# Performance Appraisal Implementation gaps: Shifting the thinking to Organizational Capacity

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## Abstract

*This paper examines the drivers for effective implementation of Open Performance Appraisal (OPA) in the Ugandan civil service. It proceeds from the view that organizational culture has often been used as an explanatory variable for performance appraisal implementation. The article is based on critical review of theoretical and empirical literature on implementation drivers, the background of Uganda's Performance Appraisal system as well as the Organization Readiness. The authors argue that change efficacy and commitment to change are critical predictors of successful implementation of the open appraisal system in Uganda. The paper concludes that capacity and organizational culture are necessary but not sufficient factors for effective implementation and notably, capacity is a product of organizational commitment. Similarly, a positive organizational culture can be built in face of sufficient readiness.*

**Key words**: Performance Appraisal, Implementation, Organizational Readiness

## Introduction

The Open Performance Appraisal (OPA) system is among the Result-Oriented Management Initiatives rooted in New Performance Management which is an improvement of the traditional system of public administration that had flaws and limited focus on effective human resource on management. The purpose was to re-build an efficient and effective human resource towards enhancing the quality efficiency and effectiveness of service delivery in Uganda's Public Service. The Open Performance Appraisal is expected to offer an objective assessment of the employee's performance; guide decision making in human resource development practices such as promotions, demotions, training, compensation, job design, transfers, and terminations for enhanced employee performance towards improved quality, effectiveness and efficiency in the delivery of public services (MoPS, 2011). However, the Open Performance Appraisal (OPA) has fallen silent of these expectations. In order to improve its implementation and inform implementation of similar initiatives, a clear understanding of the factors at play is necessary. Some research studies have investigated ineffective implementation of performance appraisal in the context of Uganda and other public services. This paper analyzes the existing theoretical and empirical perspectives on effective performance appraisal implementation with focus on the following questions;

- What drives effective implementation of performance appraisals from a theoretical, conceptual and empirical perspective?

- How has the question of ineffective implementation of performance appraisal in the Uganda Public Service been conceptualized?

- How can the question of ineffective implementation of performance appraisal in the Uganda Public Service be justifiably conceptualized and researched further?

The thesis of this paper is that though many explanations have been given for the implementation failure of administrative reforms, and in particular the performance appraisal, they are inadequate. Further explanations can be got from the idea of organizational readiness and commitment. In the next section, we provide a theoretical understanding of implementation drivers

## Theoretical review of implementation drivers:

Bertram, et al. (2011) basing on the constructs of the organizational theory on effective program implementation provides a framework called the "core implementation components" (Bertram, *et al.,* 2011; Fix sen*et al.,* 2009). The model defines implementation as putting the program plan and activities into action for the achievement of the desired outcomes. Achievement of the desired outcomes depends on the organizational drivers including competence and leadership (Bertram, *et al.,* 2011; Fix sen and Bailey, 2012). Similarly, Klein and Sorra, (1996) and Weigner et al. (2008) identify three organizational factors crucial for effective program implementation. The three dimensions of organizational factors identified are organizational readiness, organizational policies and practices as well as organizational climate. The program implementation framework by May (2013) identifies capacity, cognitive funds and material resources, social roles and norms (May, 2013) as well as capability-workability and integration (May, 2013) as key drivers for the successful program implementation. These conceptual frameworks have provided a basis for  investigation of mainly capacity related factors in regard to effective implementation of performance appraisal in the Public services of Eastern Africa. For example in Rwanda and Kenya a significant link between the capacity factors and the successful implementation has been generally observed (Nuwagaba, 2014; Mwirigi, 2013). Looking beyond capacity, Karyeija (2010) established a significant link between organizational culture (ethnicity, political bias, patrimonialism) and the implementation of Performance Appraisal in the Uganda Public Service. However, as already highlighted in the introduction, performance appraisal in the Uganda Public Service grapples with implementation challenges amidst initial efforts to strengthen capacity for implementation. This is a dilemma which this paper recommends for a shift in thinking towards organizational readiness, for which we shall come back to later. The next section oulines the methodology used in developing the paper.

## Methodology

This article is based on critical review of theoretical literature on implementation drivers, the background of Uganda's Performance Appraisal system as well as the Organization Readiness. Information gathered is analyzed qualitatively using content analysis. The critical analysis identifies gaps in the implementation of the Open Performance Appraisal and predictors of Organization Readiness for effective implementation. It is imperative at this stage to examine, performance appraisal in Uganda's Public Service

## Performance appraisal in Uganda's Public Service

In a bid to re-build an efficient and effective human resource Uganda, Public Service has undergone a number of reforms. The latest development in Public Service management was the adoption of New Public Management (NPM) in 2000 which occasioned a shift from the traditional

approach of personnel administration to the human resource management lane (Nabaho, 2012). Specifically, NPM triggered flexibility in human resource Management practices featuring the introduction of contract employment, institutionalization of Results Oriented Management (ROM) and the introduction of performance agreements for some sections of public officers (Nabaho, 2012; MOPS, 2011). Of interest in this paper is ROM which gave rise to the Open Performance Appraisal. This was a radical shift from the traditional closed performance appraisal system where everything was secret and confidential with very little chance of the appraiser and the appraisee sitting together to have an objective assessment (Mitala, 2006).

The objective of the Performance Appraisal is to evaluate the employee's performance; to guide decision making in human resource development practices such as promotions, demotions, training, compensation, job design, transfers and terminations for enhanced performance of the employees towards improved quality, effectiveness and efficiency in the delivery of public services. (MoPS, 2011). However, implementation of the Open Performance Appraisal system continues to face challenges which undermine its effectiveness. In a bid to enhance its implementation, the OPA was rolled out with capacity building measures such as training for its implementers and managers; and an institutionalized implementation mechanism with guidelines and procedures. In addition, it was integrated in the planning and budgeting framework for resource allocation, providing an internal monitoring and evaluation mechanism for individual public institutions and the external monitoring and evaluation by the Ministry of Public Service (MoPS). Notably all these interventions were meant to improve the employees' knowledge, attitudes and overall capability for the implementation of the open Performance Appraisal system. Implementation of the OPA however grapples with implementation gaps which constrain its potential to contribute effectively to the development of the human resource and deters performance towards the delivery of public services to the satisfaction of the citizens. We scanned through Ministry of Public Service reports to case out the performance appraisal implementation gaps which are presented in the next section.

## Gaps in the implementation of the Open Performance Appraisal

Implementation of the Open Performance Appraisal system continues to face challenges which undermine its effectiveness. First, there is no continuous monitoring of performance of the employees hence performance gaps are not addressed on time. For example Performance Appraisal is just considered a formality where the staff fill the forms as and when they intend to apply or promotion. When recommendations are made, no effort is made to determine how an employee performs in the subsequent appraisal. In addition, information generated from the appraisals is rarely used to inform the performance management functions such as staff development by way of training, recruitment, rewards and sanctions. In addition, although the open appraisal system provides for objectivity, in practice it is largely subjective. Furthermore, there is a tendency for managers to fear to tell the truth about the performance of the staff they supervise, so it is not unusual that the nonperformers are promoted and retained in the Public Service, hence providing no incentive for improving the performance of the employees (MoPS, 2011; MOPS, 2013). These gaps potentially affect the effectiveness of Performance Appraisal system and can partly be held responsible for the prevailing ineffectiveness and inefficiencies in public service delivery, as the Public Service is still criticized for being slow,

corrupt, inaccessible and rigid, and therefore unresponsive to the needs of the people (MOPS, 2013). The ineffective implementation of performance appraisal has attracted attention of Public management scholars and researchers. We scanned through recent researches into performance appraisal implementation and identified the factors at play. Specific attention was paid to performance appraisal implementation in the Public Services of Uganda, and Rwanda. Rwanda offers a case of successful implementation for comparison. The next section describes the shift and sheds light on why it is necessary to focus on Organizational Readiness.

## The better reflection: Organization Readiness as a predictor of effective implementation

Performance appraisal in the Uganda Public Service remain ineffectively implemented despite efforts to build capacity for its implementation. As highlighted above, Karyeija (2010) linked the ineffective implementation with organizational culture (ethnicity, political bias, patrimonialism). In this article we argue that capacity and organizational culture are necessary but not sufficient factors for effective implementation. The argument stems from the theoretical perspective and application of organizational readiness for change as well as empirical literature (Wegner, 2009; May, 2013; Shea et al, 2014; Weiner, 2009; Alexander, 2014; Holt, 2007; Helfrich, 2009). The literature opens insight into the need to explore the implementation aspects of organizational commitment and change efficacy in a bid to identify determinants for effective implementation. Broadly, this is what Weiner (2009) refers to as *"Organizational Readiness for Change"*. The theoretical perspective of Organizational Readiness for Change premises on the assumption that attempts to implement new programs, innovations, or policies in organizations often fail because leaders do not establish sufficient organizational readiness for change (Koitter, 1996).

Similarly in the context of the implementation of performance appraisal in the Uganda Public Service, this paper raises argument that capacity and organizational culture are necessary but not sufficient enough to foster the successful implementation of Performance Appraisal. For example, organizations with no collective commitment by their leaders and managers and which lack the shared belief or sense of capability to implement Performance Appraisal will more likely stall the implementation of the Performance Appraisal initiative no matter the viability of its objectives, clear implementation standards, resource allocation and adequately institutionalized enforcement mechanisms.

## Conceptualizing organizational readiness for change

Organizational readiness for change refers to the extent to which organizational members are psychologically and behaviorally prepared to implement organizational change (Weiner, 2008). When organizational readiness is high, members are more likely to initiate change, exert greater effort, exhibit greater persistence and display more cooperative behavior, which, overall results in more effective implementation of the proposed change (Weiner, 2009). Conversely, when organizational readiness is low, members are more likely to view the change as undesirable and subsequently avoid, or even resist, planning for the effort and participating in the change process.

Organizational Readiness for Change opens insight into two factors that are likely to influence the implementation of any innovation, i.e change commitment which depends on change valence and change efficacy which reflects on the extent to which organizational members share a collective belief or a sense of capability to implement a change (Weiner, 2009).

Consequently, managers exhibit less support to the process or conduct appraisals less objectively and as a result of this, some performance appraisal systems face lack of adequate support.

Readiness for change has therefore been defined both at organizational and individual levels. The former concerns organizational adaptation while the latter addresses the mental, psychological or physical preparedness to implement the change (Ramnarayan and Rao, 2011) especially the perceptions among individuals that the change is beneficial to them and the organization which is the strongest predictor of commitment to change and consequently implementation success (Mangundjaya, 2013). With readiness, the implementers will exhibit positive attitudes and exert efforts to support the change.

## Exploring the link between change efficacy, commitment and implementation success

This section explores the link between change efficacy, change commitment, organizational readiness and implementation using literature from a theoretical and empirical orientation. For the purpose of creating a deeper understanding of change efficacy and the enriched conceptualization of this study, this analysis further identifies the key predictors for change efficacy which have been explored in other studies mainly focusing on their commitment. These include employees' knowledge about the change and the leadership support through empowering, monitoring and helping individuals to adapt to the challenges that come with the change.

### Change commitment and implementation success

Commitment has been widely underscored as a key driver to effective implementation of performance management initiatives. In fact gaining the employees' commitment is recognized as a first step in the foundations for successful performance management (Silip et al., 2010; Finn, 2007; Wikina, 2008). Consistently, a study by IRS (2005) counsels that if managers are not adequately committed to the appraisal system, the performance review becomes 'just a paperwork exercise'. The emphasis on commitment is mainly justified by the complex nature of the appraisal process. To this end, Strebler (2001) observes that the appraisal process is too complex entailing setting targets, giving performance feedback, assessing potential, discussing development needs and determining performance-related pay increases, all of which require a considerable commitment.

Herscovitch and Meyer (2002) define commitment to change as a force (mind-set) that binds an individual to a course of action deemed necessary for the successful implementation of a change initiative. The mind-set is considered in three dimensions: a) desire to provide

support for the change based on a belief in its inherent benefits (affective commitment); b) recognition that there are costs associated with failure to provide support for the change (continuance commitment to change); c) and a sense of obligation to provide support for the change (normative commitment).

Affective commitment to change can be observed through the employee's desire to support the change as a result of his/her understanding about the inherent benefits of change (Herscovitch & Meyer, 2002). This desire towards the change is developed since the employee understands its worthiness to generate positive outcomes to the organization (Meyer et al., 2007). Strong affective commitment is highly correlated with the successful change implementation (Parish et al., 2008). In contrast, continuance commitment to change is developed due to the fear of losing important rewards or being sanctioned. Although there are some views to justify the adequacy of continuance commitment, it is not sufficient to ensure higher level of support towards a planned change (Meyer et al., 2007). Thus, it is less desirable when compared to the affective commitment or normative commitment (Aube et al., 2007). Continuance commitment can be defined as the commitment an employee has towards the organization because of the investments he/she may have made in the organization and the costs associated with leaving the organization (Falkenburg & Schyns 2007). These investments could include close working relationships with co-workers, retirement benefits and career investments. For example, some categories of employees in Uganda make personal contributions to the National Social Security Fund towards their retirement benefits.

Elzinga et al. (2009) identify the three E's through which senior managers can exhibit commitment that is crucial to implementation. These are Empowering, Enabling and Encouraging behaviours from senior management. In view of Wikina (2008), senior management needs to show leadership, build the right culture to provide and allocate tools for performance management and improvement. Notably, affective organizational commitment has been identified as the core component of change commitment among the three dimensions. This is based on the argument that only affective organizational commitment reflects real commitment to the organization. Continuance commitment and normative commitment are perceived to represent attitudes towards specific behaviors, such as quitting (Solinger et al., 2008). Further underscoring the relevance of affective commitment, Sillup et al. (2010) observes that the bottom line for effective implementation of performance appraisal is that the appraisal system should be perceived as relevant in a sense that it helps the managers to groom their employees to accomplish their objectives and those of the organization. This partly defines change efficacy which is further elaborated in the next subsection.

However, while commitment is indeed underscored as desirable for effective implementation of performance, Murphy (2004) points to the fact that organizational purposes of appraisal quite often offer no value to the managers who consequently exhibit less support to the process or conduct appraisals not so objectively. Indeed Najafi (2010) observes that performance appraisal systems face lack of adequate support by managers and appraiser's failure to conduct a right and fair appraisal.

## Change efficacy and change commitment

Change efficacy has been underscored in a variety of literature as a predictor of change commitment, change readiness and consequently the implementation success. The argument is that change commitment and readiness result from the thoughts and judgments that individuals have about the change (cognition) and the feelings employees have towards the change (affect). As a result, change readiness can only be achieved when certain cognitive and affective attitudes are present as indicated in the conceptual model by Steyn (2011). The model assumes that readiness for change increases when employees feel that the change is needed, justified and appropriate. The perception to benefit individual employees or the organization is what is referred to as 'Personal valence' and 'organizational valence' respectively (Armenakis et al., 1999; Dirks, et al., 1996). The two dimensions are in Steryn's model treated as intervening variables, which result in either change readiness or change resistance. Employees who believe that the change will benefit both themselves and the organization are more likely to get committed and to support it (Jansen & Michael 2010).

## Conclusion

Performance appraisal in the Uganda's Public Service remains ineffectively implemented despite the efforts to build capacity for its implementation. The ineffective implementation has been linked with organizational culture (ethnicity, political bias, patrimonialism). The ineffective implementation can also be attributed to capacity related factors drawing experience from studies on performance appraisal implementation in other public services like that of Kenya and Rwanda. However, given the capacity building effort that was rolled out at the initiation of the Open Performance Appraisal system and the persistent ineffective implementation, it is imperative to think beyond these margins.

This article has clearly argued out capacity and organizational culture as necessary but not sufficient factors for effective implementation. And notably, capacity can be regarded as a product of organizational commitment. Similarly, a positive organizational culture can be built in the face of sufficient readiness. The argument stems from a critical analysis of the theoretical perspective and applications of organizational readiness for change model from a theoretical and empirical literature.

The critical observations and arguments in this article have an implication for future research and strategic efforts to foster implementation of performance appraisal and related initiatives such as performance contracts in the face of New Performance Management. Studies into implementation of such initiatives need to explore the readiness of public service institutions at organizational and individual levels. Consequently, the human resource can be tuned strategically to foster effective implementation of the performance management initiatives.

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