

PERFORMANCE MANAGEMENT OF PUBLIC ADMINISTRATION PERSONNEL

Adrian Eugen DINU²

Abstract:

This material aims to bring to the fore, through an empirical approach, corroborating the literature with the authors' view, the main features of performance management of public administration personnel – reforms, problems in implementation, team arrangements, on the one hand, but also the directions of use of this information both against the background of conditions for improving the administration personnel in performance management.

Keywords: administrative capacity, performance management, public policies

JEL classification: H400

Introduction

This study combines significant elements of economic epistemology, such as: performance management, problem analysis, personnel administration, comparative study, in order to growing the level of public administration capabilities. the needs of society and functions on the basis of organizational structures, processes, roles, relationships, policies and programs.

Public administration reflects the institutional bases of how countries are governed. The public administration responds to the needs of society and functions on the basis of organizational structures, processes, roles, relationships, policies and programs.

Although the main focus of public sector reforms has been on the external environment of the public organization, both through strategic management and improving the relationship with outside groups and other external influences, there have also been major changes in internal management.

Description of the Problem

Public policies and their management are conceptualized in offices, organized and framed more or less bureaucratically and this may be due to the fact that the traditional model focused on organization and, over time, elaborate procedures and systems were built, and the changes made to them were naturally resisted.

There has also been resistance from civil servants and public sector unions who see the changes to personnel systems - performance appraisal, short-term contracts, merit pay - as threats to long-established terms and conditions of employment.

² PhD, engineer, University Valahia of Targoviste, e-mail: adrianeugendinu@gmail.com

Employees are the main asset of public organizations. With their aging and the increased automation of routine processes, a greater emphasis must be placed on anticipation and reaction to strategic issues, which require a capable leadership that ensures the involvement of the entire staff.

All have seen major changes in the managerial model, which seek to make the organization and its internal management systems more direct than before. Even though the greater external focus in new public management is an overdue reform, it only directly involves managers at the top strategic levels. However, the various internal management reforms affected everyone in the organization.

All these functions existed to varying degrees in the traditional management model. Attention was always paid to organizational structures, the personnel management system and performance monitoring, although these were considered in a rather narrow, bureaucratic way. Monitoring performance was particularly poor in the traditional model and other internal management components, particularly budgeting, were aimed at monitoring inputs rather than outputs or achievement of objectives. Internal management in the traditional model has been criticized for being obsessed with structure, with any outcome being incidental or assumed to follow naturally from the organization. As with other changes to a managerial model of governance, it is assumed that the emphasis for internal management will now be on results.

Methodology and Data

By any standard, performance management in the traditional management model has been inadequate, and this applies to both individual and organizational performance. The measures that did exist were ad hoc and far from systematic. It is true that there are difficulties in measuring performance in the public sector compared to the private sector, but little effort seemed to have been made. Perhaps it was assumed that results would follow from bureaucratic organization, so that any explicit measure would be unnecessary. Often it was not known what was produced, how well it was produced, who would get the credit or the blame, or even who was a good worker. In any case, an administrator need not worry about performance, since all he does is execute instructions, and measuring performance is a matter for those giving the instructions. Evaluation of programs or individuals was sparse and inadequate, with no sense of progress toward goals, if indeed there were clear goals.

Performance management reforms are a particularly important part of the management program. Agencies in many parts of government are now expected to develop "performance indicators", that is, a way of measuring the progress made by the organization in achieving its stated objectives. Statistical measures can be developed in any organization, although there are more difficulties in practice in the public sector than usually in the private sector. Staff performance must also be measured more systematically than before. The performance appraisal system aims to measure the performance of individual staff, even to the extent of defining expected key contributions during the year, which are then compared with actual achievements at the end of the year. This may extend to rewarding or sanctioning staff based on progress towards agreed targets. Informal evaluation methods are considered ineffective and lead to inferior organizational results.

There is an overall purpose to monitor and improve staff and agency progress towards achieving objectives

One of the starting points was the Financial Management Initiative (FMI) in the United Kingdom, which aimed to promote in every department (UK Treasury and Public Service Committee, 1982) an organization and a system in which managers from all levels have:

- a clear view of their objectives and means of evaluation, measurement of results or performance in relation to these objectives;
- well-defined responsibility for the best use of their resources, including critical control of output and value for money;
- the information (especially about costs), training and access to specialist advice they need to carry out their responsibilities effectively.

This had implications for financial management, but also for personnel and performance. Indeed, all three were tied together in a new management system that involved specifying objectives for all government policies and for individual units within the bureaucracy; accurate allocation of costs for activities and programs; and "developing performance indicators and measures of achievement that can be used to assess success in achieving goals" (Carter, Klein, & Day, 1992, p. 5).

Carter, Klein and Day argue that this move in Britain represented "A movement to institutionalize the search for efficiency and generalize attempts to change the management culture of Whitehall". Performance indicators became a new movement within public services with the express purpose of finding out how hard government activity needed to be measured. Performance indicators have been established for all types of activities and it has been shown that different indicators can be developed for different purposes:

Governments have increased the use of performance indicators, as the managerial system is imposed and these data become the subject of public debate. If central government 'must maintain control over policy implementation while decentralizing day-to-day responsibility, performance indicators become an essential tool: it is necessary to centralize knowledge about key aspects of performance in order to decentralize the work' (1992, p.179)

Performance indicators are open to criticism for trying to specify the unspecifiable, given the inherent difficulties of measuring performance in the public sector. Managers will argue that the benefits of their particular organization cannot be quantified or that empirical measurement distorts what it does by focusing only on those things that can be quantified and that can be processed by the information system (Bellamy and Taylor, 1998). This can be a danger, but it can be overcome by establishing measures directly related to the overall success of the organization. Also, once the objectives are set, they should not be set concretely. Because the objectives of public organizations change frequently, "Management indicators must be flexible and continually reexamined and modified" (Cohen, 1988, p. 68).

Taking such measures is necessary to assess the manager's achievement of results, as is characteristic of public management, even if there are limitations as to the extent to which this can be extended. As Holmes and Shand (1995, p. 563) argue:

Our contention is that performance measurement and its wider use in performance management is a useful exercise, as long as it is done in full awareness of its limitations. At least it can provide improved information relevant to decision making. It can usefully inform the budget process without the pretense that there can be a direct link between budget and performance. It can also provide useful accountability information for public debate. Indeed, a major downfall of the reforms has been a substantial increase in the amount of information on the impact of government policies and programs as reflected in budget documents, annual

reports, etc.... This has largely contributed to much greater transparency in government, a major factor in improving performance

Of course, there are even greater difficulties in measuring performance in the public sector, but this does not mean that no attempt should be made. The original idea of managerial reformers was to provide a surrogate measure for the use of profit and other measures in the private sector. Without an attempt to measure performance, the other aspects of the management program will not work. However, it is important that performance measures are developed for the specific needs of the public sector (see Talbot, 1999).

A measure is unlikely to be as good as profit, but there are several reasons why performance measures will continue to be used. First, individual civil servants may see the use of evaluation indicators as a threat, but it can be an opportunity by pointing to good practice and good performance, both of which can be rewarded. Second, since any public activity is threatened with being cut or eliminated altogether in the current climate, a position or position where performance measures are inadequate is much more vulnerable. Third, there is no point in setting clear targets or funding programs accordingly unless there is some means by which progress towards the targets could be monitored. So much capital has been invested in these other changes that performance measures will be insisted upon.

Personnel issues and performance changes

The various internal management changes have been criticized and given that they have affected everyone, this is quite surprising. Some have argued that a career in public service isn't what it used to be. The notion of career service is disappearing, as is lifetime tenure or the inability to be fired. Promotion prospects are less certain and there has been a bewildering series of morale-damaging reforms.

Staff arrangements

There are several points made by critics regarding the changes in personnel systems. Pollitt and Bouckaert (2000, pp. 162–3) refer to a personal contradiction between motivating public employees and reducing their working conditions. There is a point to this. At the same time that public management reforms are claimed to free managers and allow them to take responsibility, the mandate is removed, as are many of the special terms of service once given to administrators. As Peters (1996, p. 18) argues:

These changes tend to replicate private sector personnel management and also weaken the government's long-term commitment to its employees. Working for the public sector is now less different from working for the private sector and we should think about the implications of these changes.

Personal performance review becomes a control tool. Horton argues that "public servants are now more obviously managed, with personal review acting as a tool of control, although it is more often presented as a tool of individual consultation and empowerment" (1999, p. 153). Pollitt and Bouckaert also argue that managers have more freedom but are simultaneously under greater control (2000, p. 138):

Under the surface, the process of letting - or making - public administrators manage was not so simple. There have been trade-offs and considerable centralization, partly through the establishment of increasingly sophisticated performance indicators and target regimes, supported by rapidly advancing information technologies...Executive politicians have shifted their focus for control from inputs to outputs, through processes. This may explain the somewhat ambiguous responses from public service managers - they experienced greater

freedom to implement their inputs (e.g. shifting money from staff to equipment or vice versa), but at the same time felt under closer scrutiny than ever in terms of their results.

Civil servants have a greater scope to do things and achieve results, but with that has come increased attention to whether or not results have been achieved.

In itself, this may not be a big problem, but it is very difficult for public administrators if they expect to achieve results while following the same detailed procedures as in the bureaucratic model. Management leeway must be significant, but no one can escape scrutiny after results have been achieved.

Another issue was the idea of providing incentives through additional payment. Even though pay-for-performance is a good idea in the abstract, it has been difficult to implement in a fair and reasonable way. It can be used to reward favorites and can cause resentment among those who consider themselves worthy of additional reward but receive none.

Finally, it still remains difficult to measure the performance of public sector staff, so issues of inequity may not be addressed. On the other hand, it could be argued that "fairness" in reward structures is a public service worldview, that the private sector hardly has "fair" reward structures, and that a certain unfairness may be the price to pay for greater flexibility.

Performance management issues

Performance management has attracted a number of criticisms. While it is no longer the case that there are no performance indicators, there is hope that improvements can be made.

Even the financial performance of the private sector is not a perfect measure of organizational performance. Measuring performance is not easy anywhere, and it is certainly the case that private organizations use a variety of measures other than simply profit. Competition is probably a more effective driving force than any form of measurement. However, public organizations are also competitors: competitors for scarce budgetary resources. Governments want to have some means of deciding which parts of their operations make good use of resources.

There are problems in implementing performance measurement. It is difficult to design adequate measures of performance, but since the rest of the management program depends on it, some progress is necessary. There have also been problems with the type of performance indicators that have been used so far. The measures must be significant but parsimonious and have a direct impact on the operations of that part of the public sector. Poorly chosen performance measures can lead management to focus on achieving satisfactory results through the measures used instead of the best possible performance by the organization as a whole. Furthermore, despite the attractions of a rigorous staff performance appraisal system in identifying both good and poor performers, it is difficult to design a system that provides reliable comparisons and is accepted by those involved. In many parts of the public service it is difficult to compare the performance of each individual in a fair and comprehensive way.

Results

Because there are changes affecting so many employees, the use of performance indicators may be abandoned, or it may be suggested that more work should provide better measures.

A pattern appears to be emerging where performance measures are initially both opposite and poorly designed. Osborne and Gaebler argue that "this pattern—the adoption of crude measures of performance, followed by protest and pressure to improve the measures, followed

by the development of more sophisticated measures—is common wherever performance is measured" (1992, p. 156).

Perhaps too much can be claimed for the use of performance indicators. Rather than being performance measures—perfect surrogates for profit in the private sector—they are really performance indicators, which are simply indicators of good or bad performance and do not attempt to measure it precisely. Not measuring performance is now unthinkable, but there are many better ways that performance indicators can and should be used. As Carter, Klein and Day argue, "the real challenge is to move from an exclusively managerial view of responsibility and the role of performance indicators to a broader political definition" (1992, p. 183). In addition to indicators of overall progress towards achieving objectives or achieving financial goals, there should be indicators of client or customer satisfaction or the speed and level of service delivery. Indicators should aim to measure effectiveness and quality rather than efficiency (Flynn, 1997, pp. 170-85) and outputs rather than outputs.

Conclusions

The series of relentless attacks on government and bureaucracy, followed by a series of stunning changes, including those in performance measurement and personnel, caused morale problems. Public administration in its golden age was a valuable and valued profession. This was no longer the case in the 1980s, and individual bureaucrats had to deal with the antipathy of citizens. Weber wanted bureaucrats to be respected as an elite group, but increasingly, they were denounced as wasting scarce taxpayers' money. The public's lack of respect for the bureaucracy no doubt made the process of managerial reform easier to accept, but it probably exacerbated the problem of public service morale. Managerial changes and reforms imputed the motives of civil servants and took away many of their hard-fought benefits, such as the expectation of a lifetime job.

Not only is there a serious morale problem, but there seems to be no quick or easy solution. Demoralized workers are obviously less effective, so improving overall performance requires special attention to morale issues. The problem of morale may be part of a larger problem. Attacks on bureaucracy, even on government as a whole, could be part of some general disenchantment with the idea of politics and government. Perhaps attacks on government affected not only the theory and practice of public administration, but the very idea that government and public service could improve the lot of those in society.

Whatever the cause, the public sector is unlikely to be the cozy and easy place it might have been before the 1980s. Pollitt seems surprised that lower-level staff "show less enthusiasm for the reforms adopted than the 'mandarins' in peak" (2001, pp. 476-7). This should not come as a surprise. The old administration was comfortable and easy, a wonderful place to work for those who valued stability. The managerial job is more difficult; it's more rewarding for the able-bodied, but less comfortable for those who want the easy life. In that sense, it is more like the private sector. As an OECD paper (1998, p. 48) argues:

Some civil servants also say they are concerned about the disruption that change inevitably brings, as well as the number and speed of change. The fact is, however, that the amount of structural adjustment in the public sector is typically no greater than experienced elsewhere in the economy, and the pace of change has accelerated everywhere.

There could be a gradual improvement in morale within the system as the expectations of workers change to resemble those of private sector employees. If civil servants do not expect to

be employed for life, they should have fewer morale problems than those former employees who thought they would be. As the reforms continued, staff expectations changed. This has positive effects as it could result in flexibility in staffing. However, flexibility works both ways. Without expectations, or even desires, for long-term employment, good staff would stay for a short time and then leave for another job in the private sector or elsewhere in government. Perhaps the result of all the changes will be the improvement of quality in the public sector and this development will satisfy both citizens and public employees. However, it will be necessary to treat staff as valuable resources. Old-style authoritarianism is most often counterproductive in dealing with good staff because they will simply walk away.

Future Directions

There have been major changes to various parts of the public sector's internal management system since the early 1980s. Personnel management has moved somewhat away from the unsatisfactory methods of the traditional model where, in the name of fairness, personnel procedures almost guaranteed mediocrity. Performance management is also being transformed, both in the personnel and agency sense. Performance appraisal systems offer more than what previously existed, while performance indicators offer the promise of evaluating the agency's performance toward specified goals. Performance can be measured in the public sector, not perfectly, but this is no reason to abandon the use of performance indicators.

And yet, of all areas of managerial change, there were greater problems in internal management and a sense that there was still a long way to go.

Most of the problems related to implementation. It is not easy to institute a new personnel system or to convince the personnel that it is better than the previous one. The changes have been so frequent that many employees don't know where they are. This causes morale problems, exacerbated by the feeling that a public service career is less attractive. If it was once a permanent career, valued by the community, it certainly isn't anymore. Implementing performance indicators is equally difficult. They should be simple, parsimonious, but still meaningful. All of these changes make a lot of sense in theory, but have been difficult to implement.

There are two points to make in looking further. First, even if there have been problems in setting up new systems, the directions of reform in internal management are quite clear. So if certain changes are difficult, they will be replaced by other changes in the same direction, rather than reverting.

Second, comparisons or studies should not look at how well reforms work in the abstract, but rather how well they compare to what went before. In this sense, all the changes mentioned here are much better than those that existed under the traditional management model. In that model, staffing and performance management existed, but were of such dubious quality that any change would have to prove a significant improvement.

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