the Institution, deserve to be recognized. But due to limited budget, we are unable to recognize their performance and this demotivates them and hence unable to perform their duties diligently” (KII1).

This implies that not all good performing employees are regularly recognized at KCCA. This leaves such employees demotivated and consequently their level of performance dwindles down.

Similarly, from interviews, another question was posed to the top management regarding whether performance planning at KCCA uses feedback to help improve performance. Generally, the view of the top management indicated that they rely on the feedback from performance planning to improve performance. This view was represented in the voices of one of the respondents who stated that;

“We have a fully functional planning unit which is one of the backbone of the Institution. It always provides useful direction on how different departments can perform better” (KII4).

This implies that performance planning at KCCA uses feedback to help improve performance.

From interviews, performance planning at KCCA uses feedback to help improve performance was in line with the Institution’s Strategic Plan 2021-2023. This implies that performance planning at KCCA uses feedback to help improve performance (Christopher, Moses, Muhindo, & Komunda, 2022a).

The interpretation of both qualitative and quantitative data reveal that performance planning has a significant effect on organizational performance at KCCA and if properly considered, the level of organizational performance would improve in terms of timely delivery of service, there would be an improvement in the quality of services offered at KCCA, citizens satisfaction for the services wound increase and the level of accountability for the services offered to various stakeholders would equally increase (Polycarp et al., 2023)

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Discussion of findings

The study revealed that organization performance is driven by the levels of motivation placed on the employees. Some of the key areas of enhancing organization performance were having a good performance management system and a performance planning and monitoring system.

The findings agree with Armstrong (2006), who states that performance management plays a pivotal role in the human resource framework of all organizations. Cardy and Leonard (2014) note that performance management is an essential component for attaining effectiveness in organizations (Akankwasa et al., 2022). The benefits that come with managing individuals and the performance of teams are critical in the quest to achieve the objective of the organization. In the same vein, there are gains that accrue as a result of compensating the employees in terms of pay increments, stock options, bonuses such like benefits that are attributed to the achievement of some particular organizational goals. These links however do not in the long run produce extended results (Musaibah et al., 2023).

The findings also affirm that performance management initiatives have been given different terms such as pay-for-performance, management by objectives, performance based budgeting and/or programming and budgeting. At the outset, such like initiatives were merely geared towards making employee performance measurable and explicit for performance to be manageable (Ntirandekura, Friday, Mbisi, et al., 2022). However, performance management has evolved to such a level that it no longer signifies just a list of singular practices that are aimed at measuring and adapting the performance of employees (K. Moses et al., 2023). Performance management has become an integrated process through which managers' work together with their employees in improving their performance through setting expectations, measuring and reviewing results and cultivating reward performance. This ultimately is geared towards promoting the positive overall performance of the organization (Locke & Latham 2002). Appreciating these significances of performance management is a prerequisite to reaping its gains upon the implementation of its processes in any organization.

Finally, the findings are an affirmation that performance measurement systems achieve their objectives whenever the strategy and performance measures of the organization are in alignment. They also succeed when the leadership of the organization adequately their vision, mission, strategies and values to the employees and stakeholders (Mondy *et al.*, 2002). Organizational activities that cannot be measured can hardly be controlled; in turn without such control the activities or rather processes cannot be managed. In essence, when an organization has got no dependable measurement it is difficult to make informed decisions on organizational performance (Dechev, 2010; Vigaro, 2013).

In this way the performance measure breathe life into the vision, mission and strategy of the organization through providing focus to each employee; helping them conversant on how they can contribute to the success of the measurable expectation of the organization and its relevant stakeholders (Locke & Latham, 2002; Inyang, 2008).

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Therefore, the study finding above principally follows the same line of argument with what other earlier scholars had established on the effect of performance planning on organizational performance.

Conclusions

The study findings revealed that there was a positive significant effect of performance planning on performance of KCCA. The study therefore, concludes that effective implementation of performance planning in terms of proper setting of goals, performance agreements and performance development plans would enhance performance of KCCA in terms of timely delivery of service, there would be an improvement in the quality of services offered at KCCA, citizens satisfaction for the services would increase and the level of accountability for the services offered to various stakeholders would equally increase.

Recommendations

- There is need for the top leadership of KCCA through the Parliament of Uganda to advocate for amendment of the KCCA Act in order to create a clear demarcation between the role of technocrats and politicians.
- There is need for the top leadership of KCCA to realign their reward system so that they start recognizing best performing employees either intrinsically or extrinsically. This will not only increase employee commitment but also organizational performance will be enhanced.

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