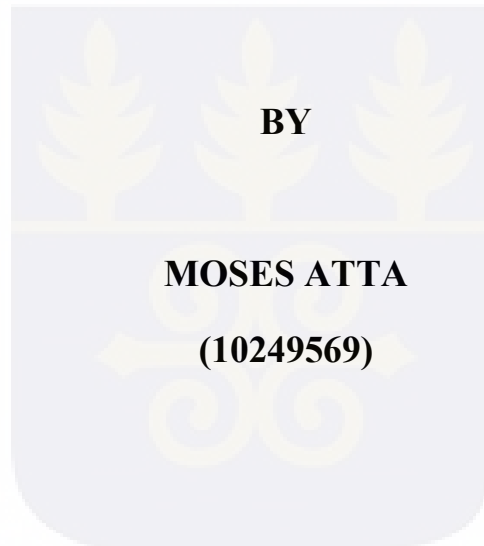


UNIVERSITY OF GHANA

**EXPLORING THE IMPACT OF THE NEW PUBLIC SECTOR
PERFORMANCE MANAGEMENT SYSTEM IN GHANA**



**THIS THESIS IS SUBMITTED TO THE UNIVERSITY OF GHANA,
LEGON IN PARTIAL FULFILLMENT OF THE REQUIREMENT
FOR THE AWARD OF MPhil PUBLIC ADMINISTRATION
DEGREE**

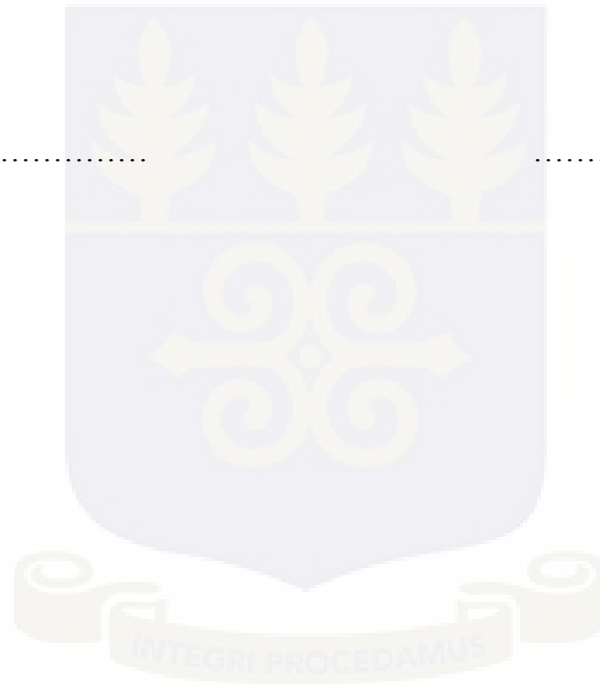
JULY, 2017

DECLARATION

I, the author of this dissertation, do solemnly declare that, except for references to other people's work which have been duly acknowledged, the work presented here was done by me as a student of the Department of Public Administration and Health Services Management, University of Ghana Business School, Legon.

MOSES ATTA
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DATE



CERTIFICATION

I hereby certify that this thesis was supervised in accordance with the procedures laid down by the University of Ghana.

.....

DR. DANIEL APPIAH
(Supervisor)

DATE



DEDICATION

This work is dedicated to my parents and siblings whose unfathomable love, care and support has brought me this far in the academic ladder.



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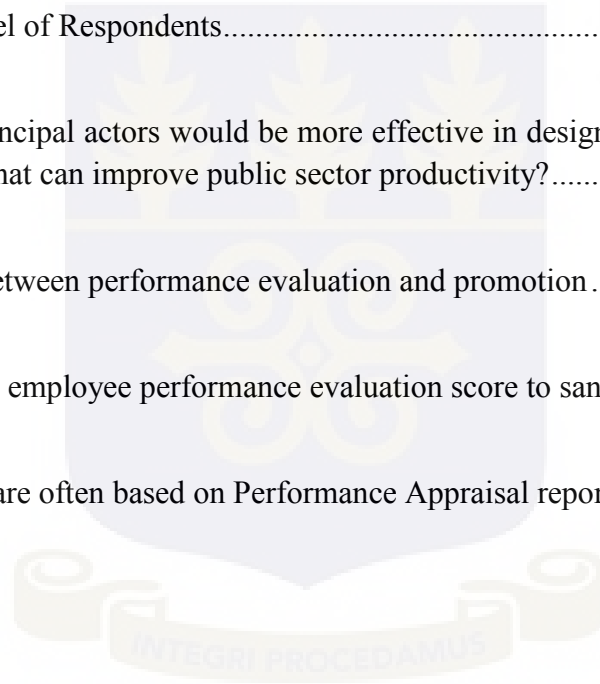
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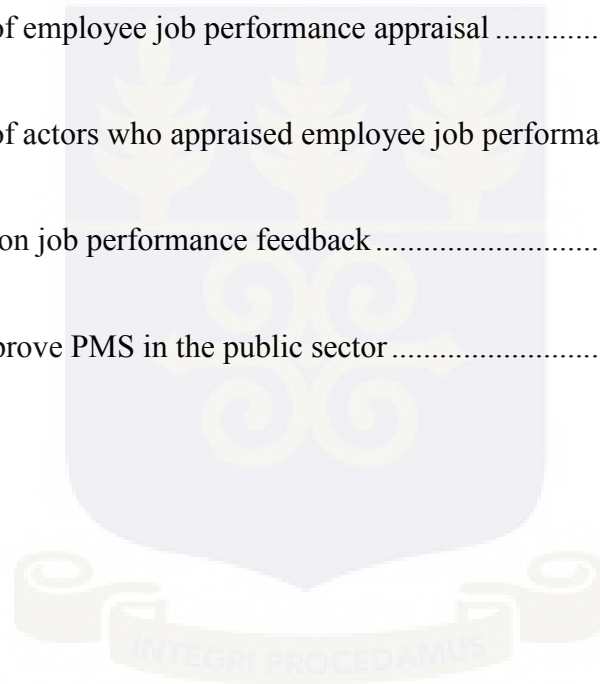
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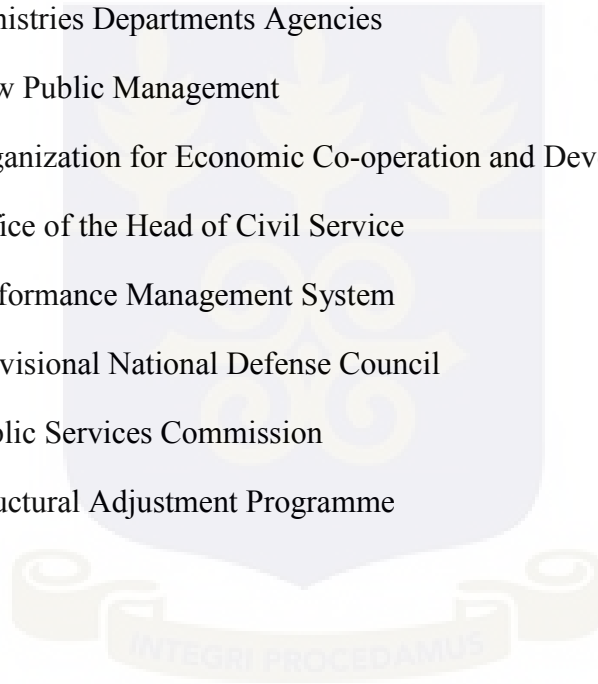
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LIST OF ABBREVIATIONS

CIDA	Canadian International Development Agency
CIPD	Chartered Institute of Personnel and Development
CLOGSAG	Civil and Local Government Staff Association of Ghana
CSPIP	Civil Service Performance Improvement Programme
CSRP	Civil Service Reform Program
FWSC	Fair Wages and Salaries Commission
MDAs	Ministries Departments Agencies
NPM	New Public Management
OECD	Organization for Economic Co-operation and Development
OHCS	Office of the Head of Civil Service
PMS	Performance Management System
PNDC	Provisional National Defense Council
PSC	Public Services Commission
SAP	Structural Adjustment Programme



ABSTRACT

Ghana has made attempts to institute an effective public sector performance management system to enhance performance, transparency, accountability and efficient service delivery in the public sector. This study sought to explore the impact and the challenges of the new Performance Management System (PMS) in public sector organizations. The study adopted an exploratory study design and was influenced by the pragmatism research paradigm. Both qualitative and quantitative approaches were used. Therefore primary data was obtained through the interviews and survey questionnaires. The principal-agent theory provided the theoretical framework for the study. Theoretical sampling and convenient sampling were used to select 18 public sector organizations for the study. Methodologically, the study collected primary data through interviews with 14 officials (mainly the heads of human resource management departments) and a survey of the views of 225 employees from 18 public sector organizations. Findings from the study reveal that the new PMS has impacted positively on the performance management processes by increasing the involvement of bureaucratic heads and their subordinates in processes of target setting, performance execution, performance assessment, and performance feedback. However, the study also found that the new PMS has failed to link employee performance to pay, rewards and sanctions. The study also identified some challenges of the new PMS such as the lack of rewards and incentives for non-executives; lack of effective supervision; inadequate understanding of the new appraisal instrument; failure to enforce sanctions for non-performance due to fear of being victimized. The study concluded that though the new PMS is faced with some challenges, there are clear signs of positive impact on performance management processes, and for the system to be effective it would require more effort and commitment from principal agencies (PSC, FWSC, and OHCS) and the leadership of implementing agencies.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Performance management has been at the heart of the New Public Management (NPM) (Hood, 1991; Mwita, 2000; Carlisle, 2007; Ohemeng, 2009; Webb, 2010). Advocates of the NPM emphasize that strengthening performance management in the public sector would enhance performance of employees and public service performance while promoting accountability, value for money, and efficient public service delivery and customer satisfaction. Instituting a Performance Management System (PMS) in the public sector is necessary to demonstrate to stakeholders whether public organizations are performing as expected and that set goals and objectives are being achieved (McAdam, Hazlett, and Casey, 2005).

Performance management is seen as a strategic, continuous and integrated process that is deemed to enhance employee performance and productivity, and the attainment of organizational goals (Armstrong, 2000; Aguinis, 2009; Armstrong and Baron, 2010; Mathis and Jackson 2010) and operational process (Briscoe and Claus 2008 cited in CIPD, 2009a). The significance of having a PMS to measure and reward employee performance in organizations has been highlighted by several scholars. Performance management if effectively done has been found to motivate and retain employees in an organization (Shearer, 2006; Armstrong, 2009; Norman and Kabwe, 2015). Employees are motivated by a system that ensures recognition and appreciation, healthy relationships, a favourable working environment, financial reward and feedback on performance

(Shearer, 2006). Reforms to create a PMS in the public sector or developing countries have therefore been supported by international development organizations (Webb, 2010).

While many studies have shown positive results of performance management in public organizations in developed countries (Verbeeten, 2008; CIPD, 2009a; Halachmi, 2011), the evidence in developing countries (Polidano, 1999; De Waal, 2007; Mwita, 2000) like Ghana show otherwise (Adei and Boachie-Danquah, 2003; Antwi, Analoui, and Nana Agyekum, 2008; Ohemeng, 2009; Bawole, et al., 2013). Scholars have identified some key features crucial to the success of performance management implementation in the public sector which are usually missing in developing countries (Fryer, Anthony and Ogden 2009; Fletcher, 2004; Dodoo, 1997, Antwi et al., 2008; CIPD, 2009b; McAdam et al., 2005; Gruman and Saks, 2011; Mathis and Jackson, 2011). These features include alignment of the PMS to existing organizational strategies; strong leadership commitment; stakeholder involvement and employee engagement; a performance management culture recognized to improve and identify good performance, and not only as a tool used to victimize or chastise poor performers; sustainable financial and technical resource; continuous monitoring and feedback reporting mechanisms; transparency and accountability mechanisms; and, workplace ethical values that enhance positive behaviours. Performance management, done badly, can disorient employee support and commitment as well as breed unproductive activities (CIPD, 2000a; Aguinis 2009). Therefore, it is important that public sector reforms in developing countries that seek to introduce or strengthen performance management should be studied by scholars to understand the impact.

1.2 Research Problem

Ghana has over the past decades embarked on several public sector reforms to cure the bad image of the public sector as visionless, ineffective, inefficient and wasteful, corrupt, non-performing and unproductive (Antwi et al., 2008; Adei & Boachie-Danquah, 2003; Ayee, 2001). Many of the public sector reforms in Ghana sought to build an effective PMS. A Civil Service Reform Program (CSRP) (1987-93) which formed part of the World Bank-led Structural Adjustment Programme (SAP) was followed by the Civil Service Performance Improvement Programme (CSPIP) formally launched in 1995 (Antwi et al., 2008). Issues bothering on performance standards and performance measurement, performance appraisals, merit-based recruitment, merit-based salary increments, incentives and promotion, signing of performance contracts, training and development and other related human resource matters formed part of the objectives of the public sector reforms (Adei & Boachie-Danquah, 2003). Despite the huge government expenditure in public sector reforms, the results have generally been disappointing (Appiah and Abdulai, 2017).

Several studies have highlighted some key challenges inhibiting successful implementation of performance management in Ghana's public sector: lack of local participation and ownership of performance management reforms (Dodoo, 1997; Adei and Boachie-Danquah, 2003); absence of transformational leadership among chief directors to enforce attitudinal change to embrace a performance culture (Adei and Boachie-Danquah, 2003); low level top political and bureaucratic commitment in implementation of the reforms (Antwi et al., 2008). According to Ohemeng (2009), institutional and capacity constraints, institutional fragmentation, public apathy and leadership support, lack of political will and seriousness, inadequate financial resources, lack of institutionalized incentive and sanctions system have hampered the successful implementation of

a PMS in the public sector. Moreover, it has been revealed that administrative culture, socio-cultural norms, values, and political tendencies tend to undermine the objectivity of the performance appraisal process (Debrah, 2001; Bawole et al., 2013).

Due to the failure of previous public sector reforms to effectively institute an effective PMS, a new PMS was designed, piloted in 2014, and implemented in 2015 across the public sector (Public Services Commission, 2014, 2015). According to the Public Services Commission (PSC) of Ghana, “The **New Performance Management System** is based on the principles of Accountability, Transparency, Equity and Ownership” (PSC 2014:3, bold emphasis is from source). In the new PMS, “every individual including each head of a public service, Chief Executive Officer, Chief Director, Head of Departments and Director is to have annual performance targets the attainment of which will be enforced by appropriate combinations of incentives and sanctions” (PSC 2015:70). This new system seeks to ensure that salary increment, promotion, training and development of employees are linked to employee job performance (PSC, 2015). This is to establish a performance culture in the public sector that sets objectives, targets and aligns staff performance to organizational and national development goals.

The effectiveness of the governance mechanisms for the new performance management system also requires examination by scholars. According to Article 196 of the 1992 Constitution of Ghana, “The Public Service Commission of Ghana shall have such powers and exercise such supervisory, regulatory and consultative functions as Parliament shall, by law, prescribe, including as may be applicable, the supervision and regulation of, entrance and promotion examinations, recruitment and appointment into or promotions within, the public services, and the establishment of standards and guidelines on the terms and conditions of employment in the

public services.” In 2007, Government also created an agency called the Fair Wages and Salaries Commission (FWSC) to, among other functions related to public sector salary administration, “Ensure that the balance of internal consistency, external competitiveness and employee performance are fully reflected in the public service pay system” and “advise on performance management processes and indicators” (FWSC Act, 2007, section 3).

The governance mechanisms for the new PMS recognize that there is the need for the PSC and FWSC to collaborate effectively in the design and implementation of a performance management system that links employee job performance to the public service pay system (PSC 2015). The manual for the new PMS states that “By its mandate, the PSC, in collaboration with the FWSC is responsible for developing the guidelines and standards, which shall provide the framework for institutionalization of the PMS in public service organizations” (PSC 2015:77). Further, “The PSC in collaboration with the Fair Wages and Salaries Commission shall ensure that performance in the public service is monitored. Outstanding performance shall be rewarded and poor or unsatisfactory performance managed or sanctioned” (PSC 2015:69-70). Towards this end, the policy document states that “The PSC and the FWSC shall put in place monitoring and evaluation mechanism to ensure compliance with this policy by all institutions” (PSC 2015:77). Principal-agent theorists in public administration (Dixit, 2002) have noted that public sector employees (as agents) usually have multiple principals, all trying to influence the actions of the employees. The issue is that multiple principal actors in the public sector usually find it difficult to overcome the problem of “complexity of joint action” in the implementation of a common policy (Pressman and Wildavsky, 1984; Ayee, 1994; Ohemeng and Anebo, 2012). Therefore, the extent to which the PSC and the FWSC will be able to overcome the problem and collaborate effectively in the implementation of the new PMS is an interesting issue for research.

The new PMS places responsibilities on the public sector bureaucratic leadership (Chief Directors, Chief Executive Officers, Directors, and Head of departments) to ensure its successful implementation. A newly developed *Human Resource Management Policy Framework and Manual for the Public Services* (hereafter referred to as the ‘PMS policy manual’) states that “The Chief Directors or Chief Executives and Heads of the Public Services are responsible for the administration and enforcement of the PMS in their respective organizations” (PSC 2015:77). Meanwhile, since 2013, the Office of the Head of Civil Service (OHCS) which is responsible for managing all human resources in the Civil Service Since 2013, signs performance agreements with Chief Directors in all the Ministries of the civil service and also assesses the performance of the Chief Directors at the end of the year (Appiah and Abdulai, 2017). To ensure the commitment of the bureaucratic leadership to enforce the new PMS, the policy manual states that Chief Directors or Chief Executives and their immediate deputies shall be assessed using “a performance agreement which shall be written and agreed upon by both the officials and their individual governing boards or councils” (PSC 2015:77). Moreover, “Merit Awards will be considered for those Chief Directors who achieve over 90% of their deliverables. The Chief Director is expected to produce at least 70% of the deliverables to avoid prescribed sanctions” (PSC, 2015:136). Interestingly, the policy manual does not define any specific role for the OHCS in the implementation of the new PMS. Three years into the implementation of the new PMS, an important question for research is to examine to what extent have the public sector bureaucratic leadership been committed to enforcing the processes of setting performance targets for employees, assessing employee job performance, and providing evaluation feedbacks to the employees? Further, to what extent have the PSC, FWSC, and OHCS been able to collaborate effectively to implement the new PMS? These matters need to be explored by researchers.

The new PMS introduced into Ghana's public sector in 2015 is now in its third year of implementation. But there is no published academic study that explores the impact of the new PMS. There was the need for scholars to explore the impact the new PMS has had on performance management processes in the public sector. Therefore, the purpose of this study is to explore the impact and challenges of the new PMS in Ghana's public sector.

1.3 Research Objectives

To achieve the research purpose, the following specific objectives underpinned the study:

1. To examine the nature of the governance framework for the enforcement of the new PMS.
2. To investigate the nature of collaboration between the PSC, OHCS, and FWSC in ensuring the compliance of all public sector organizations with the new PMS.
3. To investigate the impact of the new PMS on the commitment of the bureaucratic heads and lower-level employees in public sector organizations to undertake the activities of employee performance target setting, employee performance assessment, employee performance feedback and decision making on rewards and sanctions.
4. To investigate the challenges of the new PMS and make policy recommendations.

1.4 Research Questions

1. What is the nature of the governance framework for the enforcement of the new PMS?
2. What is the nature of collaboration between the PSC, OHCS, and FWSC in ensuring the compliance of all public sector organizations with the new PMS?
3. What is the impact of the new PMS on the commitment of bureaucratic heads and lower-level employees in public sector organizations to undertake the activities of performance

target setting, performance assessment, performance feedback and decision making on rewards and sanctions?

4. What are the emerging challenges affecting the new PMS?

1.5 Significance of the Study

This study makes significant contribution to research, practice and policy on performance management in the Ghana's public sector. In relation to research, this study theoretically and empirically contributes to existing literature on performance management in Ghana. Concerning significance to practice, the study could be considered as one of the performance audits envisaged by the PSC due to the fact that no evaluative study has been conducted by the PSC on the new PMS in public organizations since its implementation as at the time this study was conducted. This study therefore is likely to be a useful reference material for practitioners who seek to understand and improve the new PMS. It offers useful insights into the role of the principal implementation actors especially the PSC, FWSC and OHCS. Constraints inhibiting the successful implementation of the new PMS have been highlighted by the study to enable the PSC and various implementing organizations to deal with the constraints. The study also had a policy dimension by bringing new information to light necessary to re-examine the current practice of performance management in the public sector. The study made necessary policy recommendations that may influence the practice of performance management in the public sector.

1.6 Scope of the Study

The scope of this study can be classified into two categories: geographical and organizational. Geographically, the study involved public sector employees, Ministries and agencies domiciled

in Accra in the Greater Accra region of Ghana. Although the majority of the Ministries and agencies involved in the study have offices in all the ten regions of Ghana, the findings do not necessarily apply to the offices outside the Greater Accra region. The study also focuses on performance management at the individual employee level and not the organizational level.

1.7 Organization of the Study

The study is organized into five chapters and structured as follows. The first chapter has presented the background of the study, the research problem, research objectives, research questions to be answered, significance of the study, and scope of the study. Chapter two focuses on a review of the relevant empirical and theoretical literature that helps to understand the nature of performance management. The various concepts underpinning the study were defined and the principal-agent theoretical framework employed for the study is discussed. Chapter three presents the research methodology of the study which highlights the sources of data for analysis, sampling techniques and sample size, data collection instrument and methods, the nature of data presentation and analysis, and ethical considerations. Chapter four is devoted to the analysis and discussion of the research findings drawing comparisons between theory and the practice of performance management in Ghana's public sector. Finally chapter five summarizes the findings and conclusions drawn from the study, and makes policy recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents a review of relevant conceptual, empirical and theoretical literature on performance management. It begins with a review of the literature on the conceptualization of performance management from various scholarly perspectives. It is followed by a discussion of the principal-agent theoretical framework underpinning this study. The next section looks at discussions on the process of performance management. Finally the chapter presents issues arising in the literature concerning the implementation of an effective performance management system in Ghana's public sector.

2.1 The Concept of Performance Management

The literature indicates that the term 'performance management' was first used by Beer and Ruh (1976) in their study *'Re-engineering Performance Management, Breakthroughs in achieving strategy through people'* in which they asserted that practical challenges and experiences of employees on the job coupled with effective supervisor guidance and feedback best enhance performance in an organization (Armstrong & Baron, 2004). Their study ignited a new philosophy of performance management that looks beyond the spheres of annual performance appraisal or evaluation system.

Since the 1970s, the concept of performance management has gained a high degree of scholarly and business interest as a key management tool (Norman and Kabwe, 2015; Maley, 2014; CIPD, 2009a; Fryer et al., 2009). However, there has been so much confusion over the meaning of the

term ‘performance management’. Whilst others have considered it as an appraisal process, others have defined it in terms of performance-related pay, and yet some have looked at it in terms of training and development. In the last two decades, the concept has been seen as a continuous, strategic activity that involves managing employee behaviour towards achieving high performance and commitment in an organization (Armstrong, 2000; Aguinis, 2009). It has attained a more pivotal role in strategic human resource management process as very crucial tool for performance improvement and achieving organizational goals (CIPD, 2009b; Maley, 2014).

Performance management has been defined in several ways by various authors. Weiss and Hartle (1997:1) defined performance management as “a process for establishing a shared understanding about what is to be achieved and how it is to be achieved, and an approach to managing people that increases the probability of achieving success”. Similarly, Armstrong (2000:1) defines performance management as “a strategic and integrated process that delivers sustained success to organizations by improving the performance of people who work in them and by developing the capabilities of individual contributors and teams.” From the foregoing definitions, it is evident that whilst Weiss and Hartle (1997) view performance management as a process that creates an agreement and shared understanding between managers and employees about targets and tasks, Armstrong (2000) identifies the concept to be a more strategic and integrated process. Strategic and integrated in the sense that it aligns individual objectives and responsibilities to overall organizational goals and mission.

Armstrong (2000) looks at performance management as an integrated process in two ways; first vertical integration which involves aligning organizational, team and individual objectives; and, secondly, horizontal integration which involves linking all the various aspects and cross cutting

activities in the organization in a coherent manner towards the management and development of people. Creating such integration, agreement and shared understanding is hinged on effective communication between managers and subordinates. In this light, Mathis and Jackson (2010) assert that positive communication in an organization is very imperative because it strengthens the whole process of performance management.

Weiss and Hartle (1997), and Armstrong (2000) agree in their definitions that performance management is about managing employees, the most important asset in an organization to improve their performance. They further agree on the fact that improving employee performance culminates into overall organizational success. However, according to Armstrong (2000), the conceptualization of performance management should focus more on the development of employees' capabilities to improve their performance in an organization.

Other scholars have also defined performance management by using a stages approach which identifies the various stages involved in the process of performance management (Aguinis, 2009; Norman and Kabwe, 2015). For instance, Verbeeten (2008:428) sees performance management as “the process of defining goals, selecting strategies to achieve those goals, allocating decision rights, and measuring and rewarding performance.” Similarly Aguinis (2009:2) defines performance management as “a continuous process of identifying, measuring and developing performance in organizations by linking each individual's performance and objectives to the organization's overall mission and goals.” Norman and Kabwe (2015:213) offers a more comprehensive definition where they define performance management as “a strategic and continuous process between managers and employees that includes planning, reviewing and appraising performance in order to correct poor performance, to sustain good performance and to

improve performance through the harmonization of individual and organizational objectives, to create a high performing culture where performance management is embraced by all employees and managers.” Following Weiss and Hartle (1997) and Armstrong (2000), Norman and Kabwe emphasize the fact that performance management can only be effective if it is fully accepted and embraced by both employees and managers.

The various definitions above clearly indicate some form of agreement among scholars about what the concept of performance management entails. It is agreed that performance management is a strategic and continuous process involving a series of activities undertaken to manage individual and organizational performance in an organization. For the purpose of this study, the stages approach is followed to define performance management as a continuous process of integrating employee and organizational and strategic targets, performance execution, appraising performance, providing feedback, and enforcement of decisions concerning rewards, sanctions and improvement. The ultimate goal of performance management should be to improve organizational performance, rather than what Armstrong and Murlis (1998, cited in Armstrong, 2009:619) call as a “dishonest annual ritual” of “praising performance” (Bawole, et. al., 2013). The process of improving organizational performance may include providing career development training to fill performance gaps identified. The essence of employee performance management is to improve individual performance to achieve organizational goals.

2.2 Theoretical Framework: Principal-Agent Theory

Underpinning this study is the Principal-Agent theory, a mostly and widely used theoretical framework in the performance management literature (Van Slyke, 2007; Verbeeten, 2008; Heinrich and Marschke, 2010), because of its usefulness in providing in-depth understanding and

relevant information that are fundamental to the creation and implementation of any performance management system based on an incentive scheme or contractual agreement between a principal actor and an implementing agent. According to this theory, a principal actor contracts an agent to perform tasks on behalf of the former in return for agreed upon rewards. The agent is deemed to possess requisite expertise in terms of knowledge, skills and ability to execute the tasks and programs of the principal. Based on contractual agreement between the principal and the agent, contractual terms bothering on inputs, processes, expected outcomes, performance standards and indicators are clearly established. The principal actor must establish with the agent performance-reporting and monitoring mechanisms, compensation or reward schemes and sanctions for executing the tasks and programs of the principal (O'Flynn 2007; Van Slyke, 2007).

Underpinning the principal-agent theory are two assumptions: first is the goal conflict that exists between the 'power and budget/wealth maximizing' principal and the 'utility-maximizing' agent; and, secondly, there exist moral hazards problems as a result of the agent possessing some vital information about actual performance which can be exploited by the agent to satisfy his or her self-interest at the expense of the interest of the principal (Waterman and Meier, 1998; O'Flynn, 2007; Van Slyke, 2007). The principal can combat these problems at an increasing cost by aligning the actions of the agent to the aspirations or goals of the principal through contractual agreement on an incentive and sanction system, as well as creating and effective performance reporting and monitoring mechanism (Kassim and Menon, 2003; Van Slyke, 2007). The theory has been found suitable for investigating the effectiveness of performance management systems created by organizations to ensure the responsiveness of employees to their responsibilities.

Principal-Agent relationship tends to be more complex in the public sector. The public sector is usually characterized with multiple stakeholders and principals, as well as multiple tasks and goals which are usually ambiguous (Waterman and Meier, 1998; Dixit, 2002; Burgess and Ratto, 2003; McAdam et al., 2005; Verbeeten, 2008). In the public sector, agents usually have multiple principals, all trying to influence the actions of the agents. The existence of multiple principals in the public sector is due to the fact that outcomes of activities of the agent affect several people and groups (stakeholders) (Dixit, 2002).

In addition to the complexity of principal-agent relationship in the public sector, Dixit (2002) notes the hierarchical nature of principal-agent relationship in the public sector where agents occupying higher level management positions are principals to lower level staff. Principal-agent relationship can thus occur between a government agency (as the agent) and its political heads or clients or citizens (as principals), or within a government institution or agency with top level managers as principals and low level staff as agents.

In the public sector, the government (and their third-party principal actors) may introduce a PMS to monitor, measure, reward, and sanction the performance of public sector employees (as government agents). Such a system may seek to align agents' performance to pay and other incentives. However, introducing and effectively instituting a PMS in a public sector where the employees are yet to embrace a performance system linked to economic and symbolic rewards may depend to a larger extent on the interrelationship between the following factors: the provision of adequate economic incentives and resources; effective communication of accurate information between principals and agents; effective enforcement mechanism; and positive attitude of the agents towards the system. These factors are discussed in turn.

2.2.1 Economic Resources

The availability of adequate resources is very necessary and crucial for effectiveness of performance management in the public sector (De Waal and Counet, 2009; Julnes and Holzer, 2001). In the principal-agent relationship, the principal is responsible for providing the agent with adequate resources to ensure that they are able to carry out their tasks effectively (Turner and Müller, 2004). In the same way, the government is expected to make available adequate resources if performance management is to be effectively implemented and instituted in public organizations. Adequate budgetary allocation of funds for performance management is vital to finance training programs on performance management, enhance effective enforcement of legally mandated functions; and, to make available adequate funding for incentives and other forms of rewards for employees performance.

2.2.2 Communication of accurate Information between Principals and Agents

One essence of performance management is to address the information asymmetry problem between the principal and agent. For performance management to be effective it depends on the extent to which accurate information are transmitted and shared between agents and principals through a reliable channel of communication (Turner and Müller, 2004; Müller and Turner, 2005; Aguinis, 2009). Effective communication enables the principal to obtain full and accurate information on the performances of agents. It also ensures that agents obtain full and relevant information regarding incentives, clearly understand policy standards, objectives and directives. Clearly communicating the purpose and merit of performance management go a long a way to build the support of both principals and agents for the PMS.

Performance management should clearly define organizational mission, goals and objectives and communicated to employees. Employees are therefore made aware of their individual responsibilities and objectives, targets and accepted behavior to exhibit in the discharge of their duties (Verbeeten, 2008). In addition, employees should receive feedback from their assessors regarding their performance ratings and the areas they need to improve (Aguinis, 2009). Performance managers should ensure that performance information generated from appraisals is effectively communicated to all stakeholders to enhance proper transparency and accountability.

One main purpose for implementing performance management in the public sector is to enhance transparency and ensure accountability (De Bruijn, 2002; Heinrich, 2002; Ohemeng, 2009; Halachmi, 2011). According to Verbeeten (2008) performance management enables performance to be measured against set objectives and targets which should make it possible for politicians and public managers to account to citizens the purposes for the use of public resources and also to be held accountable for poor performance with a clear understanding of dismissal or demotion as consequence. Accountability can be achieved if performance information is made transparent through regular publicized performance reports to all stakeholders.

2.2.3 Enforcement and Compliance Mechanism

From the principal-agent theory, a goal of the principals is to ensure that the agent's behavior is aligned towards their goals and aspirations. As such enforcement mechanism is very essential to monitor and ensure that agents comply and carry out legally mandated policy objectives and tasks of the principals. According to Sabatier and Mazmanian (1979:493) enforcement mechanism is necessary because "implementing officials cannot be necessarily trusted to act in a manner consistent with statutory objectives". The use or threat of the use of sanctions and

incentives has been a commonly advocated mechanism for ensuring compliance and execution of policy standards and objectives enshrined in the contractual agreement between the principal and agent (Kassim and Menon, 2003).

In the public sector, governments usually contract a third party agency to act as principal to provide constant oversight and monitoring of the behavior of agents to ensure that policy standards and objectives are complied with (Sabatier and Mazmanian, 1979; McCubbins and Schwartz, 1984). Whichever form of enforcement mechanism is adopted by governments as the primary principal actor tends to be very costly. And the extent to which enforcement can be effective thrives on the availability of economic resources, credible sanctions regime, and political commitment towards enforcement of contractual agreement with bureaucratic officials (agents) (North, 1991, 2003). Political will and commitment may be demonstrated by government in two ways: first, by devoting more resources and incentives to enforcement, and second, by ensuring that performance information from agents is utilized even when results contradict the political agenda of government. In sum, credible organizational enforcement mechanisms are very necessary in the principal-agent relationship to ensure compliance of terms in the contractual agreement between the principal and agent.

2.2.4 Positive Attitude of Agents towards Mandate Performance

The principal-agent logic holds that agents are rational and self-seeking individuals who are motivated by incentives and ready to execute tasks that they deem to increase their wealth and would conversely shirk responsibility on tasks they perceive to affect their economic well-being. This makes the attitude and perception of agents an important variable in the effectiveness of performance management in the public sector. The attitude, positive or negative towards the

PMS will determine whether implementation may be carried out to the end or not. Agents' attitudes and dispositions such as ability, technical expertise, willingness to change, knowledge and understanding of the performance management system, personal values and interests, level of support are all very important for successful execution of the policies and objectives of the principal (Durant, 1984; Makinde, 2005).

Van Meter and Van Horn (1975) identified three elements of agent's response that may influence their ability and willingness to execute a policy: first, agent's cognition of the policy; second, the direction of agent's response toward the policy; and, third, the intensity of that response. Agents' cognition of the policy implies their understanding and comprehension of the goals, standards and objectives of the policy. Agents cannot execute a policy without a clear understanding of the intent, standards and objectives of the policy. Agents clearly need sound knowledge and understanding of the laws and administrative statutes governing the contractual agreement with the principal to enhance their support for the objectives and goals of the principal. The direction of the agents' attitude towards the policy implies whether they accept or reject the policy. Agents will willingly execute policy they accept and where they reject the policy goals, implementation would be a failure (De Waal and Counet, 2009). Policy goals may be rejected when they violate agents' personal values, interests or ethical values; and, where they require greater amount of behavioural change (Durant, 1984; Makinde, 2005; Julnes and Holzer, 2001). Lastly, the intensity of the attitude of agents affects policy execution. Intense negative attitude towards a policy may lead to complete and open rejection of the policies of principal. Less intense attitude toward a policy may lead to a lackadaisical behaviour or low level of commitment from agents.

2.3 Performance Management Processes

As indicated above, there is a considerable agreement among scholars concerning the fact that performance management is a continuous cyclical process and not a once annual activity (Weis and Hurtle, 1997; Armstrong, 2009; Verbeeten, 2008, Aguinis, 2009; Mathis and Jackson, 2010; Norman and Kabwe, 2015). As asserted by Mathis and Jackson (2010:320) “successful performance management is a circular process that requires a system of administrative tools that effectively structures the dialogue between managers and their employees, and the motivation to utilize the system in a productive way.” At the individual employee level of analysis, the performance management process involves five main processes including (i) setting employee performance targets, (ii) performance execution, (iii) performance appraisal, (iv) performance feedback, and (v) enforcement of decisions concerning rewards, sanctions and improvement. While agents have the responsibility of ensuring performance execution, principal actors and performance managers have a greater responsibility in ensuring the success of the remaining four processes. It seems that the success of a performance management system depends largely on principals and their performance managers than on agents.

2.3.1 Performance Planning and Target Setting

According to Aguinis (2009) before an employee can execute a job, two very important and necessary conditions need to be satisfied. The first condition is that employees must have knowledge and understanding of the organization’s mission and goals. The Organization’s mission implies the purpose of an organization’s existence or “reason for being” (David, 2011:44), and the goals are what they want to achieve. Organizations seeking to introduce performance management need to clearly define its mission and goals which are effectively communicated and disseminated throughout the organization (Armstrong, 2009). Through this

employees are made aware of the very purpose of the existence of the organization, the organizational goals as well as the various strategies to achieve these goals. Knowledge and understanding of organizational mission and goals enables department, unit and individual employee goals and objectives to be established towards the achievement of overall organizational goals (Aguinis, 2009; Mathis and Jackson, 2010; David, 2011). The second condition is for the employee to have in-depth knowledge and understanding of the job to be performed and the targets to be achieved. According to Aguinis (2009) such knowledge and understanding of the job can be enhanced through proper job analysis. Armstrong (2009:444) defines job analysis as “the process of collecting, analyzing and setting out information about the content of jobs in order to provide the basis for a job description and data for recruitment, training, job evaluation and performance management.” Job analysis provides information concerning the tasks, duties, behaviours, knowledge, skills and abilities required for a particular job. This enables employees to know and understand what they are expected to do and how to do it. Job analysis enables the employee and employer to set clear performance targets for future evaluation and decisions concerning rewards, sanctions and improvement. According to Mathis and Jackson (2010), job analysis enhances the determination of performance standards with which to assess and evaluate the job performance of employees.

Performance target setting involves a meeting between manager and employee where there is discussion and agreement concerning the specific objectives, expected results to attain, job duties and tasks to be performed, behaviours expected, requisites competencies needed to perform the job and performance standards with which to measure and evaluate job performance. It is important to ensure that employee objectives and targets are specific, measurable, achievable, realistic and time-bound (Armstrong, 2009). According to Mathis and Jackson (2010) employees

including well-intentioned employees do not always know what they are required to do and achieve which makes the performance planning very necessary. At the performance target setting stage, the manager and employee may develop a development plan to help improve and develop the skills, abilities or competencies of employee in order to meet pre-established performance targets and results (Aguinis, 2009; Armstrong, 2009). The development plan aims to improve employee performance by developing and improving their ability to perform job duties well and also assume wider responsibilities. The development plan may include training and development activities such as learning, coaching, job enrichment, and mentoring (Armstrong, 2009).

2.3.2 Performance Execution

The performance execution stage is where the individual employee undertakes day-to-day job responsibilities, tasks and activities geared toward achieving set targets or results. The employee is committed to goal achievement, collects and shares performance data with the supervisor. There are regular meetings with the supervisor to discuss and identify barriers preventing the employee from achieving performance targets and results. Communication between the employee and supervisor is very crucial at this stage. The employee seeks direction and guidance through coaching from the supervisor and request feedback on progress of their performance in relation to the achievement of targets.

Aguinis (2009) notes that the supervisor plays a key role in this stage of the process to ensure employees achieve performance targets. The supervisor ensures that needed resources are provided to enable employees perform their jobs effectively, observes and documents performance behavior of employees as well as provide feedback and direction where necessary.

In addition, the supervisor updates the employee on changes in employee objectives or goals which may be as a result of a change in organizational objectives or goals.

2.3.3 Performance Appraisal

Following performance execution, an appraisal of the employee's performance in relation to pre-established objectives and targets is carried out. Performance appraisal is the formal assessment and rating of employee performance by their managers over the course of the specified review period (Armstrong, 2006). Performance appraisal may take place once or twice a year – mid-year review or annual review. The employee undertakes self-assessment to ascertain whether desired behaviours have been exhibited on the job as well as desired results and targets have been successfully achieved. Similar assessment may be carried out by supervisor, colleague workers and customers of the organization (Aguinis, 2009).

It is very important that both employee and supervisor partake in the assessment process because it provides relevant information to be used in the performance review stage (Armstrong, 2009). Aguinis (2009) highlights the importance of employee self-assessment in enabling the employee to identify differences and discrepancies between his or her evaluation and that of the supervisor; increasing employee's satisfaction and acceptance of the performance management system. Performance appraisal is therefore a very important, pivotal and indispensable stage of the whole performance management process.

Information from performance appraisal has been identified to be used usually for two main purposes: administrative decision-making purposes and development purposes (Fink and Longenecker 1998; DeNisi and Pritchard 2006; Aguinis, 2009; Armstrong, 2009; Brown and

Benson, 2010; Mathis and Jackson, 2010). For administrative decision-making purposes, information from performance appraisal is useful to enhance administrative decision-making on promotions, demotions, transfers, rewards and incentives, and termination of employment. According to Mathis and Jackson (2010), performance appraisal is an effective tool to link salary, incentives and other rewards to job performance. In relation to the development purposes, performance appraisal enables managers to identify the strengths, weakness, potential as well as the training needs of their subordinates. At the performance appraisal stage, managers are able to identify the areas employees may need further training to improve their future job performance and also promote their career progression.

The performance appraisal stage is a very critical stage of the performance management process that may affect the success of the whole PMS if poorly done (CIPD, 2000a; Mathis and Jackson, 2010). Bond and Fox (2007) note that measuring the performance of employees accurately and objectively is a difficult task to undertake. In the Ghana Civil Service, according to Bawole et al. (2013:958), the performance appraisal process usually lacks objectivity because “Some supervisors are said to be chronically guilty of poor performance and so do not have the moral courage to realistically appraise their subordinates. The second elements were superstition and spirituality and that supervisors are sometimes fearful that subordinates would invoke spiritual curses against them if they rated them poorly.” The challenge for the new PMS introduced in the public sector is to ensure objectivity of supervisors in appraising performance. Inaccurately and subjectively done, performance appraisal can damage the relationship between supervisors and their subordinates, affect employees commitment and support for the PMS as well as misdirect rewards and training efforts (Aguinis, 2009; Mathis & Jackson, 2010).

Negative perception among employees towards performance appraisal or review can affect their support and commitment towards the implementation and sustainability of the PMS (Greenberg, 1986; Boachie-Mensah and Seidu, 2012; Bekele, Shigutu and Tensay, 2014; Ghauri, Ehtasham and Neck, 2014). Fletcher and Bailey (2003) have therefore argued that measuring the performance of employees accurately and objectively forms the very basis of a true and accurate system of performance management in organizations.

2.3.4 Performance Feedback

Feedback on job performance usually involves a meeting between supervisors and their employees where performance results or ratings are discussed. Providing feedback on job performance has been recognized as a key component of an effective performance management system (Mathis and Jackson 2010; Armstrong, 2009; Rankin and Kleiner, 1988). It has been deemed to be very crucial to employee performance improvement and development (Kuvaas, 2011; Armstrong, 2009). After a successful performance evaluation, there is the need for managers or supervisors to communicate performance results to their employees to enable them obtain information on their performance as well as have a clear understanding of how they performed against set or expected performance targets and standards.

According to Mathis and Jackson (2010), in providing feedback on job performance managers or supervisors must not only focus on discussing performance ratings or how employees performed but must also focus on discussing keys areas of improvement as well as employee development and training needs. An effective performance feedback has been argued to shape employee behaviour and attitude (Armstrong, 2009; Levy and Williams, 2004). According to Armstrong (2009), feedback enables employees identify the discrepancy between their actions and expected

behaviour and take corrective measures to tackle the discrepancy. Similarly, Levy and Williams (2004) note that the perceived credibility, frequency and quality of feedback tend to affect employees' behaviour and attitudes. Feedback on job performance moreover provides prior information to employees regarding decisions on rewards or sanctions which tend to enhance their satisfaction and acceptance of such decisions.

2.3.5 Decision Making Concerning Rewards, Sanctions and Improvement

Performance management systems incorporate a reward and sanctions mechanism for rewarding high performance and punishing non-performance. After a successful performance review, feedback and information from performance appraisal guides decision making on who is to receive rewards and other incentives, and who is to be sanctioned or to receive training to improve performance. Thus, at this stage rewards and incentives are given to performing employees for meeting performance targets. Rewards may be financial thus involving salary increment or incentives; and symbolic involving recognition and other non-financial accolades.

Rewarding employees for performance enhances their motivation, attitudes and behaviors towards work (Goncharuk and Monat, 2009). In situations where employee performs below accepted and agreed-upon performance targets, sanctions may be applied in the form demotion, reduction of salary and dismissal in extreme cases. Decisions on the type of training needed to improve the identified weaknesses of employees are also taken at this stage.

Based on information obtained from performance appraisal stage, the results may necessitate changes in organizational focus, goals, and strategies. These changes may be as a result of the fact that organizational goals were achieved and therefore the need for a new one or may be as a

result of the inability to achieve organizational goals because they were highly ambitious. This prompts the development of new mission, organizational goals and strategies ushering into the prerequisite stage and starting the whole performance management process all over again.

2.4 Challenges of Performance Management in the Public Sector

Despite popular support, the implementation of performance management in the public sector has been met with some challenges and controversies (Gianakis, 2002; Van Thiel and Leeuw, 2002; Radnor and McGuire, 2004). Bolton (2003) notes that the public sector is a “slightly different” environment and as such some private sector approaches, methodologies, tools and techniques need to be modified or translated to ensure their relevance in the public sector. McAdam et al. (2005) attribute the challenges of performance management in the public sector to the existence of multiple stakeholders. Consequently, McAdam et al. (2005) argues that modifications of private sector approaches, methodologies, tools and techniques may not be sufficient enough to reflect public sector reality to address the multiple interests of public sector stakeholders. Talbot (2005) therefore suggests that a specific model of performance management that will fit the unique public sector environment is required. Fryer et al (2009) have classified the challenges of performance management in the public sector into three categories: (i) technical problems, (ii) system problems, and (iii) stakeholder involvement problems. These problems are briefly elaborated below.

2.4.1 Technical problems

Technical problems relate to issues bothering on performance indicators, collection and interpretation of data as well as issues relating to reporting of performance information. The choice of performance measurement indicators has been an issue of much controversy in the

literature. One side of the argument has been that performance indicators should center on outcomes of service delivery rather than on output (or quantity produced) (Hatry, 2002; Stevens et al., 2006). The main reason has been that the public sector is mostly service-oriented and as such concerned with intangible attributes or products that are valued and of more importance to citizens such as accountability, fairness, justice and equity (Van Thiel and Leeuw, 2002).

A setback of measuring public sector employee performance based on outcome is the fact that it is difficult to quantify and hard to measure (Van Dooren, 2011). Furthermore, whilst others have also stressed on the need for a focus on behavior-based performance indicators (Fryer et al., 2009; Mathis and Jackson, 2010), Stevens et al. (2006) are advocating for a combination of employee behaviour, outputs and outcomes in the measurement of employee performance. Due to the multifaceted nature of the public sector, utilizing multiple indicators may be required in order to satisfy all stakeholder interests (Van Thiel and Leeuw, 2002; Verbeeten, 2008).

2.4.2 System Problems

System problems involve challenges that arise in attempt to integrate PMS with the organizational system in the public sector. De Waal and Counet (2009) identified some system challenges militating against performance management success to include lack of adequate resources; absence of a clear and understandable organizational strategy; non-linkage of performance indicators to department and individual objectives; non-linkage between PMS and reward/incentives system; and, absence of performance culture in the organization. Verbeeten (2008) notes the ambiguity of public sector organizational goals and objectives as a major systemic challenge to performance management. Contextual factors such as a country's institutional structural arrangements and organizational culture have also been identified to play

key roles in the success or failure of performance management systems in the public sector (Chen et al., 2006; Newcomer and Caudle, 2011; Rhodes et al., 2012; Bawole, et. al., 2013).

2.4.3 Stakeholder Involvement Problems

Stakeholder involvement challenges bothers predominantly on attitudes and behaviours of stakeholders with regards to their participation in the PMS. Stakeholder involvement problems of performance management identified in literature include lack of stakeholder ownership of the PMS (Chen et al., 2006; De Waal and Counet, 2009; Van Dooren, 2011); lack of political and bureaucratic leadership commitment (Antwi et al., 2008, De Waal and Counet, 2009; Siddiquee, 2014); lack of citizen involvement (McAdam et al., 2005; Verbeeten 2008; Siddiquee, 2014); lack of employee participation (Dodoo, 1997; Fletcher, 2004; Chen et al., 2006; Gruman et al., 2011); lack of knowledge, understanding and skills (Hansson et al., 2003; Chen et al., 2006; De Waal and Counet, 2009); and, employee resistance and negative attitude towards PMS(Chen et al, 2006; De Waal and Counet, 2009). Performance management systems must therefore take cognizance of stakeholder behavioural factors in order to be effective. This study focuses on exploring the impact of the new PMS on the behaviours of bureaucratic leaders and lower-level employees with regards to setting performance targets, appraising performance, providing performance feedback. It also examines perceptions of employees concerning the enforcement of decisions about rewards, sanctions and employee development through training.

2.5 Performance Management Reforms in Ghana

Over the past three decades, Ghana has embarked on several reforms to revamp and improve its public administrative system (Dodoo, 1997; Antwi et al., 2008; Bawole, et. al., 2013). The reforms have been geared towards enhancing efficiency and effectiveness in public service

delivery. Performance management in public organizations has been a key objective of the reforms. The intent has been to enhance individual performance which would culminate to overall organizational performance towards accelerated national development.

Following the implementation the World Bank-led SAP (1987-93), it became imperative for the government of Ghana under the Provisional National Defense Council (PNDC) to undertake the CSRP. This reform program was mainly to tackle human resource issues to reinvigorate performance of the public sector, which would enhance the successful implementation of the SAP. Performance management formed main part of the tenets of this reform which sought to introduce a performance appraisal system, a merit-based promotion system, development of training plans, a new income policy and financial pay rationalization schemes (Adei and Boachie-Danquah, 2003).

However, the CSRP failed to institute an effective PMS. Lack of local participation and ownership of the programme has been advanced as one main constraint to the success of the CSRP (Dodoo, 1997; Adei and Boachie-Danquah, 2003). Dodoo (1997) highlights how crucial employee participation in the formulation and drafting of reforms is to the success of such reforms. Employee participation creates a sense of purpose and ownership of reforms which invariably boosts their commitment in the implementation of the reforms. Adei and Boachie (2003) noted that the programme was ‘top-down’ in nature. It was formulated and crafted mainly by foreign consultants and experts and handed over down to local public servants for implementation. It therefore lacked public servants support and commitment for successful implementation. Instituting any PMS in the public sector requires public employees’ involvement in the designing stage to ensure clear understanding of performance indicators,

target and measurement. Through stakeholder participation public servants are abreast with the merits of the performance system which enhances their support.

Consequently a new reform called the Civil Service Performance Improvement Program (CSPIP) was launched in 1994 to combine the 'top-down' process with the 'bottom-up' process to facilitate participation by the Ministries, Departments and Agencies (MDAs) and their employees in the design and implementation of performance improvements plans (Dodoo, 1997). The CSPIP sought to introduce through a consultative and participatory approach in performance management as well as the introduction of performance contract or agreement to ensure that individual performance targets are linked to organizational goals. However, despite its consultative and participatory approach, the CSPIP also failed to institute a performance-driven culture in the public sector over more than a decade of its implementation.

A number of constraints to the success of instituting an effective PMS in Ghana's public sector have been identified (Adei and Boachie-Danquah, 2003; Antwi et al., 2008). According to Adei and Boachie-Danquah (2003), attitudinal change to embrace a performance-driven culture is a challenge in the public sector. In the Ghanaian environment where culture permeates every human setting, workplace attitudes also tend to be influenced and shaped by cultural values. Any reform that seeks to change the work attitudes of employee is always bound to face some level of resistance. Therefore, there is the need for a performance management reform programme that tackles the prevailing organizational culture and entrenched workplace attitudes in the public sector in order to ensure successful implementation.

Transformational leadership among bureaucratic elites (particularly chief directors, chief executives, and directors) have been identified by Adei and Boachie-Danquah (2003) and Antwi, et al (2008) as a very important missing element required to drive home any meaningful change in performance management. In the words of Adei and Boachie-Danquah (2003:29) “*The performance contracts were signed but the managers remained typically Ghanaian.*” The assumption of an ‘overnight’ attitudinal change on the part of public servants because of the introduction of performance contracts and brochures on work ethics was misplaced. Performance contracts were not followed up with any action and remained just paper work. According to Antwi et al. (2008), the frequent changing of bureaucratic elites in the public sector also resulted in loss of interest in enforcing reforms. Top-level support and commitment in the implementation of the reforms was ‘cosmetic’. Wholehearted political support for bureaucratic elites is a very essential ingredient required to ensure bureaucratic commitment to public sector reforms (Antwi et al., 2008; Appiah and Abdulai, 2017).

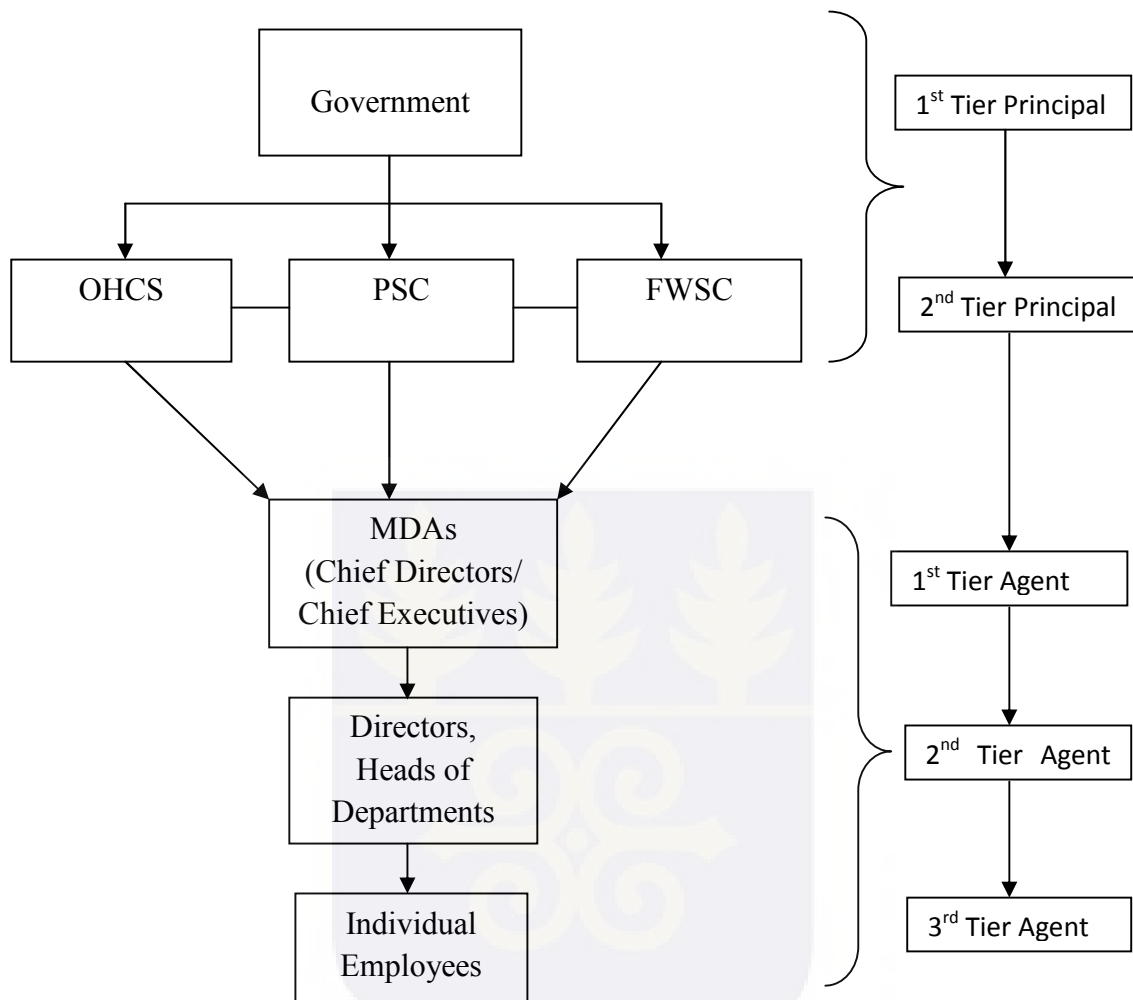
In his study ‘*Constraints in the implementation of performance management systems in developing countries: The Ghanaian Case*’, Ohemeng (2009) also identified institutional and capacity constraints such as institutional fragmentation in decision making, socio-cultural norms, public ignorance and apathy, lack of political will and seriousness, inadequate financial resources, and lack of institutionalized incentives and sanctions system as factors that hampered the successful implementation of a PMS in the public sector. Identifying and tackling these constraints is very crucial to the success of future performance management reforms.

2.6 Nature of the Principal-Agent Governance Framework for the New PMS

To understand the impact of the new PMS implemented in Ghana's public sector, it is important to first specify the nature of governance framework concerning the institutionalization and enforcement of the new PMS in the public sector. The principal-agent theoretical framework will help to specify the nature and roles of the principal actors that seek to monitor, evaluate, reward and sanction public sector employees as agents mandated to perform some public services. Principal-Agent relationship tends to be more complex in the public sector.

As previously indicated in the discussion of the principal-agent theoretical framework, the public sector is usually characterized with multiple principals and agents which are usually difficult to clearly specify (Waterman and Meier, 1998; Dixit, 2002; Burgess and Ratto, 2003; McAdam et al., 2005; Verbeeten, 2008). In the public sector, policy implementing agents usually have multiple organizations in hierarchical relationships as principals all trying to influence the actions of the agents. Principal-agent theorists do not have fixed sets of principals and agents. In Ghana's public sector, for theoretical analytical purposes, the elected Government may be considered as the primary principal (first-tier principal) who has given policies and programs to agential public sector Ministries, Departments, and Agencies (MDAs) to implement to achieve the political interests of the President. The MDAs are hereby conceived as the agents of the Government. For theoretical simplification, it is useful to assume that the Government has created some organizations to act on its behalf as second-tier principal actors that have been given the authority to monitor, evaluate, reward, and sanction the performance of the agential MDAs. In this study, the second-tier principal actors created by the Government are the PSC, OHCS and FWSC. A model of the principal-agent structural relationship in this study is depicted below in Figure 1.

Figure 1: A Model of the Principal-Agent Relationship in Ghana’s Public Sector



Source: Author

The above complexity of principal-agent relationship in the public sector, where agential organizations like the PSC occupying higher level hierarchical positions are considered as principals to lower level organizations has been noted by principal-agent theorists (Dixit, 2002). For the purpose of understanding the impact of the new PMS, the concept of ‘principal actor’ shall refer to the second-tier principal actors (PSC, OHCS, and FWSC) while the remaining fifteen public sector Ministries and autonomous agencies involved in the study are classified as agents. There are various levels or tiers of agents within the MDAs: the Chief Directors and

Chief Executives constitute the first-tier of agents in the MDAs, the Directors and various Heads of Department (HoDs) constitute the second-tier of agents, and the individual employees who are subordinates of the Directors and HoDs are classified as third-tier agents. The role of the second-tier principal actors (PSC, OHCS, FWSC) in the new PMS is described in turn.

2.6.1 Role of the Fair Wages and Salaries Commission

The FWSC was established by the FWSC Act, 2007 (Act 737) and mandated mainly to oversee salary and pay policy issues in the Public service. The mandate and some functions of the FWSC include “To develop and advise Government on and ensure that decisions are implemented on matters related to (i) Salaries, wages, grading, classification (ii) Job analysis and job evaluation, (iii) Performance management and indicators, and (iv) Allowances and benefits in the public service with the ultimate objective of consolidation of the allowances and benefits; and...Ensure that the balance of internal consistency, external competitiveness and employee performance are fully reflected in the public service pay system.” The role of the FWSC as specified in the policy governing the new PMS is linked to the role of the PSC described below.

2.6.2 Role of the Public Service Commission

The 1992 Constitution of Ghana (Article 194) established the PSC and mandated it to basically design guidelines for, and supervise, human resource management issues in the public service. Article 196 of the 1992 Constitution stipulates that “the PSC shall have such powers and exercise such supervisory, regulatory and consultative functions as Parliament shall, by law, prescribe, including as may be applicable, the supervision and regulation of, entrance and promotion examinations, recruitment and appointment into or promotions within, the public services, and the establishment of standards and guidelines on the terms and conditions of

employment in the public services.” The organizational structure and responsibilities of the PSC has been elaborated in the Public Service Commission Act, 1994, (Act 482). Among its numerous functions, the PSC is mandated “to provide a standard framework for evaluating and classifying jobs in the Public Services”; “to oversee the human resources development activities of the Public Services organizations to ensure career planning and career development in the Public Services; and, “to prescribe a standard framework for the provision of incentive schemes to promote higher productivity.” Basically, these functions concern the design and implementation of an incentivized human resource and performance management system to ensure public sector productivity.

The new PMS policy stipulates that in order to ensure the success of the new PMS in the public sector, “By its mandate, the PSC, in collaboration with the FWSC is responsible for developing the guidelines and standards, which shall provide the framework for institutionalization of the PMS in public service organizations” (PSC 2015:77). For emphasis, the role of the PSC and the FWSC are principal actors responsible for monitoring and evaluating the performance of the MDAs in the new PMS is stated as follows: “The PSC in collaboration with the Fair Wages and Salaries Commission shall ensure that performance in the public service is monitored. Outstanding performance shall be rewarded and poor or unsatisfactory performance managed or sanctioned” (PSC 2015:69-70). The new PMS policy states that “The PSC and the FWSC shall put in place monitoring and evaluation mechanism to ensure compliance with this policy by all institutions” (PSC 2015:77). The PSC and FWSC are therefore required to collaborate effectively to be able to jointly design, monitor and evaluate the new PMS.

2.6.3 Role of the Office of the Head of Civil Service

The OHCS was established by the Civil Service law, 1993 (PNDCL 327), which mandates the office to among other functions “ensure general efficiency of the Civil Service”; “have overall charge of all civil servants”; “ensure the effective implementation of Government policies and plans for which the Service has responsibility; “advise on conduct of management audits and review”, “initiate action on pay policy for the Service”; and, “determine and advise on manpower limits for the Service.” It can be seen that the role of the OHCS overlaps with that of the PSC and FWSC in the area of initiating action on pay policy for public servants; while the OHCS and PSC have overlapping roles in the management of public servants.

The law establishing the OHCS states that “There shall be in the Civil Service the Ministries consisting of such departments as the President may determine. A Ministry shall be the highest organization for the respective sector and is constituted of the departments and divisions, and responsible for the sector” (Section 11, clause 2 of the Civil Service law). The employees of nine (9) Ministries were involved in a survey for this study (see appendix 2 and 3). The management of the performance of civil servants under the various public sector Ministries to ensure effective and efficient implementation of Government policies is the specific domain of the OHCS. It is clear that the OHCS is required to collaborate with the PSC and FWSC to achieve its goals.

The policy governing the new PMS only acknowledges that “The Office of the Head of the Civil Service has responsibility for the management of human resources of the civil service” (PSC, 2015:11). Beyond this, the policy does not specify any specific role for the OHCS to perform. Interestingly, the policy states that “The Chief Directors or Chief Executives and Heads of the Public Services are responsible for the administration and enforcement of the PMS in their

respective organizations” (PSC 2015:77). The OHCS is the principal actor with the mandate to manage the performance of civil servants in Ghana. Since 2013, at the beginning of every year, the OHCS signs performance agreements with Chief Directors in all the Ministries and also assesses the performance of the Chief Directors at the end of the year (Appiah and Abdulai, 2017). The PSC and FWSC therefore cannot effectively design a system that monitors and evaluates the performance of civil servants without the cooperation and support of the OHCS.

It can be seen that effective collaboration between the three principal actors (PSC, OHCS, and FWSC) is sine qua non to the success of the new PMS. While the OHCS has direct supervisory authority for all the public sector Ministries, the PSC has direct supervisory authority over all other public sector organizations including the civil service. And the FWSC is expected to design and initiative action on a pay system for employees in the public service. Whether or not they have been able to collaborate effectively to design and implement the new PMS is an issue that shall be analyzed and discussed later in the study.

2.7 Conclusion

This chapter has reviewed literature on the concept of performance management; the principal-agent theoretical framework underpinning the study, the purpose and process of performance management, empirical findings on the challenges that have characterized the implementation of performance management in the public sector, particularly in Ghana. It is evident that implementing a PMS in Ghana’s public sector has not been devoid of challenges. Several constraints have bedeviled the quest to institute an effective performance management culture in the public organizations. It is therefore imperative that the new PMS introduced in 2015 should

be studied by scholars to find out if it has been able to overcome at least some of the numerous past challenges to make some positive impact. This is what this study tries to do.



CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the research methodology the study employed. It highlights the research paradigm, research design and approach, study area, the population of the study, sample size and sampling techniques, sources of data, the methods used in data collection, the unit of analysis, method of data analysis, ethical considerations and limitations of the study.

3.1 Research Paradigm

Scholars have advocated for researchers to provide a discussion of the philosophical paradigms underpinning their research (Alise and Teddlie, 2010; Creswell and Plano Clark, 2011; Shannon-Baker, 2016). According to Morgan (2007:49) research paradigms refers to “systems of beliefs and practices that influence how researchers select both the questions they study and methods that they use to study them.” Similarly, Jonker and Pennink (2010:3) defines research paradigm as “a set of fundamental assumptions and beliefs as to how the world is perceived, which then serves as a thinking framework that guides the behaviour of the researcher.” According to Shannon-Baker (2016) paradigms help shape a researcher’s approach to a research problem and provide suggestions as to how to address the problem considering certain world beliefs.

This study was influenced by the pragmatism paradigm or perspective. Shannon-Baker (2016:322) notes that “pragmatism is outcome-oriented and interested in determining the meaning of things or focusing on the product of the research.” A pragmatist researcher is concerned with translating knowledge into action and is therefore so much interested in the

practical consequences of knowledge. Pragmatists accept and use concepts that support action to be relevant. The pragmatist is committed to understanding the difference knowledge would make if put in practice and seeks to provide practical solutions to practical problems of the society (Goldkuhl, 2004; Hall, 2012; Shannon-Baker, 2016). Hall (2012:4) for instance highlights that pragmatism is committed “toward solving practical problems in the real world rather than on assumptions about the nature of knowledge.” Pragmatists recognize the fact that different ways exist for conducting research and interpreting the world. Thus there is no single view that can describe entire picture of a phenomenon and that there exist multiple realities.

Pragmatists tend to combine both quantitative and qualitative research approaches and as such combines both positivism and interpretivism perspectives in a single research depending on the nature of research questions (Johnson and Onwuegbuzie, 2004; Morgan, 2007; Shannon-Baker, 2016). Pragmatists therefore ask ‘what’, ‘how’ and ‘why questions’. They are concerned with “what works and how and why it works” as well as “what does not work and how and why it does not work” (Goldkuhl, 2004:10). This implies the application of multiple methods of data collection, description and analysis. This is because pragmatists are free to use whatever research method, techniques procedures and process that they deem best to meet their purpose. As noted by Robson (1993:291 cited in Felizer, 2010), pragmatism allows the researcher not to “be a prisoner of a particular research method or technique.” The researcher may therefore follow the tenets of subjectivity and/or objectivity in the collection and analysis of different types of data (Morgan, 2007; Shannon-Baker 2016).

The pragmatism philosophical paradigm was of relevance to this study as it enabled the researcher to combine both qualitative and quantitative methods in data analysis. The

experiences of the public sector employees with the new PMS influenced greatly the nature of data collection and analysis. Research about human actions (concerning performance target setting, performance execution, performance appraisal, and decision-making on rewards and sanctions) enabled the researcher ask questions that related to ‘what, how and why’ in order to explore all issues in relation to the implementation and impact of the new PMS. Pragmatically, the primary concern of the study is not to advance a particular theory but to understand the impact of the new PMS and make relevant recommendations to improve the policy if need be.

3.2 Research Design

According to Rowley (2002:18) research design refers to “the logic that links the data to be collected and the conclusions to be drawn to the initial questions of a study; it is an action plan for getting from the questions to conclusions.” Research design provides a sense of direction or blueprint in relation to what questions to study, what data to be collected as well as how, when and where data are to be collected, and how to analyze data (Yin, 2003). This study adopted an exploratory design to explore the impact of the new PMS in public sector organizations. A study is deemed exploratory when it investigates a phenomenon of which little is known or there is lack of detailed preliminary research (Kothari, 2004). According to Pinsonneault and Kraemer (1993), an exploratory study enables the researcher discover new dimensions of the population of interest, gain in-depth and better understanding of a phenomenon or situation and provides foundation for future more rigorous studies. The choice of the exploratory design was because it is suitable for unraveling a relatively phenomenon (or policy) under study of which no known research has been done. Exploratory research approach enabled the researcher to adopt both qualitative and quantitative data collection methods in order to have an in-depth understanding of all issues pertaining to the impact of the new PMS in public sector organizations.

3.3 Unit of Analysis

Clearly defining the unit of analysis in any research has been deemed very important and necessary though has been a challenge for many researchers (Yin, 2003; Baxter and Jack, 2008). The unit of analysis simply refers to ‘what’ or ‘whom’ is being studied or analyzed (Baxter and Jack 2008). It simply implies the unit being observed. Determining the unit of analysis is required to shape the research approach in the collection of appropriate kinds of data for answering the research questions. The unit of analysis for this study was new PMS being implemented in Ghana’s public sector organizations. Specifically, the study focused its unit of analysis at the micro individual level of employee performance management. It is individual employees whose actions either enable or constrain the attainment of organizational objectives.

3.4 Research Approach

Influenced by the pragmatism perspective in the pursuit of understanding the impact of the new PMS on performance target setting, job execution, performance appraisal, performance feedback, and performance decision-making; this study adopted a combination of both qualitative and quantitative approaches in the collection and analysis of data (Johnson and Onwuegbuzie, 2004; Johnson, Onwuegbuzie and Turner, 2007). Johnson and Onwuegbuzie (2004:17) defines mixed methods approach as “the class of research where the researcher mixes or combines quantitative and qualitative research techniques, methods, approaches, concepts or language into a single study.” The use of mixed methods approach is the due to the fact that both the subjective experiences of selected individual employees and the aggregated opinions of surveyed employees would be important for understanding the impact of the new PMS.

As noted by Silverman (2013), no one method, whether qualitative or quantitative, is inherently better than the other. Adopting a mixture of both approaches enable one approach to complement the other's strengths and weakness (Morgan, 2007; Shannon-Baker, 2016). According to Johnson et al. (2007), mixed method approach may be adopted to provide breadth, that is to gain a better and in-depth understanding of the subject matter; for corroboration purposes, that is to ensure findings from using different methods of data collection are consistent; and to enable the researcher meet the aims of the research project.

3.4.1 Qualitative Approach

Qualitative approach to research is where the researcher study things in their natural settings, attempting to make sense of, or to interpret, phenomena in terms of the meanings people bring to them (Denzin and Lincoln, 2000; Silverman, 2013). It is therefore focused on the exploration of individuals' own accounts of their attitudes, perceptions, beliefs, views, motivations and behavior, feelings, the meanings and interpretations given to events and things. According to Johnson and Onwuegbuzie (2004), a key strength of qualitative research is the fact that it enhances a deeper understanding and description of participants' personal experiences in their own words and this helps in exploring how and why a phenomenon occurred.

This study adopted the qualitative approach to get an in-depth understanding of how the new performance management system works in actual practice and some of the challenges associated with the implementation of the system from the perspectives of both directors and employees. Through semi-structured interviews, bureaucratic leaders and lower-level employees were allowed to express their views and opinions on the new PMS and also provide insight and responses to questions posed by the researcher. The qualitative approach allowed the researcher

some subjectivity in the use of open-ended and follow-up or probing questions. However, since the new PMS is supposed to be experienced by over hundred thousand employees in the public sector, relying on the views of a handful of employees to draw reliable conclusions is not considered to be representative of the huge population of employees (Silverman, 2013). The qualitative approach is deficient in exploring the impact of a policy affecting huge populations; and, therefore, the researcher complemented the qualitative interview data obtained from respondents with survey of hundreds of employees to generate quantitative data through statistical analysis and interpretations. Before the quantitative approach is discussed, the nature of the qualitative interview data collected is described below.

3.4.2 Interviews

Interviews involve a purposive conversation between the researcher and participants in an interactive manner to obtain participants' responses to questions in their own words (Silverman, 2013). A semi-structured interview technique was adopted, which is a type of interview where some questions are predetermined and new or probing questions come up as the interview unfolds. The semi-structured interview involved only open-ended questions. The semi-structured interview employed enabled the researcher some form of flexibility to approach participants differently in relation to order of questions while still maintaining the same themes of questions across. The interviews lasted within an average time of 30 minutes. The interview participants were mainly heads of department (Directors) of the human resource departments in public sector organizations. The human resource departments ('Units' and 'Divisions' are collectively referred to as departments for the purpose of analysis) are responsible for managing the new PMS in their respective organizations. The human resource departments therefore usually had more information about the processes, impact and challenges of the new PMS.

The researcher purposively targeted the Directors of the human resource departments for interview to explore their opinions, perspectives and interpretations of issues on the new PMS being implemented in their organizations. However, at the Ministry of Works and Housing the Director of the Human Resource department who had recently been transferred to the Ministry directed the researcher to speak to the Director of another department who was deemed to have more insight into personnel management issues in the Ministry. A total of fourteen (14) officials were interviewed. Due to time constraints the researcher was not able to interview the Directors of the human resource departments in all the selected organizations. Table 1 below presents the organizations covered by the researcher for interviews.

Table 1: Nature of respondents interviewed

Interviews in Sampled Organizations	Position	Number of Respondents
Public Services Commission	Director	2
Fair Wages and Salaries Commission	Director, Human Resource Department	1
Office of the Head of Civil Service	Deputy Director, Human Resource Department	1
Ministry of Finance	Deputy Director, Human Resource Department	1
Ministry of Youth and Sports	Human Resource Officer	1
Ministry of Works and Housing	Director, Human Resource Department	2
Ministry of Information	Human Resource Officer	1
Ministry of Environment, Science and Technology	Director, Human Resource Department	1
Ministry of Local Government and Rural Development	Director, Human Resource Department	1
Audit Service	Director, Human Resource Department	1
Ghana Revenue Authority	Deputy Commissioner	1
Ghana Tourism Authority	Director, Human Resource Department	1
Total		14

Some of the interviews were recorded on tape following the participants' consent and permission whilst other respondents did not consent to the recording of the interview. In the latter situation the researcher resorted to taking notes or recording responses in notepads. The recorded interviews on tape allowed the researcher to transcribe participants' responses verbatim which enabled the researcher have an accurate account of the discussions with participants and this prevented loss of information since not all information can be written down during an interview. Now the quantitative approach that complemented the interview data is discussed below.

3.4.3 Quantitative Approach

Quantitative approach to research seeks to explain phenomena by collecting numerical data which are analyzed using statistical presentations and interpretations (Kothari, 2004; Creswell, 2013). It is used to determine or measure the extent to which a phenomenon or problem occur or relationship between aspects of a phenomenon. As a result, it is applicable to phenomena that can be expressed in numerical form or in terms of quantity or amount. This approach enabled the researcher to conduct a survey of employees in the various organizations involved in the study to obtain their preferences from a number of close-ended issues or indicate whether or not a specified activity (for instance target setting) relating to performance management has occurred.

A survey questionnaire was designed in such a way that responses from respondents could be analyzed using statistical presentations and interpretations. The questionnaire was tested and refined with a selected number of public sector workers who were also students doing the Master of Public Administration programme at the University of Ghana Business School. The questionnaire used for the survey consisted of mostly close-ended questions and very few open-ended ones. The close-ended questions had a list of predetermined responses for respondents to

select from. The open-ended questions however required respondents to provide responses to those questions in their own words. Statistical aggregations of coded responses across eighteen organizations involved in the study have been used to corroborate or reject meanings derived from the interviews.

3.5 Study Area

Both the qualitative and quantitative data were collected from public sector organizations located in Accra, the capital city of Ghana, located in the Greater Accra Region. The choice of study area was influenced by the criteria for the selection of sampled organizations: regulatory institutions of the new PMS; ‘good performing’ and ‘poor performing’ organizations identified by Owusu (2006; 2012); and organizations trained by PSC on the new PMS. All organizations in the three categorizations are domiciled in the Accra. All the principal organizations (Public Service Commission, Office of the Head of Civil Service, and Fair Wages and Salaries Commission) responsible for designing and supervising the implementation of the new PMS are located in Accra. All the organizations that have been trained by the Public Service Commission to understand the new PMS are either located in Accra or have their head offices in Accra. The researcher therefore collected the data from the organizations in Accra for a better exploration of the impact of the new PMS in the public sector organizations. Most of the organizations involved in the study are located near each other at the center of Accra in an area popularly called ‘Ministries’ which hubs most of the central government Ministries and Agencies.

3.6 Study Population

Kothari (2004:55) defines study population to encompass “all items in any field of inquiry.” The population thus refers to all cases or items from which a sample is selected (Wilson, 2010). The

population of organizations for this study encompassed three sets of organizations: first, all the three principal organizations with responsibility to supervise and monitor the implementation of the new PMS; second, all the thirty (30) public sector organizations that have been trained by the PSC to understand the new PMS (see appendix 2); and, third, all the 19 public sector organizations identified in a study by Owusu (2006; 2012) as ‘good performing’ and ‘poor performing’ organizations (see appendix 3). Three of the 30 organizations trained by the PSC were also inclusive of the 19 organizations used in the study by Owusu (2012). Therefore, the total population of organizations for the study was 49 ($3+30+19-3=49$). The research selected eighteen (18) of the organizations to study the impact of the new PMS. How the eighteen organizations and some of their employees were sampled for the study is discussed in turn.

3.7 Sample Size and Sampling Technique

The sample size or sample is the number of items that have been selected from the population (Kothari, 2004). Determining the sample size for any study is very critical since the aim is to draw inferences from the sample to make some judgment or draw conclusions about the population. According to Kothari (2004), the choice of sample size may be influenced greatly by budgetary constraints but the researcher must not lose sight of the parameters of interest.

As already indicated above, the total population of organizations of research interest was 49. Three of the organizations (PSC, OHCS, FWSC) were the principal actors with responsibility for the design of the new PMS and monitoring of implementation. Finding the views of all three organizations was important so they were all included in whatever sample size was to be used. All the three organizations responded positively and timely to the research. The selection of the principal actors for the study is based on the sampling technique generally referred to as

theoretical sampling. Theoretical sampling is where the researcher's selection of samples is influenced or driven by a theory (Teddlie and Yu, 2007; Oppong, 2013) – in the case of the research it was driven by the principal-agent theory. According to Glasow (2005), theoretical sampling enables the purposive selection of organizations that exhibit the desired characteristics in line with the focus of the study. Similarly in the words of Oppong (2013:205) “theoretical sampling essentially enables the researcher to select a segment of the population of study as the sample in line with decision rules as informed by the purpose of the study as well as insights gained from emerging data collection and theorizing arising therein.”

The remaining 46 organizations were grouped into Ministries (11) and autonomous agencies (35). The researcher intended to cover all the 11 Ministries but two of them delayed in responding timely. Therefore, nine (9) Ministries were involved in the study. The researcher randomly selected six (6) out of the 35 autonomous agencies due to resource constraints to cover all the agencies. A total number of eighteen (18) public organizations were therefore involved in the study as shown in Table 2 below.

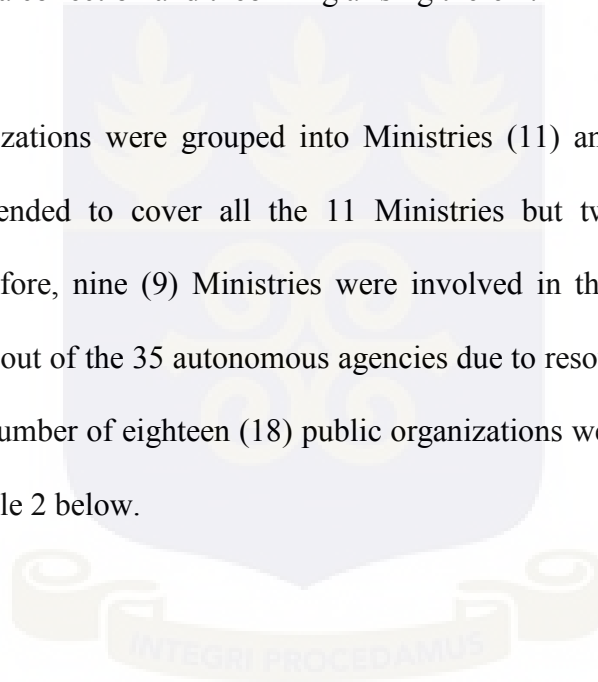


Table 2: Sampled Organizations and Number of Respondents

Sampled Organizations	Number of Respondents
Regulatory Agencies	
1. Public Services Commission	10
2. Fair Wages and Salaries Commission	9
3. Office of the Head of Civil Service	10
Ministries	
1. Ministry of Health	16
2. Ministry of Finance	16
3. Ministry of Education	17
4. Ministry of Information	15
5. Ministry of Youth and Sports	12
6. Ministry of Works and Housing	18
7. Ministry of Food and Agriculture	19
8. Ministry of Environment, Science and Technology	9
9. Ministry of Local Government and Rural Development	15
Agencies	
1. Audit Service	8
2. Ghana Revenue Authority	10
3. Ghana Tourism Authority	8
4. Ghana Standards Authority	8
5. Foods and Drugs Authority	10
6. Public Procurement Authority	15
Total	225

3.7.1 Sampling Technique: Selecting Employees for Survey

Since the unit of analysis of the study is at the individual employee level of performance management to explore the impact of the new PMS on employee target setting, performance execution, performance appraisal, performance feedback, and performance decision-making, it is important for the researcher to determine how many individual employees were to be surveyed for their opinions and how the individual employees were to be reached.

Based on interactions with heads of the human resource departments of many of the organization selected for the study, it became clear that many human resource units had no clear idea of the exact number and locations of their employees within the Greater Accra region. The majority of

the human resource departments were however willing to help distribute the survey questionnaires. It became clear to the researcher that convenient sampling would be the most appropriate approach to collect the survey data within the available short period. Convenience sampling on the other hand is a non-probability sampling where the researcher select samples or members of the target population based on certain conditions such as geographical proximity, availability at the time of the study, easy accessibility or willingness to participate in the study (Kothari, 2004; Farrokhi and Mahmoudi-Hamidabad, 2012). One key weakness of convenience sampling as highlighted by several scholars is the fact that selection of samples is likely to be biased (Farrokhi and Mahmoudi-Hamidabad, 2012; Opong, 2013).

Each Ministry was given twenty five (25) questionnaires for distribution to their employees, and each autonomous agency was given 15 questionnaires. In most cases the questionnaires were usually collected and administered by officials working in the human resource departments of the public sector Ministries and Agencies. Only in few occasions that the researcher had to go from office to office to hand out questionnaires to respondents. Many of the Ministries and agencies struggled to retrieve all the questionnaires. Since the new PMS was implemented in 2015, the study was interested in the views of employees who had joined the public service at least since 2014 to permit a trend analysis of the impact of the new PMS. The year 2014 served as the baseline for impact analysis. The organizations that opted to distribute the questionnaires to employees were told to focus on only employees who joined the public service before 2015. However, after editing the questionnaires administered by the organizations, it was realized that 40 of the questionnaires had been filled by employees who joined the public service in 2015, 2016, or 2017. These questionnaires were discarded as a quality control measure. In all a total of 225 respondents questionnaires were selected to be used for the analysis of the study. In a

nutshell, the study adopted a mixed approach of theoretical sampling of a one set of organizations, random sampling of another set of some organizations, and convenience sampling employees in the collection of data for the analysis of the research questions.

3.8 Sources of Data

From the above discussion of the research approach, it is clear that the studied relied heavily on data sources of data comprising of (i) interviews with largely bureaucratic elites (Directors, Commissioners, Deputy Directors, and other officials); and, (ii) survey of 225 employees from different levels of public sector organizations. Secondary sources of information have also been used in the study. Secondary data are those which other researchers have collected (Silverman, 2013), and comprised books, journal articles, Acts of Parliament and the 1992 Constitution, organizational reports, and public documents. Data from these secondary sources provided insights and understanding of the conceptual and theoretical frameworks that unpin the interpretation of the primary data collected from public sector employees.

3.9 Data Analysis and Presentation

The study used both qualitative and quantitative data from the interviews and employee survey to analyze the impact of the new PMS using the themes of performance target setting, performance appraisal, performance feedback, and performance decision-making distilled from the literature on the process of performance management. The principal-agent theory also provided theoretical framework for understanding the roles of principals (PSC, OHCS, and FWSC) and agents (Ministries and Agencies implementing the new PMS).

The quantitative data obtained from closed-ended responses to the survey questionnaires were coded and entered into the computer for analysis using the Statistical Package for Social Scientists (SPSS). The quantitative data were therefore analyzed and presented using descriptive statistics including frequency distribution tables, graphs and percentages to determine the proportion of respondents choosing the various responses and also enabled interpretations and meanings drawn to answer research questions. Direct quotations from the qualitative interviews have also been used in the thematic analysis of the impact of the new PMS.

3.10 Ethical Considerations

In the course of undertaking the study, all ethical codes and conventions of the University of Ghana were respected and adhered to by the researcher. Respondents were assured full anonymity and confidentiality of personal information provided especially in relation to names. Moreover, respondents were made to understand that partaking in the study was voluntary and that their responses to questions were just for the purpose of the study and not for any other purpose. Prior to data collection, introductory letters were sent to all organizations involved in the study to seek their consent and approval before actual data collection commenced.

3.11 Limitations of the study

Some challenges were encountered in the course of the study. The first challenge was the fact that most of the public organizations delayed in given approval for the researcher to proceed with the data collection. In some organizations, the researcher had to submit new introductory letters because the earlier letters submitted could not be traced by the organizations.

Another challenge was that some public sector employees approached by the researcher to fill the questionnaires were not very cooperative and others delayed for weeks in filling the questionnaires. The support offered by the Human Resource department of many organizations in the distribution of the questionnaires was invaluable. There were instances where some questionnaires could not be retrieved because the respondents failed to fill them. In addition, the study required employees who were employed before 2015 to answer the questionnaires; however, despite clear instructions to directors who administered questionnaires to their employees, some of the questionnaires returned had employees who had joined the public service after 2014 which meant that those questionnaires had to be taken out. Financial challenges also limited the number of the organizations used for the survey.

Despite the above challenges, it is hoped that the overall information gained from 239 public sector employees through interviews and survey were enough to provide valid and reliable analysis of the research questions. Again, in spite of the challenges, it is also hoped that the analysis presented in the next chapter helps other researchers and policy stakeholders to understand the impact of the new PMS.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents the analysis and theoretical discussion of data gathered on the impact of the new PMS introduced in Ghana's public sector in 2015. The chapter first presents the demographic characteristics of the public sector employees who participated in the survey (valid respondents). The chapter then focuses on analysis and discussion of the extent of collaboration among the principal actors (PSC, OHCS, and FWSC) in the design, monitoring and evaluation of the new performance management system (PMS). The analysis moves to explore the challenges of the new PMS. The findings are briefly highlighted in the concluding section.

4.1 Demographic Characteristics of Respondents

The demographic characteristics of respondents investigated were gender, age, level of education attained and period of joining the public service.

4.1.1 Gender of Respondents

Table 3 below shows the gender distribution of respondents involved in the study. The data shows that 54.5% of the respondents were male and 45.5% were females. This indicates a fair representation of males and females considering the male dominance in the public sector.

Table 3: Gender of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	121	53.8	54.5	54.5
Valid Female	101	44.9	45.5	100.0
Total	222	98.7	100.0	
Missing System	3	1.3		
Total	225	100.0		

4.1.2 Age of Respondents

The age distribution of respondents shown in Table 4 below shows that most of the respondents representing 48.2% fall within 30-39 age group, 28.4% had their ages within 40-49 age group, 14.4% fall within the 20-29 age group, 8.6% within the 50-59 age group and only 1 respondent representing 0.5% was 60 years or above. It is evident most of the respondents involved in the study were 30 years and above.

Table 4: Age of Group of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20 - 29	32	14.2	14.4	14.4
Valid 30 - 39	107	47.6	48.2	62.6
Valid 40 - 49	63	28.0	28.4	91.0
Valid 50 - 59	19	8.4	8.6	99.5
Valid 60 and above	1	.4	0.5	100.0
Total	222	98.7	100.0	
Missing System	3	1.3		
Total	225	100.0		

4.1.3 Educational Level of Respondents

The highest educational level attained by respondents is shown in Table 5 below. It is evident from the table that a majority of the respondents (49.5%) had attained Bachelor degree, 35.6% had attained Master degree level, 7.7% had Higher National Diploma, 5.5% had attained other qualifications and a minimum of 1.4% respondents had PhD degree as their highest educational level attained. The educational characteristics show how the public sector is filled with educated individuals which is very imperative for organizational performance. It also suggests that they understood the questionnaire administered in the English language.

Table 5: Educational Level of Respondents

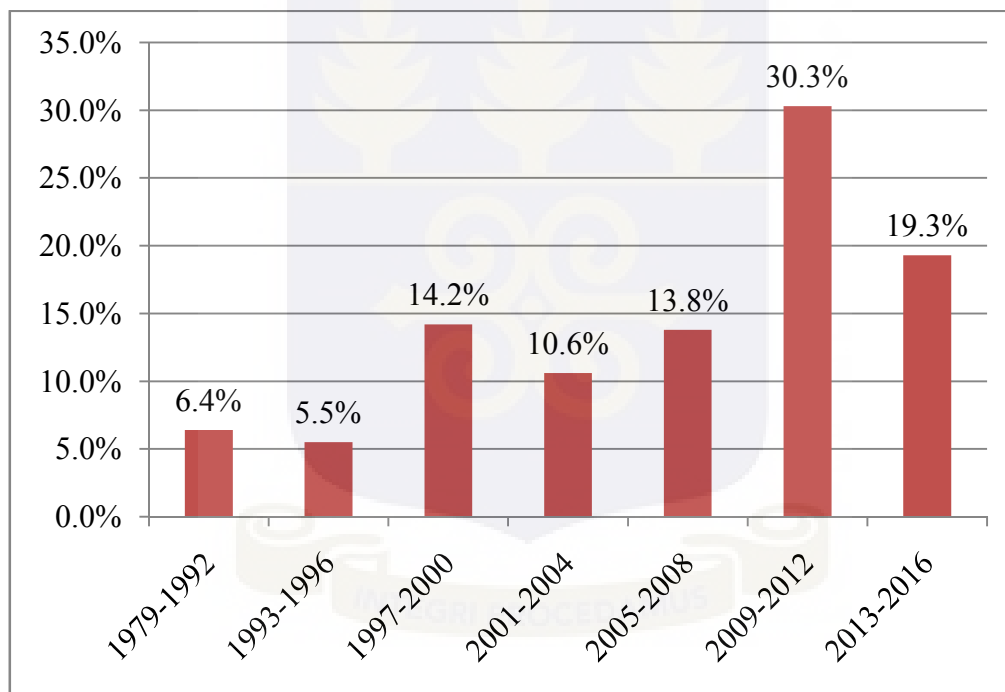
	Frequency	Percent	Valid Percent	Cumulative Percent
Higher National Diploma	17	7.6	7.7	7.7
Bachelor degree	110	48.9	49.5	57.2
Valid Master degree	79	35.1	35.6	92.8
PhD degree	3	1.3	1.4	94.1
Other	13	5.8	5.9	100.0
Total	222	98.7	100.0	
MissingSystem	3	1.3		
Total	225	100.0		

4.1.4 Period of joining the Public Service

Figure 2 below highlights the various periods respondents joined the public service. Each period represents a regime under a new government. The graph indicates that most of the respondents

representing 30.3% joined the public service within 2009-2012 period followed by 19.3% respondents who joined the service within 2013-2016 period. The 1997-2000 period had 14.2% respondents joining the service in that period whilst 13.8% joined within 2005-2008 period, 10.6% joined within the 2001-2004 period and the 1979-1992 and 1993-1996 periods having 6.4% and 5.5% respondents respectively joining the service in those periods. The information clearly shows that the study involved respondents from various regimes of government.

Figure 2: Period of joining the Public Service



Given the above background information about the survey respondents, the study now moves to analyze the key questions concerning the nature of collaboration among the three principal actors with responsibility to design, monitor, evaluate and improve the system; and, the impact of the new PMS on the process of performance management.

4.2 Collaboration amongst the principal actors

From the principal-agent theory standpoint, the existence of the three principal actors (PSC, OHCS and FWSC) involved in instituting an effective performance management system in the public sector clearly reflects a multiple principals scenario where same agents are supposed to be dealing with multiple principals. This therefore calls for effective collaboration and cooperation between the principals to ensure the success of the new PMS (PSC, 2015).

The study therefore sought to examine the nature of collaboration between these principal actors. Interviews with Directors from the three principal institutions and other public sector organizations involved in the study revealed that collaboration between the principals have not been very effective, especially between the PSC and FWSC. The study gathered that the lack of effective collaboration between the PSC and FWSC was as a result of role disagreements and conflict between the two organizations as to who should really be in charge of performance management in the public sector. A Deputy Director of OHCS commenting on the relationship between the PSC, OHCS, and FWSC as to who is in charge of the new PMS had this to say:

“This issue I can’t answer, they (PSC and FWSC) are still struggling over it, we don’t really know who is in charge but we at OHCS are doing our own work.”

It also emerged from the interviews that in 2015, the Presidency and labour unions tried to mediate and resolve the jurisdictional conflict between the PSC and FWSC. An official agreement popularly called the ‘Takoradi Communiqué’ that was reached between the PSC, organized labour unions, resolved that to effectively link public sector pay to productivity, “the PSC proposals be adopted as the basis for developing a Performance Management System”. The

communiqué reiterated that “there should be effective collaboration” between the FWSC and the PSC to ensure that “a robust system be established to evaluate performance in the public service”. In spite of the ‘Takoradi agreement’ reached in 2015, there is evidence to suggest that the PSC and FWSC are “still struggling” over which of them should be in charge over the design and implementation of a PMS for the public sector. In an interview with a Director of the FWSC, he indicated that the FWSC was involved in the designing of the new PMS with the PSC but the FWSC opted out of the process due to some disagreements with the PSC in relation to roles and responsibilities.

To date, the FWSC and the PSC have not been able to overcome their turf war to collaborate effectively to design and implement a system that links public sector pay to the new PMS. In an interview, this is what a Director of the FWSC he had to say in relation to whether the new PMS is linked to public sector pay:

“Currently the new PMS is not linked to pay. Measures have been developed that will ensure employees are paid and rewarded based on performance, but it is yet to be implemented because of lack of funds which have been a great challenge. We are looking for ways to raise funds and also seeking for Donor support to help with funding.”

The reason why the new PMS is not yet linked to pay goes beyond the lack of funds. It is unlikely that the availability of adequate donor funds will lead to the creation of a link between the new PMS and public sector pay system. The provision of donor funds could rather deepen the conflict between the PSC and the FWSC over who should get a bigger share of the funds.

Meanwhile, officially and publicly, the OHCS recognizes and implements the new PMS initiated by the PSC, but it appears that the OHCS has been doing their “own work” independently in monitoring and evaluating employee performance within the public sector Ministries. It is important to note that the OHCS re-introduced the signing of performance agreement with Chief Directors of public sector Ministries two years before the PSC rolled out the new PMS in 2015. Since 2013, every year the OHCS has continued to sign and evaluates performance agreement with the Chief Directors (Appiah and Abdulai, 2017). The following account was given in an interview with a Deputy Director of the OHCS:

“In 2013 the signing of performance agreements for Chief Directors was reintroduced. In 2011 five (5) Chief Directors signed, no evaluation; in 2012 no signing, no evaluation; in 2013 twenty-six (26) signing, all evaluated, in 2014 twenty-six (26) signing, all evaluated except two (2) who were indisposed. In 2015 twenty seven (27) Chief Directors signing, twenty six (26) evaluated, one (1) was not well, and in 2016 twenty seven (27) Chief Directors signing and all evaluated.”

The foregoing shows that the OHCS has been effective in ensuring that Chief Directors are given targets to achieve and at the end of the year their performance are assessed in relation to the set targets. The OHCS can be seen to be playing an effective role in ensuring that the performance agreements signed by Chief Directors promote a performance driven-culture within the public sector Ministries. This is because the performance of Chief Directors is dependent on the execution of performance agreements that Chief Directors sign in turn with their Directors and Heads of Departments. The Chief Directors performance agreement therefore has the rippling effect of driving performance among bureaucratic heads in the Ministries.

It also emerged from interviews that the OHCS has provided training on the new PMS for bureaucratic heads in the Ministries. This is what the Deputy Director said as a response to a question on whether the OHCS has trained the various Ministries on the new PMS:

“Oh yes! With the introduction of the performance agreement document we had to go round and sit with the Chief Directors and their team, take them through the entire document for them to understand. The agreement document comes along with guidelines too and defines some of the things in the agreement.”

Training is very important to enhance the understanding of bureaucratic heads about the new PMS to ensure successful implementation. Effective understanding of the PMS enhances leadership commitment and builds their support for the system (De Waal and Counet, 2009). Previous PMSs have been hampered by lack of understanding and leadership commitment (Antwi et al., 2009; Dodoo, 1997). Effective and regular training is very necessary for the new PMS to be successful.

The study tried to find out from employees within the public sector institutions as to which of the three principal actors they think “will be more effective in designing and implementing a job performance system that can improve public sector productivity?” The responses from employees of the PSC, OHCS and FWSC highlight internal disagreements over which of them should be in charge of designing and implementing a performance management system for their agents. The responses also highlight the divided allegiance between the public sector Ministries and the autonomous public sector agencies: while the Ministries supported the OHCS, the autonomous agencies supported the PSC. The responses are presented below in Table 6.

Table 6: Which of the principal actors would be more effective in designing and implementing a job performance system that can improve public sector productivity?

	“Which of the following organizations do you think would be more effective in designing and implementing a job performance system that can improve public sector productivity?”				Total
	PSC	FWSC	OHCS	Others	
OHCS	5 62.5%	1 12.5%	2 25%	0 0%	8 100%
FWSC	1 11.1%	5 55.6%	0 0%	3 33.3%	9 100%
PSC	10 100%	0 0%	0 0%	0 0%	10 100%
Public Sector Ministries	34 27%	2 1.6%	82 65.1%	8 6.3%	126 100%
Public Sector Agencies	48 90.6%	3 5.7%	1 1.9%	1 1.9%	53 100%
Total	98 47.6%	11 5.3%	85 41.3%	12 5.8%	206 100%

Responses in table 6 above show how public sector employees are divided as to which of the three principal actors will be more effective in designing and implementing a productive PMS. Employees of the PSC are unanimous in their verdict (100%) that it is only the PSC that will be more effective in designing and implementing a productive PMS. About 89% of the employees of the FWSC disagreed that the PSC would be the most effective. About 55% of employees of the FWSC claimed that it is the FWSC that will be more effective doing the job. Among employees of the OHCS, the majority of respondents (62.5%) pointed to the PSC as the principal actor that will be more effective; while 25% of the employees claimed that it is the OHCS itself that can do the job. One respondent from the OHCS pointed to the FWSC.

The important point from the above findings in table 6 is that there is some internal division among the principal actors as to who will be more effective in designing and implementing a productive PMS. This internal division has hampered their ability to collaborate effectively to improve the new PMS. During the interviews, one of the Directors emphasized the usual advice given to the principal actors to ensure the effective implementation of the new PMS:

“PSC should be able to work with OHCS and FWSC. If we want to link performance to pay they should work together. Looking at our public sector structure, effective collaboration among key stakeholders is very necessary if performance management is to be successful.”

There is no doubt that the existence of multiple principals (PSC, FWSC and OHCS) requires effective collaboration and cooperation to ensure that the new PMS is successfully implemented in the public sector. As noted by O’Toole and Montjoy (1984) inter-organizational cooperation is very crucial to successful implementation of any program or policy in the public sector. The problem is how to resolve the internal turf conflicts among the principal actors to ensure their effective collaboration in the design, monitoring, evaluation and improvement of the new PMS.

4.3 Impact of the new Performance Management System

Against the background of internal conflicts among the principal actors, what has been the impact of the new PMS on performance management processes? The study sought to explore the impact the new PMS has had on performance target setting, assessment, feedback, and decision making on rewards and sanctions since it was rolled out in the public sector.

4.3.1 Employee Performance Target Setting

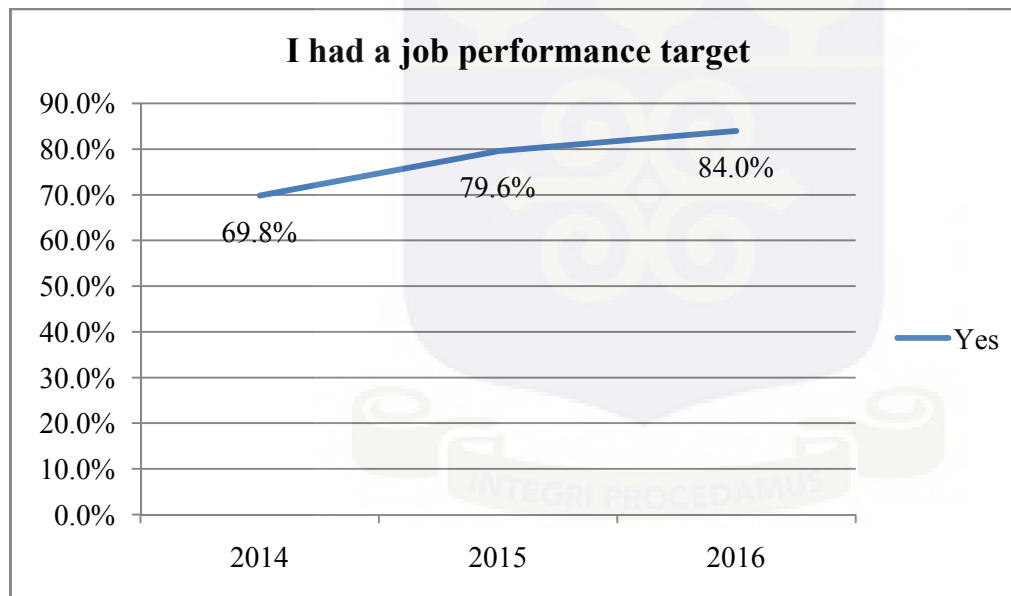
Target setting is the beginning of the performance management process and it is expected to occur in January of every year (PSC, 2015). Chief Directors are required to set their targets which would then influence Directors targets as well as deputy directors' targets and that of their subordinates (PSC, 2015). The essence is to align organizational goals and objectives to employees' targets and responsibilities (Aguinis, 2009).

The Chief Director's performance agreement contains the vision, mission, strategic objectives, top priority areas, key result areas, overall targets to achieve; specific timelines indicated for the activities outlined and the means of verification of achieved the targets for the year under consideration. After completion of the document, Chief Directors of the various Ministries sign a performance agreement with the Head of Civil Service witnessed by their sector Ministers. For the autonomous agencies, the Chief Directors sign performance agreement with their oversight Ministry witnessed by their Board Chairmen.

Directors or Heads of department in all the sampled organizations sign performance agreement with their Chief Directors. They are also expected to complete their performance agreement document which highlights their priority areas, strategic objectives, key results areas, targets to be achieved, timelines and means of verification of achieved targets for the year. At the individual level, deputy directors and their subordinates meet their respective supervisors to discuss key result areas and agree on targets to be achieved for the year. Target setting for all employees are expected to be completed by the end of January (PSC, 2015).

A survey was conducted to examine the extent to which employees have been given job performance targets to achieve since 2014. Respondents were asked to indicate whether they had job performance targets in 2014, 2015 and 2016. Responses from the survey illustrated in Figure 3 below revealed that in 2014 most of the respondents (69.8%) were given job performance targets to achieve. In 2015, 79.6% of the respondents indicated that they had job performance targets, whilst in the year 2016, majority of the respondents (84%) responded that they had job performance targets. A trend analysis of the three years under review shows that there has been some improvement in the extent to which employees are given job performance target.

Figure 3: Trend Analysis of job performance target



The findings above clearly show that since the introduction of the new PMS the extent to which employees are given performance targets has increased. In relation to target setting, a deputy director remarked as follows:

“During the planning phase the supervisors would have to sit with the subordinates so that you agree on the work area, then you give the person a target that you want to be achieved but it must be agreed. In the previous staff appraisal system, people were abusing it because supervisors will say to their subordinates ‘you go and complete it and bring it’, that kind of thing. So the new system is meant to address those challenges so that it is being organized in such a way that there are meetings throughout. So at the planning stage, there is a need for subordinates to have meeting with supervisors to agree with what is to be achieved for the year. Each directorate and all staff has to go through it, and a report showing all staff have gone through it is submitted to the HR.”

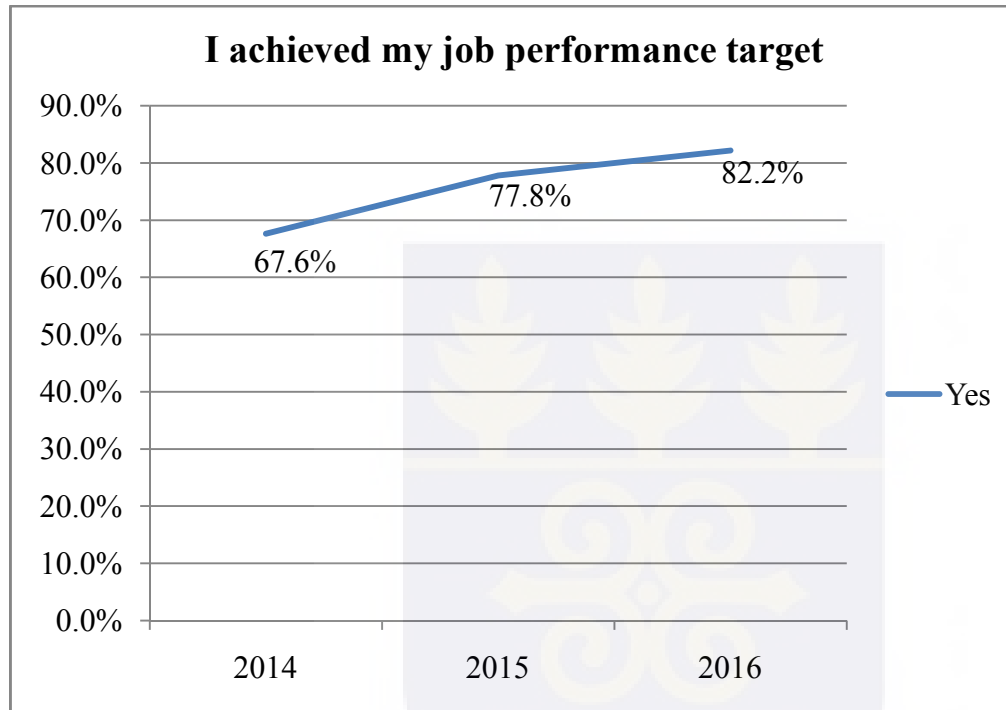
From the principal-agent theoretical standpoint, setting of targets is very important in enhancing an effective principal-agent relationship. Whereas the Principals rely on targets to evaluate the performance of the agents and hold agents accountable, agents need targets to know the specific tasks and responsibilities to accomplish and also to determine their level of performance at the end of the accounting year. Hence targets provide a basis or standard for measuring agent’s performance and decision making on rewards and sanctions (Ferreira and Otley, 2009). The increasing trend in the setting of performance targets indicates that supervisors are becoming increasingly committed to setting targets for their subordinates to enhance performance.

4.3.2 Employee Performance Execution

Performance execution stage is where the employee or agent actually performs or executes tasks or responsibilities towards the achievement of performance targets. All needed resources are expected to be provided by the principal to ensure that employees are able to perform their tasks effectively. The study sought to examine the extent to which employees have been performing

their tasks and achieving their job performance targets between 2014 and 2016. Respondents were therefore asked to indicate whether they achieved their job performance targets in 2014, 2015 and 2016. Responses from the respondents are illustrated in Figure 4 below.

Figure 4: Trend analysis of performance execution



Data shown in Figure 4 above reveal that in 2014 67.6% respondents indicated that they achieved their job target; in 2015 77.8% respondents responded that they achieved their targets and finally in 2016, 82.2% respondents indicated they achieved their job performance targets. The trend analysis clearly reveals an increase in the percentages of employees who claimed to have achieved their job targets over the three year period under consideration. It can therefore be argued that since the implementation of the new PMS, there has been an improvement in the performance of employees towards the achievement of their job targets.

However, the question that needs to be answered is to what extent are the claims of the employees (agents) of achieving their job targets is a reflection of the reality. The principal-agent theory holds that through an effective monitoring mechanism, the principal can be able to verify whether indeed an agent is really performing tasks as expected and have been able to achieve job targets or not. A Director of the PSC said in an interview, *“Currently we don’t actually know the specific organizations actually going by the new guidelines but I think a study like yours can help us know for now which organizations are implementing the new system.”*

The above response clearly reveals an incidence of lack of proper supervision and monitoring on the part of the PSC to audit performance management practices of public sector organizations to determine effectiveness of the new PMS. With the PSC as principal failing to monitor and audit performance management practices in public organizations since the introduction of the new PMS, to what extent can they determine whether indeed public employees are indeed performing as expected or verify their target achievement claims. The onus therefore lies on the bureaucratic heads (Chief Directors, Directors, Supervisors, and Heads of departments) to ensure that their subordinates have actually achieved their targets.

4.3.3 Employee Performance Assessment

Performance assessment or evaluation is a very important stage in the performance management process as it facilitates administrative decision making on salary, promotion, and sanctions. It also enhances identification of employees’ strengths and weaknesses (Fink and Longenecker 1998; DeNisi and Pritchard 2006; Brown and Benson, 2010; Mathis and Jackson, 2010). From the principal-agent perspective, performance assessment serves as a control mechanism for the principal to overcome adverse selection and moral hazard problems. Through performance

assessment the principal is able to obtain information regarding certain personal traits of the agent such as skills, honesty, credibility and diligence, and trustworthiness. Moreover, performance assessment enables the principal to determine to a larger extent if the actions of the agents were geared towards set targets and interests of the principal, and also hold the agent accountable for the use of resources provided.

The new PMS requires that job performance of all public employees at all levels are assessed or evaluated against set targets at the end of the year (PSC, 2015). The study sought to examine the extent to which employee performance are assessed or evaluated in order to determine the impact the new PMS has had on employee performance assessment. Respondents in the survey were asked to indicate whether their performance was assessed in 2014, 2015 and 2016. The study findings presented in Figure 5 below indicated that in 2014, 67.6% of the employees responded that their performance was assessed. In 2015, 79.1% of the employees indicated that their job performance was assessed whilst in 2016, 84.4% employees indicated that their performance was assessed.

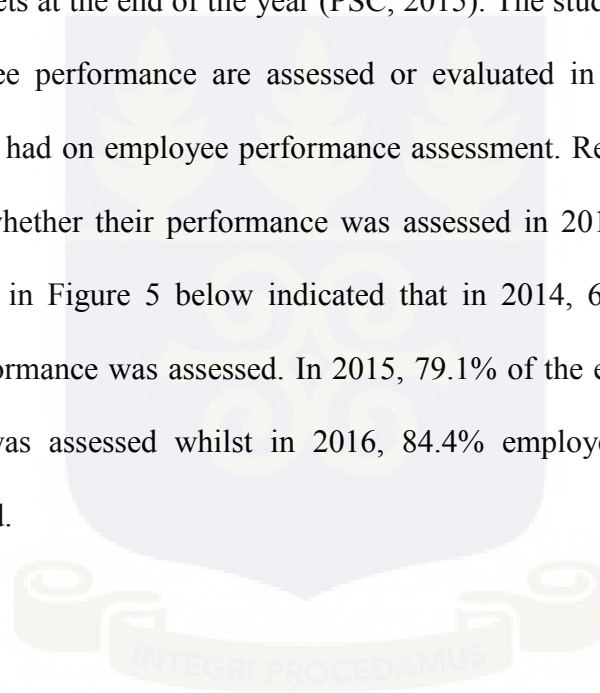
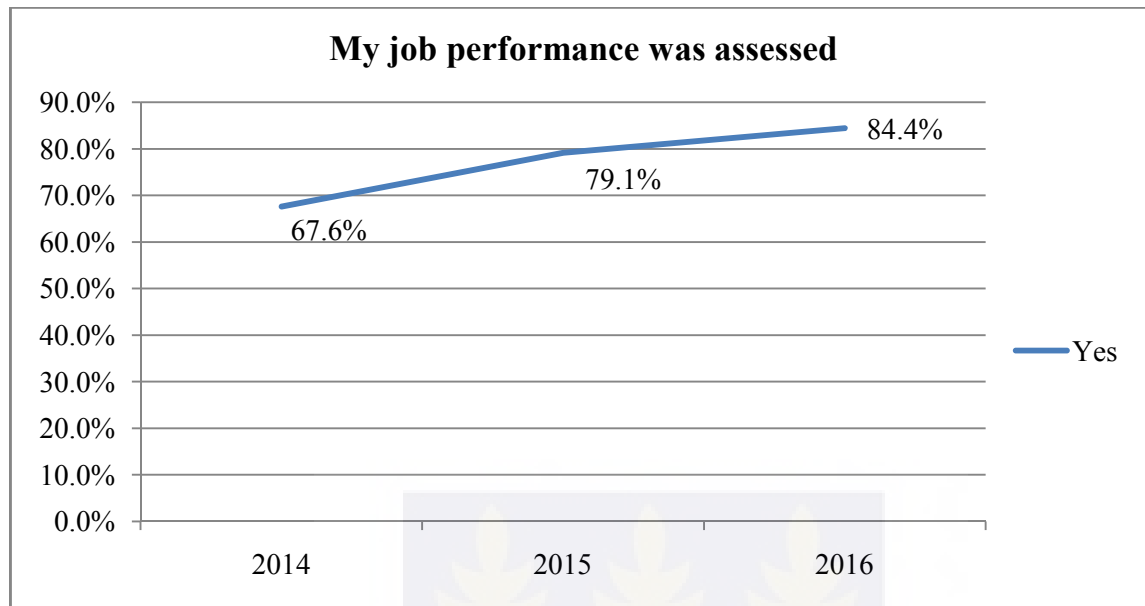


Figure 5: Trend analysis of employee job performance appraisal

It is very evident from the trend analysis above that there has been a positive upsurge in the percentages of employees whose job performance were assessed between 2014 and 2016. This clearly indicates an improvement in the extent to which employees job performance are assessed in the public sector since the introduction of the new PMS. The increasing trend in performance assessment implies more effort from supervisors (principals) is being geared towards holding public employees (agents) accountable to determine how productive they use their time and public resources in office. The essence of this is that employees are forced to develop positive attitude towards work recognizing that their performance would be assessed at the end of the year. This would enhance performance and productivity in the public sector.

From the foregoing analysis, there is a clear indication that there has improvement in the performance assessment. This requires some explanation. The study asked respondents to

indicate who evaluated or assessed their job performance in each of the years under consideration. The findings are shown by Figure 6 below.

Figure 6: Trend analysis of actors who appraised employee job performance

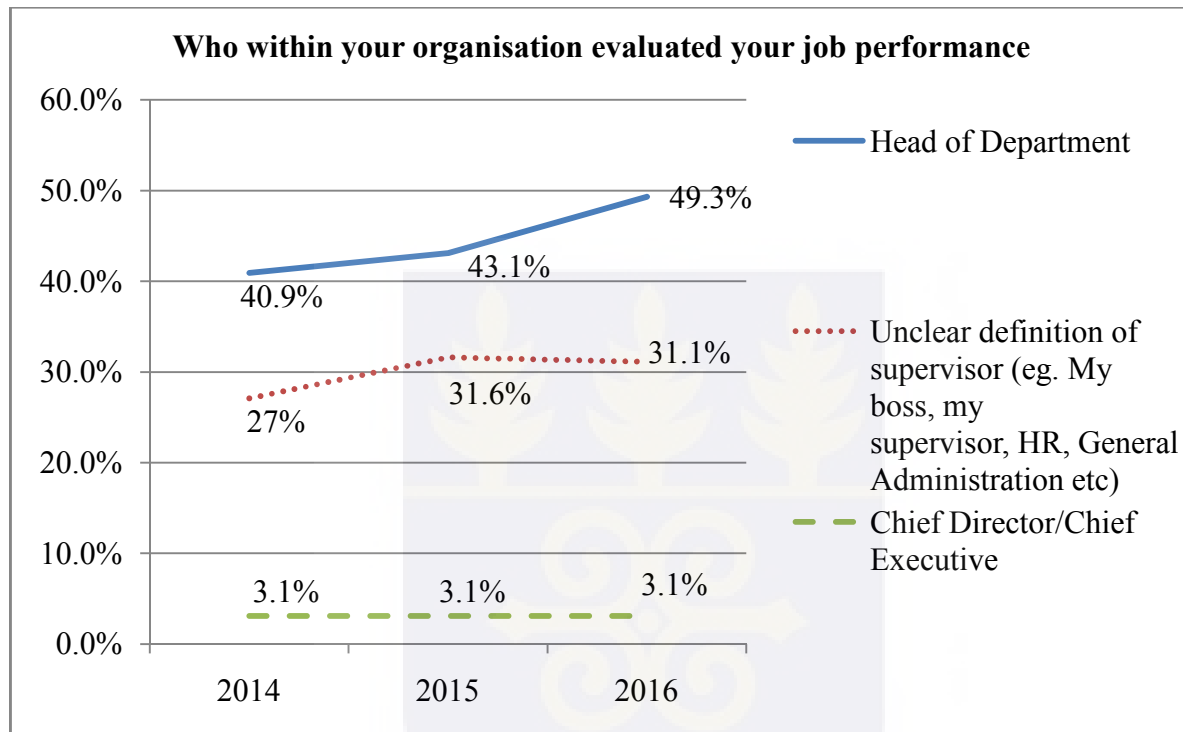


Figure 6 above reveals that in 2014, 40.9% of the respondents indicated they were assessed by their Heads of department, 27% indicated they were assessed by their supervisors, and only 3.1% indicated they were assessed by their Chief Director/Chief Executive. It is important to state that the nature of the ‘Supervisors’ was not always specified by the respondents. However, some respondents indicated their supervisors to be ‘my boss’, ‘my supervisor’, ‘human resource’ (HR) department, and ‘General Administration’ department. In 2015, 43.1% of the respondents indicated that they were assessed by their Heads of department, 31.6% indicated that their supervisors assessed them, and 3.1% indicated that they have been assessed by their Chief

Directors/Chief Executives. Finally in 2016, 49.3% of those whose performance had been assessed indicated that their Heads of department assessed their job performance, 31.1% indicated that they were assessed by their supervisors, and 3.1% indicated that they were assessed by their Chief Directors/Chief Executives. The trend analysis clearly shows that from 2014 to 2016 there has been an increasing involvement by Heads of department and Supervisors in the assessment of their subordinates. The study attributes this improvement to leadership role and involvement in the process. In the new PMS, the bureaucratic heads and other supervisors are required to sit down with their subordinates to assess their performance based on set targets and provide feedback on their job performance (PSC, 2015). The increasing involvement of bureaucratic heads in performance assessment indicates that the heads are obtaining more information about their employees in relation to their performance skills and attitudes to work.

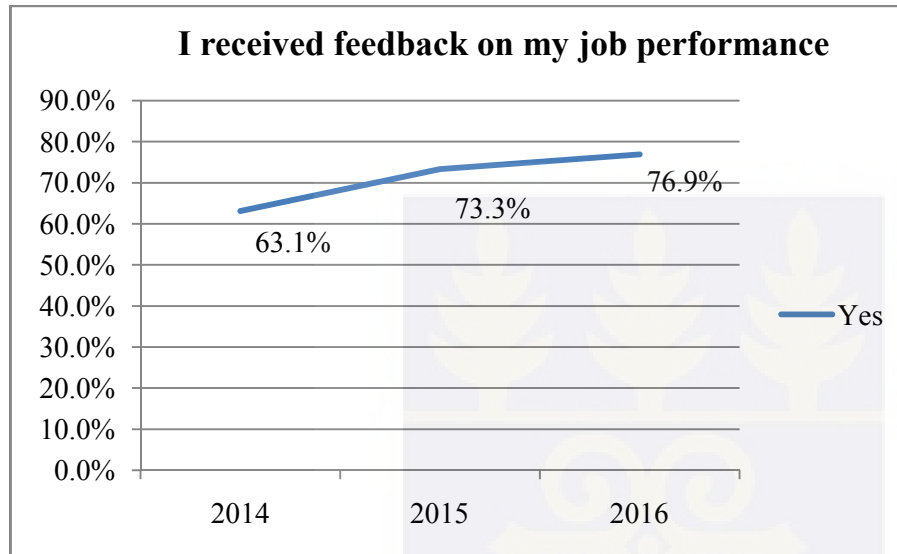
4.3.4 Providing Feedback on Employee Job Performance

Providing feedback to employees on their job performance is deemed very important in any PMS. According to Aguinis (2009) feedback on job performance if provided effectively not only improves performance but also boost employees confidence and satisfaction with the performance management system. Armstrong (2006) likewise notes that feedback on job performance enhances employees awareness of the job areas they need to improve and provides information to employees as to whether they are performing to expected levels or not.

From the principal-agent theoretical perspective, feedback is very important because the principal needs to provide information as to the extent to which targets or expectations were achieved or fulfilled. Such feedback or information allows the agent to draw lessons learned for future job performance and also determine training needs and whether to be rewarded or

sanctioned. Due to the importance of bureaucratic heads providing performance feedback, respondents were asked to indicate whether they received feedback on their job performance in 2014, 2015 and 2016. The responses are illustrated in Figure 7 below.

Figure 7: Trend Analysis on job performance feedback



Data collected (see Figure 7 above) shows that in 2014, 63.1% of the respondents indicated that they received feedback on their job performance. The year 2015 witnessed a significant increase in the percentage of employees who received feedback on their job performance with 73.3% employees responding that they had feedback on their job performance from their supervisors. In 2016, the trend continued with a further increase in the percentage of employees who were given feedback on their job performance as the year recorded 76.9% of the employees receiving feedback on their job performance. This goes to show a positive improvement in the extent to which employees receive feedback from their supervisors on how they are performing. This tend to enable employees know whether they are achieving their targets or not, motivates employees

to improve their performance and also identify their strengths and weaknesses. The improvement in employees receiving performance feedback signifies that bureaucratic heads are increasingly providing feedback on job performance to their subordinates. Interviews with directors revealed that many supervisors provide feedback to their employees. A Deputy Director remarked when asked if employees receive feedback on job performance:

“Yes they do. They have access to the document because after they sit with their boss they are aware. The original plan of the performance appraisal is you are sitting with your boss and he is appraising you so whatever he is putting on paper is not strange, you know it. So staff are aware, they have feedback because the document comes back to them before it is sent to HR.”

Similarly another director recounted in a response to whether employees receive feedback:

“Yes. That is an internal thing because obviously your boss should be able once you are sitting and talking over things, the person must be able to give feedback whether you are doing well or not. So employees get feedback from their supervisors. At the end of the year when you do the appraisal it goes through the same process, everybody is appraised, final scores are given and feedback.”

The increasing trend in the provision of job performance feedback reveals the active involvement of bureaucratic heads in the performance management process. But the analysis also suggests that some bureaucratic heads who assess the performance of their subordinates are reluctant to provide feedback to the subordinates. For instance, in 2016, the percentage of the employees who claimed that their jobs were assessed by bureaucratic heads and supervisors is 84.4%.

However, only 76.9% of the employees indicated that they had received feedback on their performance. All bureaucratic heads should be encouraged to provide performance feedback to their subordinates. But the important finding about the impact of the new PMS is that bureaucratic heads are now increasingly committed in assessing the performance of their subordinates and providing performance feedback. The theoretical conclusion of this positive trend is that communication between the principals and agents in relation to job performance is gradually improving which allows agents to receive feedback on their job performance.

4.3.5 Decision Making on Employee Performance: Rewards and Sanctions

Drawing from the principal-agent perspective, after an agent has performed tasks, the principal is expected to take decisions to either reward the agent for good performance or sanction the agent for poor performance after a performance assessment has been completed. The new PMS policy guidelines oblige heads of organizations and supervisors to make decisions on rewards, sanctions, promotion and training based on information obtained from the performance appraisal reports (PSC, 2015). The study therefore explored the extent to which the employees perceive that the new PMS is linked to decision making on rewards and sanctions.

4.3.5.1 Rewards: Linking performance to pay

Rewards whether financial or non-financial have been recognized to enhance employee performance, foster positive work behavior and attitude towards the performance management system (Jenkins, Mitra, Gupta and Shaw, 1998; Ferreira and Otley, 2009). In a principal-agent relationship, rewards in the form of salary increase, promotion and other non-financial rewards such as recognition and awards are necessary to ensure that agents perform their tasks in accordance with the interests of the principal (Kassim and Menon, 2003). This is because from

the principal-agent theoretical perspective, agents are recognized to be utility maximizing individuals and therefore respond positively to economic incentives and other form of rewards (Waterman and Meier, 1998; O’Flynn, 2007; Van Slyke, 2007). In addition, rewarding agents for performance of their tasks in the contractual agreement encourages future performance and also builds trust and effective relationship between both parties as the principal would be seen to be also performing his part of the contractual agreement (Broadbent, Dietrich and Laughlin, 1996).

A key feature of the new PMS is to ensure that performance is linked to pay and other rewards in the public sector (PSC, 2015). However, the study found that the new PMS yet to be linked to pay. A Director at the FWSC had this to say in relation to whether the new PMS is linked to pay:

“Currently the new PMS is not linked to pay. Measures have been developed that will ensure employees are paid and rewarded based on performance, but it is yet to be implemented because of lack of funds which have been a great challenge. We are looking for ways to raise funds and also seeking for Donor support to help with funding.”

The study found that some form of rewards has been created by the OHCS for Chief Directors who distinguish themselves in the performance of their duties. An interview with a Deputy Director at the OHCS revealed that since 2014 the OHCS has been organizing performance awards ceremonies to publicly recognize and reward good performing Chief Directors in the Ministries. This is the account of the Deputy Director on rewards:

“We do have a ceremony that we reward or award good performing Chief Directors. We normally do plaques and citations for them. We seek support from the Civil and Local Government Staff Association of Ghana to organize the programme for the Chief

Directors. In 2014 as part of the reward the Chief Director of Ministry of Food and Agriculture was sent to the Public Administration School in France for a short course in Management and Leadership. In 2015 the Canadian International Development Agency (CIDA) took the first two performing Chief Directors to UK for a short management course. In 2016 we rewarded the best performing Chief Director for 2015 and just recently we held a ceremony to award good performing Chief Directors for 2016.”

The existence of this awards scheme for Chief Directors is to encourage Chief Directors to ensure that the performance management system is strictly and effectively enforced in their respective organizations due to the fact their performance is hinged on the performance of their subordinates.

Below the Chief Director/Executive level, the only form of reward available to employees was promotion. The study gathered from the interviews that the only reward employees receive for good performance is to be promoted. In a response to how good performing employees are rewarded, a Director of one of the Ministries had this to say:

“Unfortunately, I am not aware if this system is tied to any form of rewards as in financial rewards. What I know is one is able to track performance of staff and then if they are due for promotion and have other requirements for promotion, we submit the performance evaluation report on their behalf for promotion. So that is the reward I know, promotion reward not financial reward. No event is organized to reward good performing employees.”

In relation to the issue of whether the PMS is linked to promotion, respondents were asked to indicate their level of agreement with the statement that ‘A positive performance evaluation

score could lead to my promotion’. Table 7 below shows the extent to which public sector employees perceive that the PMS is linked to promotion.

Table 7: Perceived link between performance evaluation and promotion

		A positive performance evaluation score could lead to my promotion					Total
		I strongly disagree	I disagree	Neutral	I agree	I strongly agree	
Categories of Public Sector Organizations	Regulatory Institutions	0 0%	1 3.6%	2 7.1%	16 57.1%	9 32.1%	28 100%
	Public Sector Ministries	3 2.2%	18 13.2%	14 10.3%	60 44.1%	41 30.1%	136 100%
	Public Sector Agencies	0 0%	2 3.4%	7 12.1%	30 51.7%	19 32.8%	58 100%
Total		3 1.4%	21 9.5%	23 10.4%	106 47.7%	69 31.1%	222 100%

The majority of public sector employees perceive that the PMS is linked to their promotion. Table 7 shows that 89.2% of the respondents in the principal regulatory institutions (PSC, FWSC, OHCS) agree that a positive evaluation score could lead to their promotion. In the public sector Ministries, majority (74.2%) of the respondents agree that positive performance evaluation can cause one’s promotion in the public service. In the autonomous public sector Agencies, 84.5% of the respondents agree that positive performance evaluation score could lead to their promotion.

The general agreement of respondents from the various categories shows that employees perceive that workers with a positive performance evaluation score stand a chance of being

promoted when their promotion is due. It is therefore clear that promotion in the public service to some extent is based on the performance of employees. This finding is consistent with previous studies by Bawole et al (2013) and Ohemeng (2015) which identified that performance appraisals are mainly used for promotion purposes and as a result most employees only show interest in completing their appraisal reports when they are due for promotion.

4.3.5.2 Sanctions against Poor Employee Job Performance

The threat or use of sanctions may be imposed to punish poor performance and encourage good performance (Aguinis, 2009; Kassim and Menon, 2003). From the principal-agent perspective, sanctions are imposed by the principal to agents who perform poorly or actions are incongruent with the interests and aspirations of the principal (Ebrahim, 2003; Kassim and Menon, 2003). In order to promote productivity and accountability in the public service, the new PMS makes provisions for the sanctioning of employees who perform poorly. The new PMS policy makes provisions for sanctions in the form of demotion or reassignment, reduced duties and termination of appointment as a result of consistent poor performance (PSC, 2015:76).

The study sought to find out whether employees perceive that poor performance is sanctioned since the introduction of the new PMS. Respondents were asked to indicate their level of agreement or disagreement with the statement that 'A negative performance evaluation score could lead to my dismissal'. Responses illustrated in table 8 below reveal that among the principal regulatory institutions (PSC, OHCS, FWSC) only 24.1% agree that negative performance evaluation score could lead to their dismissal, with 44.8% of the respondents disagreeing. It seems that majority of the principal actors think that the punishment of dismissal is either rarely used or will never be used to punish poor performance in the public sector.

Similarly, only 29.8% of employees in the public sector Ministries agree that they could be dismissed as a result of poor performance, while 46.3% disagree. Interestingly, in the autonomous public sector agencies 43.1% agreed to the statement that a negative performance evaluation score could lead to their dismissal, with 32.7% disagreeing. This suggest that the use of dismissal as a form of sanction for poor performance in the autonomous agencies is higher (or widely perceived to be real) than it is the case in the public sector Ministries. Advocates of the new public management doctrines (Osborne and Gaebler, 1993) argue that the conversion of civil service departments into autonomous agencies is more likely to increase efficiency because the autonomous agencies will be able to exercise the authority to dismiss non-performing employees than is the case in the traditional civil service.

Table 8: Linking negative employee performance evaluation score to sanctions

		A negative performance evaluation score could lead to my dismissal					Total
		I strongly disagree	I disagree	Neutral	I agree	I strongly agree	
Categories of Public Sector Organizations	Regulatory Institutions	1 3.4%	12 41.4%	9 31%	2 6.9%	5 17.2%	29 100%
	Public Sector Ministries	12 9%	50 37.3%	32 23.9%	29 21.6%	11 8.2%	134 100%
	Public Sector Agencies	2 3.4%	17 29.3%	14 24.1%	20 34.5%	5 8.6%	58 100%
Total		15 6.8%	79 35.7%	55 24.9%	51 23.1%	21 9.5%	221 100%

Overall, most of the respondents surveyed (42.5%) in the public sector disagree that a negative performance evaluation score could lead to their dismissal whilst 32.6% agree. The findings

above clearly indicate that the severe sanctions of dismissal for poor performance appear to be far-fetched for the majority of public sector employees. This perception is even greater within the principal agencies that are expected to exercise the power of dismissal in extreme cases of poor performance. It should therefore not be surprising that in the public sector Ministries the majority of employees do not believe that poor performance can lead to dismissal. A Director in the public sector Ministries remarked that “*once appraisal is done, it is put on record. It becomes handy when it comes to promotion.*” This statement clearly implies that until employees are due for promotion, they are not sanctioned for poor performance. From the principal-agent theory perspective absence or failure to sanction poor performance means that the agent is likely to pursue his interest at the expense of the interests of the principal because sanctions are necessary to deter the agent from any unproductive behavior.

4.4 Challenges of the new Performance Management System

An objective of the study was to identify some of the challenges of the new PMS in public sector organizations. To uncover the challenges of the new PMS, the survey respondents were asked to indicate measures that should be put in place to improve the PMS in their respective public organizations. A wide range of measures were suggested by respondents which were categorized into common occurring themes illustrated in Figure 8 below.

Figure 8: Measures to improve PMS in the public sector

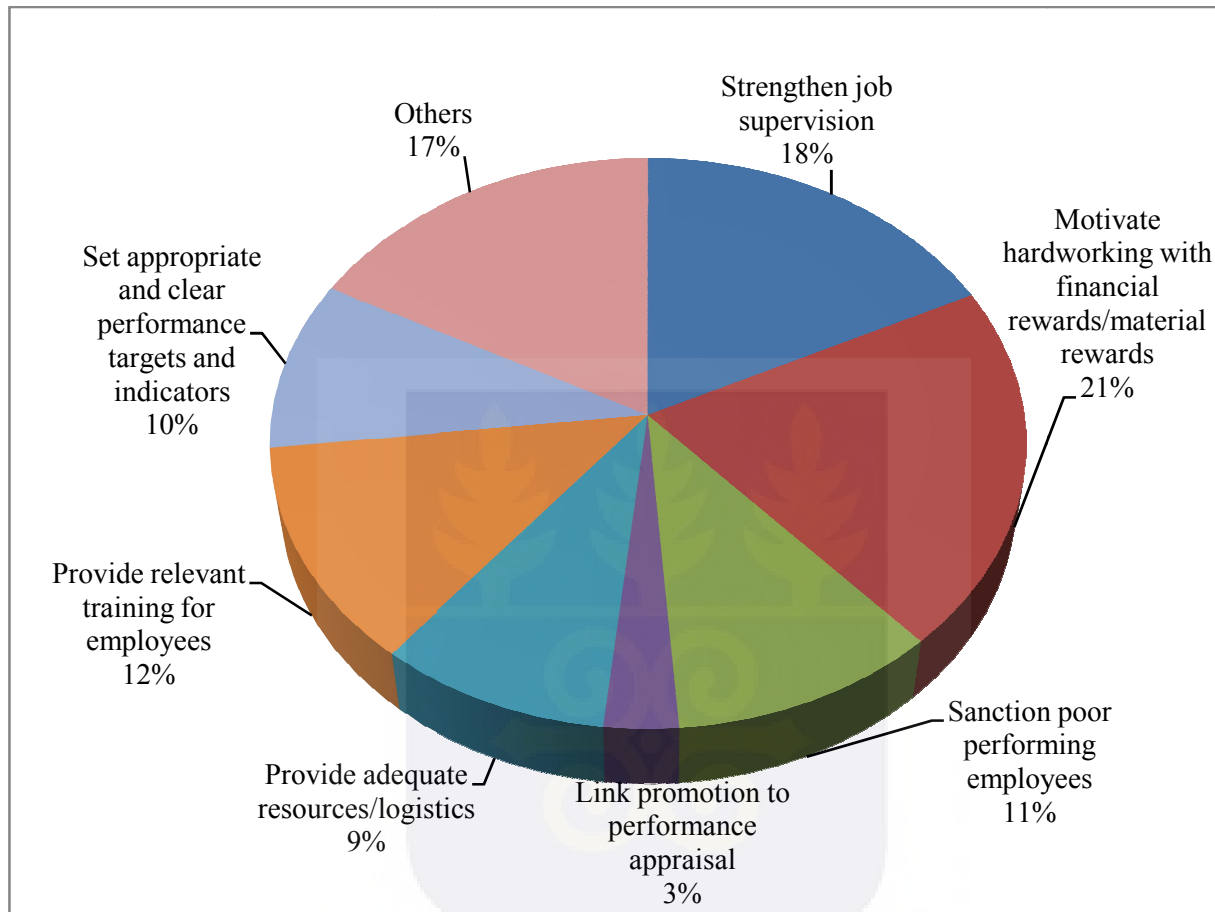


Figure 8 above illustrates a wide range of suggestions on how the new PMS could be improved in the public sector. Most of the respondents (21%) suggested the need to motivate hardworking employees with financial or material rewards, 18% suggested that job supervision needs to be strengthened if the PMS is to be effective. Providing relevant training for employees was also deemed very necessary for PMS to be effective (12%). Moreover 10% respondents indicated the need for the sanctioning of poor performing employees and another 10% hinted on the need for supervisors to set clear and appropriate performance targets and indicators to improve the PMS.

Provision of adequate resources and logistics was suggested by 9% respondents and 3% indicated the need to link promotion to performance appraisal to improve PMS. About 17% of the respondents indicated other measures such as effective implementation of the PMS, revising the PMS to enable electronic performance evaluation to avoid human bias, improving the performance appraisal process, dealing with political interference in job performance, and ensuring fairness and transparency in the PMS. The above corrective measures are suggestive of the challenges facing the new PMS. Among the numerous challenges given by employees, the most salient challenges are (i) lack of rewards and sanctions for job performance by non-executives, (ii) lack of effective supervision, and (iii) failure to link the PMS to employee development training. Many of the Directors also pointed to inadequate understanding of the new appraisal instrument as a major challenge. These four challenges are discussed below:

4.4.1 Lack of Rewards and Sanctions for Non-executives

Lack of rewards and incentives was a key challenge in the previous performance management system replaced by the new PMS (Ohemeng, 2009). The study identified that the current system is also faced with similar challenge of rewarding good performing employees below the level of the Chief Directors and Chief Executives. A Director made the following remark:

“Chief Directors are rewarded. For directors level so far I haven’t seen any form of rewards and at the individual level too nothing has been done.”

It is clear that though the new PMS seeks to ensure that employees are rewarded for good performance, it is yet to be a reality in the public sector especially at the non-executive level. The absence of rewards and incentives for good performance has the tendency of making employees lose confidence, satisfaction in the system, and develop a negative attitude towards the system by

regarding the system as not rewarding (De Waal and Counet, 2009). From the principal-agent perspective, the effect of absence of rewards and incentives is that agents are likely to pursue their own private interests and not the interest of the principal, and as a result agents would not perform to the expectations of the principal.

Many of the Directors interviewed emphasized the need to ensure that the system is linked to rewards and sanctions. Responses from the interviews indicated that public employees are very concerned with the absence of rewards for good performance and sanctions for poor performance. There was general acceptance of the fact that rewards and sanctions in the public sector need to be promoted for the new PMS to be effective. The following were the words of a Director concerning rewards and sanctions:

“I think performance management can work in the public sector. The only problem is the rewards and sanctions aspect which is yet to be seen. If the system is effectively linked to rewards and sanctions, I think we will take a leap forward as far as performance and productivity in the public sector is concerned.”

Rewards and sanctions are very crucial for employee performance and effectiveness of any PMS (De Waal and Counet, 2009). Failure to sanction employees for poor performance in the public service was attributed to directors’ lack of confidence and fear of being victimized. This is the account of a Director concerning the issue of sanctioning poor job performance:

“This is difficult to implement in the public sector because many directors lack the confidence to dismiss poor performing employees due to fear of being branded as wicked and all that.”

The above finding is consistent with study findings by Bawole et al., (2013) where they identified fear of being victimized or intimidated for various political and socio-cultural reasons such as superstitions and spirituality, as inhibiting objectivity in performance appraisals and the effectiveness of performance management in the public service. The new PMS seems to be stifled with the non-enforcement of appropriate sanctions for poor job performance. In the principal-agent theoretical relationship, rewards and incentives for performance as well as the credible threat of the use of sanctions enhances performance and build trust between the principal and agent (Ferreira and Otley, 2009; Ebrahim, 2003).

4.4.2 Lack of Effective Supervision

Despite the increasing involvement of leadership in the performance management process as illustrated above, responses from the interviews revealed that regular supervision has not been very effective and has been a challenge to the effectiveness of the new PMS. Interviewees hinted on non-involvement and weak supervision on the part of some directors and supervisors in the performance management process. In the words of a Director:

“Lack of supervision is an issue. Some of these things it doesn’t come out in the open. We have cases where you can have a boss tell subordinate that ‘go and complete the thing and bring it and let me sign’. So the subordinate has to manipulate the figures and comments and all that and all the supervisor would do is just append the signature and they would not even have time to write any comment that the officer is hard working or need to put in more effort, everything is done by the appraisee. That shouldn’t be the practice but sometimes we find that situation.”

A situation where supervisors fail to do effective supervision and allow subordinates to set targets for themselves and evaluated themselves as indicated above do not enhance the effectiveness of performance management. Another Director interviewed emphasized,

“For me what we need to do to improve is to make sure supervision is strong. In schedule 2 of the Director’s performance agreement, one of the key result areas, each director must develop job schedule for all the staff under them. We brought in that to address that thing of people coming to work and not working or idling around. Who is making sure that it is done? Developing a job schedule for all staff under you is very tedious, I have 17 officers, but I sit down and generate mine but others they don’t do it.”

Responding in a similar fashion, another Director had this to say:

“One thing we need to put in place is to strengthen supervision. We need to encourage supervisors to take up their role because for performance management to be effective, supervisors need to take up their role and perform it well.”

The above responses clearly indicate that the issue of supervision should be critically examined and strengthened if the new PMS is to be effective and successful. Without effective supervision, performance assessment may tend to be overly subjective which would not reflect true employee performance. In the long run employee performance and development would not improve and would affect organizational performance. Moreover, the lack of effective supervision would make subordinates put in less effort or no priority or seriousness in working with the PMS. This leads to the ineffectiveness and failure of the PMS (De Waal and Counet, 2009).

4.4.3 Failure to link the PMS to Employee Development Training

A key purpose of any performance management system is to improve performance by identifying employee weaknesses and job areas requiring improvement and prescribing the requisite training to tackle those deficiencies (Aguinis, 2009; Armstrong, 2009; Mathis and Jackson, 2010). In this regard an objective of the new PMS is to ensure that performance appraisal reports are linked to training and development in the public service (PSC, 2015). Thus, appraisal reports must influence training plans and the selection of employees for training in order to improve performance. Respondents were therefore asked to express their agreement or disagreement with the statement that ‘Nominations for further training are often based on performance appraisal reports’. More than a third of the respondents (36.7%) suggested that the selection of employees for further training is often not based on the results of the performance appraisal reports. If this response is true, it should be addressed to ensure the building of a more competent pool of personnel in the public sector. Responses are illustrated in table 9 below.

Table 9: Further training are often based on Performance Appraisal reports

	Frequency	Percent	Valid Percent	Cumulative Percent
I strongly disagree	26	11.6	11.8	11.8
I disagree	55	24.4	24.9	36.7
Valid Neutral	62	27.6	28.1	64.7
I agree	64	28.4	29.0	93.7
I strongly agree	14	6.2	6.3	100.0
Total	221	98.2	100.0	
Missing System	4	1.8		
Total	225	100.0		

Responses illustrated in table 9 above indicate that only 35.3% respondents agree that nominations for further training are often based on appraisal reports. This suggests that bureaucratic heads are not perceived to mostly use the performance appraisal reports when selecting employees for further training. The implication of this is that the future performance of poor performing employees is not likely to improve if their skills and capacity deficiencies identified in performance appraisal reports are not addressed. To ensure improved employee performance and development, information from appraisal reports must guide the selection of employees for training and also the type of training given to employees.

4.4.4 Inadequate Understanding of the New Performance Appraisal Instrument

The introduction of the new PMS in the public sector came along with a new performance appraisal instrument that all employees are expected to complete with their supervisors. The appraisal instrument requires supervisors and their subordinates to define the targets, assess results and comments on the employees' job performance. However, the study induced from the interviews with bureaucratic heads and supervisors that many employees and supervisors struggle completing the document due to the inadequate comprehension and understanding of the appraisal instrument. This is what a Director remarked about the appraisal instrument:

“People are complaining about the appraisal instrument that it is too cumbersome because they don't understand the terminologies used, and they don't understand the key results areas, how to set SMART targets is also a challenge even for the supervisors, it's a problem. As for the individual level, to be frank, if they (supervisors) don't help them, they don't even bother to fill it.”

The study further gathered from the interviews that despite the fact that many employees have received several training on the new instrument, some employees still express outcry of the difficulty in understanding and completing the document. A Director expressed this concern:

“We have received training from both PSC and OHCS but staff complained so much about it such that in 2015 we didn’t get an appreciable number of people to even complete the document. Everybody was saying I don’t understand it and all that. Even in this year we have had two weeks training sessions for almost 90% of our staff again on the document because people were complaining about it. People feel the 11-page document is too much for performance appraisal. At the end of the day what they do is that one person does it well and then everybody comes to look on and copy and reproduce, this is unfortunate.”

The foregoing clearly raises the concern as to whether it is the trainings that have been ineffective or the appraisal instrument is just too complex to understand. A Director indicated in an interview that the training on how to complete the document is not the solution to this challenge but that the appraisal instrument needs to be revised:

“The appraisal document is very difficult to understand despite several training. That is the problem we are facing with our staff. So the document needs to be revised because I don’t think it is only training that will resolve this issue.”

The effect of the difficulty in understanding the appraisal instrument as can be observed in the above statements is that it constrains objective performance assessment and provision of accurate performance information. In addition it discourages some employees from participating in the appraisal process which then affects the success and effectiveness of the new PMS. As noted by

De Waal and Counet (2009), in a situation where employees in an organization lack adequate understanding of the PMS or aspect of it, it is likely that the PMS will not be used properly or not at all. An agents' willingness to execute tasks in the interest of the principal is partly influenced by their cognition of the appraisal process (Van Meter and Van Horn (1975).

4.5 Conclusion

This chapter has provided an analysis and discussion of research findings on the impact of the new PMS in Ghana's public sector on the performance management processes of target setting, performance execution, performance appraisal, performance feedback and performance decision-making concerning sanctions and rewards. There is a clear indication that in spite of the lack of strong cooperation among the PSC, FWSC and OHCS in the implementation of the new PMS, the introduction of the new PMS into the public sector has improved the performance management processes of target setting, appraisal and feedback. Employees also claimed to have improved in their performance execution since the introduction of the new PMS. Based on the analysis above, the improvement in the performance management processes could be attributed to the increasing involvement of bureaucratic heads (particularly Heads of departments and supervisors) within the public sector Ministries and autonomous agencies.

Consistent and active leadership involvement has been influential in the improvement of the performance management process in the public organizations. This clearly indicates that leadership in public sector organizations have taken up their roles and responsibilities in enforcing the implementation of the new PMS in their organization. This finding is consistent with findings in previous studies that have established that leadership commitment and involvement is very critical to the success of performance management reforms.

Key challenges of the new PMS highlighted included the failure to link the new PMS to rewards and sanctions for job performance, weak supervision, inadequate understanding of the new appraisal instrument, and weak linkage of the PMS to employee development. The success of the new PMS may depend on resolving these challenges. Then next chapter presents policy recommendations, highlights the contributions of the study, and concludes the study.



CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.0 Introduction

In 2015, a new performance management system (PMS) was introduced to be implemented by public sector organizations in Ghana. The principal actors mandated to collaborate to design, implement, monitor, and evaluate the new PMS were the Public Service Commission (PSC), Fair Wages and Salaries Commission (FWSC), and Office of the Head of Civil Service (OHCS). First, the study sought to find out the extent to which the three principal actors have been able to collaborate effectively in the design and implementation of the new PMS. Second, the study sought to investigate the impact of the new PMS on the performance management of employees with regards to the processes of job performance target setting, job execution, performance appraisal, performance feedback, and decision-making concerning rewards and sanctions in line with the nature of job performance. And, third, the study sought to explore the challenges of the new PMS. The study employed the principal-agent theory to guide the collection and analysis of relevant primary and secondary data. Methodologically, the study collected primary data through interviews with 14 officials (mainly the heads of human resource management departments) and a survey of the views of 225 employees from 18 public sector organizations. Secondary data obtained from journal articles, books, policy documents, and legal enactments were also useful for the analysis. This concluding chapter of the study presents a summary of the key findings and some policy recommendations to improve the new PMS.

5.1 Summary of key findings

This section summarizes the key findings concerning the impact of the new PMS on the performance management processes of employee job performance target setting, performance execution, performance appraisal, performance feedback, and performance decision-making of concerning rewards and sanctions. It also summarizes the key findings on the extent to which the three principal actors collaborated in the design and implementation of the new PMS. Finally, it summarizes the findings about the challenges of the new PMS.

5.1.1 Collaboration among the Principal Agencies

The study found that the overlapping and conflicting legal mandates of the principal actors with regards to initiating action on public sector pay policy and performance management has generated turf conflicts, rather than effective collaboration, among the PSC, FWSC and OHCS. Particularly the PSC and FWSC have been at loggerheads since the introduction of the new PMS. While all the employees of the PSC surveyed for the study claim that the PSC will be the most effective actor to design and implement the PMS for the public sector, the majority of the employees of the FWSC claimed that it is the FWSC that will be more effective in performing that function. While the majority of officials of the OHCS think that it is the PSC that will be more effective in the design and implementation of the PMS, there are some officials who also think that the OHSC itself or the FWSC are better placed to do a more effective job than the PSC. The key finding here was that the principal actors have not been able to cooperate effectively in the design and implementation of the new PMS. This has undermined the capacity of the actors to design a PMS that links employee performance to pay, rewards and sanctions.

5.1.2 Impact of the new PMS on Performance Targets Setting

The study found that since the introduction of the new PMS there has been an increasing trend in the percentage of public sector employees who are given performance targets. In 2014, 69.8% of employees claimed to have been given performance targets as against 79.6% in 2015 and 84% in 2016. The study found that the introduction of performance agreements for bureaucratic heads by the OHCS, and its consolidation by the new PMS, has helped to increase the participation of the bureaucratic heads in the setting of performance targets for public sector employees.

5.1.3 Impact of the new PMS on Employee Job Execution

The study also found that since the introduction of the new PMS, more public sector employees now claim to have executed and achieved their job performance targets than previously. In 2014, a year before the introduction of the new PMS, 67.6% of public sector employees surveyed indicated that they achieved their job target for 2014. In 2016, the number of employees surveyed who claimed to have achieved their targets jumped to 82.2%. Through interviews with bureaucratic heads, it was discovered that not all reported cases of job execution reflects the reality on the ground due to inadequate understanding of the appraisal form among some employees. However, the study found that the PSC which has been mandated to carry out annual performance audits in the public sector has not been able to do so to verify employee claims of job execution. Therefore, the PSC has inadequate knowledge of exactly how the new PMS has been implemented in the public sector let alone assess the rising claims of job execution.

5.1.4 Impact of the new PMS on Performance Assessment

In relation to performance assessment, the new PMS requires that job performance of all public employees at all levels are assessed or evaluated against set targets at the end of the year. The study found that since the introduction of the new PMS, employee job performance is increasingly being assessed by bureaucratic heads. It was revealed from the survey conducted that from 2014 to 2016, the percentages of employees whose performance were assessed increased from 67.6% to 84.4%. Whether or not the employees have been able to achieve their targets, the increasing involvement of bureaucratic heads in the assessment of their employees is a positive sign that the new PMS is overcoming the problem of lack of leadership commitment to employee appraisal reported by some scholars in previous studies (Antwi, et al., 2008).

5.1.5 Impact of the new PMS on Feedback on Job Performance

The study sought to find out the impact of the new PMS on feedback by examining the extent to which respondents receive feedback on their job performance since the implementation of the new PMS in the public sector. The study found a positive trend in the percentage of respondents who receive feedback on job performance between 2014 and 2016. In 2014, 63.1% of the respondents indicated that they received feedback on their job performance, in 2015 and 2016, 73.3% and 76.9% respondents respectively received feedback from various categories of bureaucratic heads and supervisors in the public sector. The provision of feedback by bureaucratic heads is likely to help improve the performance of employees. The study however also noted that the percentage of employees who received feedback from their bureaucratic heads was lower than the percentage of employees whose performance were appraised.

5.1.6 Impact of the new PMS on Decision-making about Rewards and Sanctions

A key objective of the new PMS is to link the assessment of employee performance to employee pay and sanctions. The study found that the new PMS has not been able to achieve the objective of linking employee performance and productivity to pay. The study however identified that rewards for good performance occurred mainly at the level of the Chief Directors. However, like all other employees in the public sector, the salaries of Chief Directors are not linked to the pay system. The study found that the only form of reward available to employees was promotion when an employee is actually due for his or her promotion. Employees whose performance appraisal reports show unsatisfactory job performance could be denied their promotion. In the area of sanctions for poor performing employees, the study found that bureaucratic heads even in the principal agencies are reluctant to enforce severe sanctions such as dismissal.

5.1.7 Challenges of the new PMS

The study sought to explore the challenges hampering the effectiveness of the new PMS in public organizations. The study identified the following challenges the lack of rewards and incentives for good performing non-executives; lack of effective job supervision; inadequate understanding of the new appraisal instrument despite many trainings for organizations; and, failure to enforce severe sanctions for non-performance.

5.2 Policy Recommendations

In view of the findings discussed above, the study makes the following policy recommendations towards the effective and successful implementation of the new PMS in the public sector:

- First, the PSC, OHCS, and FWSC must effectively collaborate to monitor and evaluate performance management practices in public organizations. Regular audit of performance

management practices in public organizations should be conducted to ensure compliance to the new PMS policy guidelines and also identify organizations which are not complying with the new performance management policy. Non-complying organizations should be sanctioned and best performing organizations should be rewarded.

- Second, the bureaucratic heads and leadership of public sector agencies should sustain and increase their involvement in the performance management processes of target setting, assessment, and feedback for their employees to enhance organizational performance. The effective implementation of the performance agreement mechanisms at the level of the bureaucratic heads is likely to help increase the involvement of Chief Directors, Directors and Heads of departments in the new PMS.
- Third, there is the need for the new PMS to be linked to pay, rewards and sanctions to motivate employees to perform their responsibilities above expectations. This means that there is the need for strong collaboration between the PSC, the FWSC and other stakeholders to design and implement a credible system of performance management that links employee performance to pay and sanctions. Bureaucratic heads should also be supported to undertake objective performance assessment of employees as a requirement for the creation of an equitable system where performance is linked to remuneration.

5.3 Contributions of the Study to Theory, Policy and Literature

The study has also contributed to the literature on the principal-agent theory. Findings from the study support the proposition of the principal-agent theory that the increasing involvement of bureaucratic heads or leaders in monitoring and evaluating the performance of their subordinates

(agents) is more likely to increase performance execution by the agents. The study could however not verify the extent to which the use of rewards and sanctions by principals impact on performance execution. This is due to the failure of the principal actors implementing the new PMS to systematically link employee performance reports to pay and sanctions. According to the principal-agent theory, rewards and sanctions are very important to ensure agents exhibit actions that are consistent with interests of the principal (O’Flynn 2007; Van Slyke, 2007; Waterman and Meier 1998). This is an area of research that can be pursued by other scholars in future if the principal actors succeed in linking the new PMS to employees pay.

In addition, according to the principal-agent theory, the agents are likely to pursue their interests where principal fails to monitor agential performance (Kassim and Menon, 2003). The findings of the study appear to suggest that due to lack of monitoring by the PSC, the public sector employees in the Ministries and autonomous agencies have not fully complied with the policy guidelines of the new PMS. Failure of the principal actor to monitor the actions of implementing agencies contributes to information asymmetry problem which undermine the capacity of the principal to determine whether the actions of agents merits the rewards given, or whether the actions of the agents are aligned with interests of the principal (Waterman and Meier, 1998; O’Flynn, 2007; Van Slyke, 2007). This has been the situation with the PSC as they have not been able to determine which public sector organizations are complying with the policy guidelines of the new PMS due to the failure of the former to conducts performance audits.

The study has also contributed to the literature on public sector performance management in Ghana. The study has clearly highlighted the importance and impact of active leadership role and involvement in promoting the effectiveness of performance management processes. The study

complements previous studies (Antwi et al., 2008) that highlighted the role of leadership involvement and commitment as a critical factor to the success of public sector reforms. This study supports the conclusion that leadership involvement and commitment is imperative for successful implementation of performance management reforms.

Finally, by identifying key challenges inhibiting the effective implementation of the new PMS in public sector organizations, the study is also likely to contribute to future policy-making in the area of performance management in Ghana. At this juncture, it is important to repeat the view of a Director of the PSC about the potential importance of this study: *“Currently we don’t actually know the specific organizations actually going by the new guidelines but I think a study like yours can help us know for now which organizations are implementing the new system.”* It is hoped that the study is actually used by the PSC and other relevant policy stakeholders.

5.4 Conclusion

Implementing a PMS in the public sector is of great importance to enhance accountability, transparency, employee performance and productivity. However, implementing a PMS in the public sector is an arduous task bound to meet some challenges. This calls for continuous attention and commitment from political and bureaucratic leaders of public organizations to ensure that performance management is effectively institutionalized in the public sector. This study has explored the impact and challenges of the new PMS in Ghana’s public sector. The findings of the study suggest that the new PMS has impacted positively on the performance management processes of employee performance target setting, performance assessment and performance feedback due to the increasing involvement of bureaucratic leaders in the processes. However, the new PMS has failed to link employee performance to pay and sanctions as

intended. In addition the new PMS is faced with some challenges which need to be tackled to ensure its effectiveness in promoting public sector productivity. The study concludes that although the new PMS is faced with some challenges, there are clear signs of positive impact on performance management processes, and for the system to be effective it would require more effort and commitment from principal actors, bureaucratic heads and all employees.



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APPENDIX 1

UNIVERSITY OF GHANA

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DEPARTMENT OF PUBLIC ADMINISTRATION AND HEALTH SERVICES MANAGEMENT

PERFORMANCE MANAGEMENT RESEARCH QUESTIONNAIRE

Thank you for your time and help in answering this survey questionnaire. My name is Moses Atta. I am doing a study as part of the requirement for the award of the Master of Philosophy Public Administration degree at the University of Ghana. I seek to understand the impact and challenges of the performance management system. I humbly seek your honest responses to the questions below. Your participation in this study is absolutely voluntary and your survey responses will be strictly confidential in compliance with the ethical guidelines of the Universities of Ghana. The study will be used for only academic purposes. I am grateful for your support.

SECTION A: BACKGROUND INFORMATION

Q1: Gender: [] Male [] Female

Q2: Please what is your age group?

- 20–29
- 30–39
- 40–49
- 50–59
- 60 and above

Q3: What is the highest level of education that you have completed?

- Higher National Diploma
- Bachelor degree
- Master degree
- PhD degree
- Other: (specify).....

Q4: What is your current job position.....

Q5: What is the name of your public sector organization?.....

Q6: Which year did you join the Public Service?.....

Q7: Which year did you join this organization?.....

Q8. What is the range of your salary?

- a. Less than 1000 cedis

- b. 1000-2499 cedis
- c. 2500-3999 cedis
- d. 4000-5500 cedis
- e. More than 5500 cedis
- f. Don't remember / prefer not to respond

SECTION B: PERFORMANCE MANAGEMENT SYSTEM

Q9. Which of the following BEST DESCRIBES how you came to be employed in the public sector. Please select only ONE response for this question.

<input type="checkbox"/>	A family member or friend helped me to get employed.
<input type="checkbox"/>	I was employed after doing National Service / Attachment
<input type="checkbox"/>	Through a political party connection
<input type="checkbox"/>	I did an exam/interview, and I did not have any personal or political connections

Q10. Please indicate below (tick) whether or not a job performance target was set for you to achieve, and whether or not you were able to achieve your target, for the years indicated below.

	I had a job performance target			I achieved my job performance target		
	2014	2015	2016	2014	2015	2016
Yes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q11. Please indicate whether or not your job performance was assessed or evaluated, and whether or not you received feedback on your performance, for the years indicated below.

	My job performance was assessed			I received feedback on my job performance		
	2014	2015	2016	2014	2015	2016
Yes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q12. Who within your organization evaluated your job performance for the years 2014, 2015 and 2016? (Please *if you do not know say so*)

	Who within your organization evaluated your job performance?
2014	<input type="text"/>
2015	<input type="text"/>
2016	<input type="text"/>

Q13. Has a job performance target been set for you to achieve for the year 2017?

- (a) Yes
- (b) No

Q14. Has a job performance target been set for the Chief Executive/Chief Director of this organization to achieve for the year 2017?

- (a) Yes (b) No (c) I don't know

Q15. Which external public sector organization assessed the performance of your organization for the years 2014, 2015, and 2016? *(If more than one external organization assessed the performance of your organization please write the names of all the organizations.)*

2014	
2015	
2016	

Q16. Which of the following organizations do you think would be more effective in designing and implementing a job performance system that can improve public sector productivity?

	Tick only one organization
Public Services Commission	
Fair Wages and Salaries Commission	
Office of the Head of Civil Service	
Office of the President	
Ministry of Finance	
Controller and Accountant General Department	

Q17. Please give a brief reason for why you selected the organization in Q.16.

.....

Q18. Have you ever been posted or transferred from one public service organization to another public service organization? (a) Yes (b) No

Q19. If yes to Q18, which of the following do you think was the main reason for your posting/transfer? *(Please tick only the one you believe to be the main reason)*

- (a) It was used to build the administrative capacity of this organization
- (b) It was used to punish me for my political views against the government
- (c) It was used to help me meet a personal need (e.g. join family, education, health issues)
- (d) I don't know/I prefer not to answer

Q20. Which of the following do you think is mostly used to effect staff postings and transfers in the Public Service? *(Please tick only the one you consider to be mostly used)*

- (a) It is used to build the administrative capacity of the Ministries, Departments, and Agencies
- (b) It is used to punish Government political opponents

- (c) It is used to punish employees who misconduct themselves
- (d) It is used to help employees of MMDAs to meet their personal needs (e.g. family/health)

Q21. To what extent do you agree or disagree with the following statements regarding the public sector and the performance management system in your organization?

	I strongly disagree	I disagree	Neutral	I Agree	I strongly Agree
If I put in more effort at work, I will get a better performance evaluation score					
If I am paid higher salary, I will put in more effort at work					
A positive performance evaluation score could lead to my promotion					
A negative performance evaluation score could lead to my dismissal					
There are clear performance indicators to evaluate my job performance					
I understand the measures/indicators used to evaluate my job performance					
Promotion is largely based on one's political party affiliation					
Promotion is largely based on increasing years of service and not on job performance evaluation scores					
Promotion is largely based on academic qualifications and not on job performance					
Promotion is largely based on personal connections and not on job performance					
Nominations for further training are often based on Performance Appraisal reports					
Job performance supervision is weak in this organization or Ministry					
I am satisfied with performance management system in my organization					
Every new Government should appoint the Chief Directors they want to work with					

Q22. Finally, in your view, what should be done to improve the performance management system?.....

THANK YOU FOR YOUR TIME AND COOPERATION!!

APPENDIX 2

List of public organizations trained by the Public Services Commission as at the time of the research (Source: provided by the PSC)

1. Ghana Tourism Authority
2. National Communication Authority
3. Nursing and Midwifery Council (NMC)
4. Legal Aid Scheme
5. Ghana Statistical Service
6. GRATIS
7. Microfinance and Small Loans Center (MASLOC)
8. Internal Audit Agency
9. National Pensions Regulatory Authority
10. Public Procurement Authority
11. Ghana Aids Commission
12. Ministry of Health (PPME)
13. Water Resources Commission
14. Information Services Department
15. Pharmacy Council
16. National Teaching Council/GES
17. Food & Drugs Authority
18. Ghana Meteorological Agency
19. Financial Intelligence Center
20. National Labour Commission
21. National Youth Authority
22. Ghana Library Authority
23. National Population Council
24. Ghana Education Service(HQ)
25. Ghana Revenue Authority
26. National Development Planning Commission (NDPC)
27. Ministry of Foreign Affairs Research Division
28. GES Greater Accra Regional Office
29. GES Upper West Regional Office
30. Traditional Medicine Practice Council

APPENDIX 3

List of ‘Good Performing’ and ‘Poor Performing’ Organizations Identified by Owusu (2006; 2012)

‘Good Performers’

Ghana Investment Promotion Council
Internal Revenue Service
Ministry of Finance
Ministry of Food and Agriculture
Ministry of Health
Ministry of Interior
Ministry of Local Government & Rural Development
Ministry of Roads and Transport
National Electoral Commission

‘Poor Performers’

Audit Service
Department of Community Development
Department of Parks and Gardens
Department of Social Welfare
Ghana National Fire Service
Information Service Department
Ministry of Tourism
Ministry of Works and Housing
Ministry of Youth, Sports and Education
Ministry of Environment and Science

