

Performance Management and its Impact on Public Sectors' Effectiveness (a Study in Afghanistan)

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ABSTRACT

The main purpose of this study is to clarify the impact of performance management in the public sector. Public sectors are the core entities in a country that play vital roles in order to provide services to the public and bring comfort to them. Therefore, it is important to understand whether public sectors can be effective for the general public or not. In order for the public sector to be effective performance management must be put in place. As Afghanistan is a country with high bureaucracy in its public sectors, therefore, there was a need for research to be conducted in the field of Performance management to find out the factors which lead to weak performance in the public sectors. The result of the study shows that some factors like favoritism, conflict of interest, and appointing inexperienced employees with irrelevant educational backgrounds to operational and managerial positions can lead to weak performance in public sectors.

Keywords: *Performance, Performance Management, Public Sector, Effectiveness, Impact*

Introduction

Performance management, a methodical strategy for boosting organizational performance, can be used to increase both individual and team performance. It is a method of assessing and managing performance within a predetermined framework of established objectives, benchmarks, and competency requirements in order to improve outcomes for the organization, teams, and individuals. As a leading and assisting process, performance management enables workers to work as effectively and efficiently as possible in accordance with organizational needs. (Armstrong, 2006). Performance Management is a term that is interrelated to the region and it differs from country to country and from organization to

organization. If the Performance Management of Western countries applied to Asian countries, that might not work properly due to its connection to the cultural and political system. Yet in relationship terms, performance management in the public sectors has lots of relations with the private sector and they are bound to each other. Therefore, Performance Management is a cultural and political bound and it will not work well if it is applied to other regions (Rashid, 2021). If human resources are managed well, performance management can increase the efficacy of the public sector. Human resource management and performance management are closely related to one another. High-qualified personnel will perform well in the public sector if the human resources department hires them. Contributing to the accomplishment of high levels of organizational performance is one of the goals of human resource management. High-performing human resource management, which can affect people's performance and adaptability, can assist the public sector to accomplish its performance goals. When the correct candidate is employed at the right time, the performance will be good. When the human resource is capable of performing, the performance will be effective, and it is feasible to increase the human resource's capabilities by offering them access to training, workshops, and the freedom to speak up for their own demands. (Santos, 2021). As performance management is a general term, it has a direct impact on the public sector's performance, but the factors vary from region to region. This study mostly will focus on and test the impact of the factors such as hiring inexperienced and unrelated educational background people in senior management positions, high volumes of operational activities and lack of human resources, presence of favoritism and conflict of interest in public sectors' performance in Afghanistan.

Quality Achievement:

Quality management is the process of overseeing each activity and task that must be carried out in order to uphold a certain level of perfection. Establishing a quality policy, creating and putting into practice quality assurance and planning, as well as quality control and improvement, are all included in this. An alternative name for it is total quality management (TQM).

In general, quality management prioritizes long-term objectives while carrying out immediate tasks. (Barone, 2022).

Performance as sustainable result:

The sustainability idea is demonstrated by the social responsibility that should be practiced and encouraged through socially conscious investments. Any given firm strives to meet complicated performance criteria, such as non-financial requirements for managing the environment and resolving social issues. In order to better serve all stakeholders and portray sustainability performance reporting, sustainable activities comprise organizations assigning more weight to the influence of environmental, social, and economic elements. (Stanciu, & et al, 2013).

Performance Measurement:

A performance metric is a quantifiable depiction of the actions and results of an organization. Data-driven performance measurements provide insight regarding if a program or action is succeeding in its goals and moving closer to organizational or policy objectives.

Technically speaking, a performance metric is a statement of the number, cost, or result of operations that quantifies how much, how well, and at what level goods or services are offered to customers over a specific time period. (PERFORMANCE MEASURE GUIDE, 2009).

Target Setting:

Goals are the cornerstone of a successful performance management strategy. There are two key elements to take into account when setting goals. Firstly, Are the objectives, written clearly? Do they directly assist in achieving the business strategy, as well?

A well-known paradigm for creating successful objectives is SMART.

- **SMART:**

The hardest part of planning is sometimes coming up with exact and pertinent vocabulary to describe performance targets, KPIs, and indicators of success. In particular, everyday tasks that take time but are rarely acknowledged as remarkable accomplishments, supervisors must ensure that the performance targets appropriately reflect the full extent of the employee's duties.

- **SPECEFIC**

Decide what needs to be done, when it needs to be done, who will do it, and how much effort will be involved.

- **MEASURABLE**

Use a variety of measures, such as number, quality, timeliness, and cost, if at all practicable. Inquire about amounts by saying "How much" and "How much?" What is the total number? How will I know once it is finished?

- **ATTAINABLE**

Ascertain that there is a plausible path to success and that the objectives are likely to be met.

- **RELEVANT**

The goals should represent the overarching objective or the company's overall strategy. Objectives analyse results rather than activity.

- **TIME BASED**

A specific deadline should be established for successfully achieving goals and objectives. Goals typically need to be accomplished by the conclusion of the performance evaluation period. (Performance Management Process, 1907).

Significance of The Research:

This study is going to investigate the impact of the Performance management on public sector's effectiveness. Public sectors which operate in Afghanistan are not meant to be effective the way that they should be and there are lots of factors which affect the public sectors not to perform well. Therefore, this study aims to find out those factors which lead to a weak performance management in the public sector and suggest some solution for better performance.

Scope:

As the performance Management has a rigid and direct impact on public sectors’ effectiveness, in this study the exact relationship between the two variables (performance management and public sector) has been examined. Firstly, a clear and concise discussion made on performance management. Secondly, short clarification of the public sectors has been made and then the general focus has been brought out to extract the exact impact of performance management in public sectors’ effectiveness.

Research Objective:

- To clarify whether the performance management has impact on public sectors’ effectiveness.
- To find out the factors which improve or weaken the performance management.
- To ensure whether the state-owned enterprises affect the Public sector.
- Whether performance management can be effective if there is a comprehensive sectoral policy drafted and implemented.

Hypothesis

H0: Performance Management does not have impact on Public Sector’s effectiveness.

H1: Performance Management has impact on public sector’s effectiveness.

Research Design:

A descriptive research design with a questionnaire for primary data collection has been applied in this work in accordance with the guidelines and standards.

The below is the result of analysed primary data:

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	
1	.388 ^a	.151	.075		.479	
ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.836	4	.459	1.997	.111 ^b
	Residual	10.344	45	.230		
	Total	12.180	49			
Coefficient						
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig
	B	Std Error	Beta			
(Constant)	.627	.637			.984	.331
Quality Achievement	.138	.058	.372		2.370	.022
Performance as Sustainable Result	.001	.060	.003		.020	.984
Performance Measurement	.041	.059	.099		.691	.493
Target Setting	.102	.061	-.263		-1.668	.102

According to table 1, it can be inferred that the F value of 1.997 is satisfactory and the hypothesis H_0 is marked to be rejected. The analyzed result shows that performance management has direct impact on public sectors' effectiveness and it would be difficult to achieve the public sectors' goals without performance management. Moreover, the adjusted R square value of 0.75 from table -1 states that 75 percent of public sectors' effectiveness relies on performance management. On the other hand, the result for quality achievement of t value 0.984, 2.370, 0.020, 0.691, -1.668 corresponding to factors such as designing sufficient policies, Strategy and Goals, mission of support to the private sector, and ownership rights of the state-owned and public enterprises are recognized to be having direct impact on the mentioned model. In addition, skilled and experienced employees, individual and team proficiency, general and specific duties of the public sector are the factors which have highly impact on performance of the public sector according to the result of the t value of 2.370. This result obviously shows that hiring highly skilled and experienced employees and individual and team proficiency will lead to a perfect performance management in the public sectors. Meanwhile, the t value of 0.099 obtained for performance measurement shows that the factors like; limited resources, Conflict of interest and favoritism, and lack of concise and effective performance lead to a weak performance management. Finally, the t value of -1.668 of the target setting confirms that if a proper performance management does not take place then the services to the citizen, promotion of rational economy through macro-regulation and the process of state-owned enterprises will not be done properly.

Conclusion:

Performance management is a systematic approach to increasing the organization's performance. It is a way of analyzing and examining the employees' performance inside the organization within a specific designed system. Performance management is a key that gives employees the opportunity to boost their efficiency in the organization which they are working with. Lack of performance management leads the organization to weak performance which is the result of hiring inexperienced and unskilled employees, conflict of interest and favoritism, and a high workload. The presence of the above factors in the governmental sector results in a very weak performance in the public sectors. Managers and supervisors need to plan, monitor and evaluate the employees' job description and their contribution to the public sectors through performance management. Praise the employees who fulfill the organization's needs and introduce those employees to the training programs for their capacity building or terminate their contract. The organization needs to maintain a systematically effective performance management method in order to make the employees perform well. In order the organizations need to be effective they must practice SMART; Specific, Measurable, Attainable, Relevant, and Time-bound. The development of performance can result in so many benefits like; increasing self-esteem, employees becoming more competent, and organizational change being facilitated. As a result, performance management is the key component for the public sector's effectiveness and without performance management the public sectors can be effective neither to the public nor to itself.

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Conflict of interests

I do hereby declare that this article has not been used or published in any journal.

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