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RESEARCH ARTICLE

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## PUBLIC SECTOR PERFORMANCE MANAGEMENT: THE SHIFT FROM ANNUAL PERFORMANCE REVIEW TO REGULAR FEEDBACK

Bonson Alemu Hambissa

PhD Candidate, Department of Public Management and Policy, Addis Ababa University, Ethiopia

Worku Mekonnen Tadesse

PhD, Department of Business Leadership, School of Commerce, Addis Ababa University, Ethiopia

Gemechu Ararssa Regassa

PhD, Department of Public Administration, Oromia State University, Ethiopia

### Abstract

Feedback is an integral part of performance management system. It is about accessing the work that needs to be done and providing opportunities for performance improvement and professional development. Consequently, many public sector organizations aim to promote a high-performing culture and aspire to rely on continuous feedback as a significant part of their performance management system. Nonetheless, they fail to apply the continuous performance feedback and stick to the old year-end evaluation. The year-end one time overall performance evaluation is late and less powerful to result in learning and performance improvement. For example, feedback given on December for January's performance will have less corrective power. Hence, this review is intended to shed light on the need to shift from the old annual performance evaluation to regular performance feedback in public sector organizations. Accordingly, pertinent theoretical and empirical works were consulted. Many private sector organizations are switching from single annual evaluation to a culture of continuous conversations with meaningful performance feedback while most public sector organizations are still using the old annual performance management approach. Hence, public sector organizations need to shift to continuous performance feedback with regular check-ins for it allow managers and job owners quickly tackle issues before they become problems and fosters a forward-looking conversation by emphasizing continued feedback that is in the moment and frequent. It also help to create a culture where people are comfortable giving feedback up, down, and across an organization.

**Keywords:** *Regular Feedback, Annual Review, Public Sector, Performance Check-Ins.*

### Background

Performance management is one of the old but changing area of research and continuous performance feedback is not a new concept (Aguinis, 2013; Aguinis, Gottfredson, & Joo, 2012; Alston & Mujtaba, 2009; Awan, Habib, Akhtar, & Naveed, 2020; Guest, 2011). It has been touched by many scholars though empirical evidences are less. Pulakos developed typical performance management process as starting from performance planning to performance review (Pulakos, 2004). Before making final performance evaluation, he dealt about ongoing feedback and employee input. He stressed that performance agreement and results should be discussed and feedback has to be provided on an ongoing basis throughout the rating period. Unfortunately, this does not happen to the extent that it should in organizations because many managers are not skilled in providing feedback (Toit, 2012; Voet, 2023).

Performance management involves objective setting, execution, and review and feedback. Alston & Mujtaba (2009), described that a complete performance appraisal system must involve continuous feedback as one of the important element in the cycle. Yet, performance feedback is less emphasized or not well executed as most new managers tend to be fearful of assessing performance and giving performance feedback. However, personalized performance feedback is important and many authors argue that performing organization is the result of

performing employees and employee performance is the outcome of various constructive feedback and learning practices adopted by the firm (Huselid, 1995; Watkins & Marsick, 2014; Guest, 2011; Rupcic, 2023).

Traditionally, many organizations rely on the annual one time performance evaluation. This type of performance evaluation gives less time for improvement and evaluations might come as a surprise to the employees who might have forgotten their actual performance in the first month of the year (Pophal, 2018). Traditional performance management system is also criticized for it leave the employees with less time to improve work behaviors and performance as the feedback is not timely. Unlike the yearly-based performance evaluation, timely and continuous feedback has more power to impact employee behavior and performance compared with the late annual feedback (Awan, Habib, Akhtar, & Naveed, 2020; Johnso, Johnson, & Dave, 2023).

Regular and ongoing performance feedback, which is an important facet of performance management, plays a critical role in promoting motivation, learning, and performance improvement (Anderson, Ones, Sinangil, & Viswesvaran, 2001) According to Toit (2012), providing continuous and constructive performance feedback to an employee is a learning opportunity the help improve future performance. Correspondingly, Curristine, Lonti, & Joumard (2007), pointed out that the development and use of performance information is among the key institutional drivers that may contribute to improving public sector efficiency.

Many organizations invest huge amount of money to provide their employees with different trainings to improve their performances. Yet, they fail to focus on and benefit from the continuous and timely performance feedback. However, According to (Gnepp, Klaym, Williams, & Barlas, 2020), constructive and two-way regular performance dialog between the job owner and supervisor results in better employee learning and performance improvement than classroom based trainings.. Hence, this particular work attempts to shade light on continuous performance feedback as one of the grey area in performance management literatures.

## **Performance Management in Public Sector**

Performance management has become one of the important pillars in the public sector organizations. It is one of the key drivers in public sector reforms and appears to be the main concern for public officials (Hozer & Kloby, 2005). Performance management is a strategic approach to the management of public resources and involves the quest for efficiency and effectiveness in public service delivery (Pillay & Sabban, 2007; Almulaiki, 2023). Alagaraja (2012), also explained performance management as a mechanism by which organizations check weather employees are discharging their responsibilities as per the expected result and help the organization achieve the necessary competitive advantage.

However, according to many performance management literatures, nearly ten to twenty percent of the money invested for human resource development activities results in improved firm performance (Baldwin & Ford, 1988; Latham & Crandall, 1991; Broad & Newstrom, 1992). Many other authors attribute this to poor performance management and poor training transfer (Burke & Hutchins, 2007).

Performance management need to examine what is achieved and how results are attained. This provides the information necessary to consider what needs to be done to improve those results. According to Armstrong (2006), performance is about actual results and demonstrated behaviors. Yet, many public sector organizations focus on the result aspect of performance than the behavioral side of public employees and the behavioral side performance management in the public sector is not well studied (Asif & Rathore, 2021). Toit (2012) also explained that there incomplete performance measure and feedback across many public organization that impact organizational performance.

The process of performance management starts with establishing performance standards, communicating expectations, measuring actual performances, comparing actual performance against the standard set, discussing about the appraisal results and giving constructive feedback to the employee and finally initiating corrective action if required (Osmani & Maliqi, 2012). A well-run performance management system will provide staff with clear objectives for their job, and plenty of opportunities for feedback and discussion with their supervisor (Pulakos, 2004). As put by Guest (2011), effective performance management programs need to have job related criteria, performance expectation, standardization, trained appraisers, open communication and complying with the law.

Despite the attempts using performance management to supplement other HR functions, performance management by itself is not free from problems. Giving regular and constructive feedback to foster learning and performance improvement is among the major problem in public sector organizations (Othman, 2014).

## Annual Performance Review to Regular Feedback: Why Shift?

For performance management system to be effective, merely measuring performance on a quarterly or monthly basis is not enough. A more dynamic and novel approach is required to measure and improve both employee and organizational performance in public sector. This could be achieved with performance management framework that includes continuous performance feedback and learning (Aguinis, 2013). Feedback is crucial to employee development, both to reinforce positive behaviors and to address and correct negative behaviors (Aguinis, Gottfredson, & Joo, 2012). Additionally, regular feedback is important in helping employees advance in their careers within the organization (Guest, 2011).

The usual performance management system is claimed for having less discussion and contact points. Unfortunately, many organizations continue to limit their formal employee feedback to an annual review. Sarkar 2016, argues that traditional performance appraisal system lacks ongoing real-time reviews, genuine employee involvement, and often fail to even recognize good performance. As a result, many organizations have started marking old performance appraisal system as “archaic” and coming up with a system that supports employee development through regular performance feedback (Sarkar, 2016). The old one time performance evaluation has only two touch points – performance objective setting and final review – and time between performance objective and annual review is too long. Even some times managers might not record all data during this time. Even if data is available, feedback given on December for January’s performance will have less corrective power (Hozer & Kloby, 2005).

Recently, regular and constructive performance feedback, as part of performance management process, is slowly gaining momentum in many organizations (Dorothea, 2007). There is fundamental belief that learning and performance improvement should be the primary focus of any performance management system and organizations that adopt such a focus will have a more satisfied and productive workforce and will be more effective. This perspective focuses on performance improvement through constructive feedback and sees performance management as a field of study and practice responsible for fostering long-term, work-related learning capacity at the individual, group, and organizational levels in organizations (Vinesh, 2014; Graha, Sudiro, Armanu, & Ratnawati, 2019; Potnuru & Sahoo, 2021).

Early studies on performance management focus on the evaluation part than the learning part of performance evaluation. Many of the researches conducted on performance management deals with performance evaluation, performance appraisal, performance ratings (Arvey & Murphy, 1998; Cawley, Keeping, & Levy, 1998), and 360-degree feedback (Ghorpade, 2000). However, currently many authors are proposing a regular and continuous performance feedback that will foster constructive two-way conversations between job owners and supervisors (Sarkar, 2016).

The purpose of performance management in general and performance appraisal in particular is more for self-development than mere evaluation (Campbell & Lee, 1988). Constructive and continuous performance feedback can be a learning mechanism that enhances organizational performance. A study conducted by Toit (2012) on constructive feedback as a learning tool to enhance students’ self-regulation and performance in higher education confirmed that, constructive feedback, provided in a way that can develop students’ self-regulatory skills, could enhance learning and, consequently, lead to improved performance. Similarly, Rodriguez & Walters (2017) explained that the essence of performance evaluation should be for learning and improvement through performance feedback.

## Discussion and Conclusions

Having effective and ongoing performance conversations between managers and employees is probably the single most important determinant of whether or not a performance management system will achieve its maximum benefits. It provides a framework for having conversations between employees (job owners) and their supervisors. It is a way for employees and managers to keep up to date on goals, share and discuss feedback, and adjust to the feedback in real-time, addressing issues as they arise. Employees and managers can adjust real time and realize the difference without having to wait for end-of-year evaluation. During open discussions, the job owner will have time for self-reflection and learning. The final performance review will not be a surprise for many of the things were covered. The open discussion will also benefit the manager as it makes the final performance review less heavy and the employee will receive the agreed upon feedbacks positively. The role of a manager here is to guide reflection so that the job owners can gain insight into their performance. It also help organizations establish a culture of continuous feedback, learning, and performance improvement.

For the feedback process to work well, experienced practitioners have advocated that it must be a two-way communication process and a joint responsibility of managers and employees, not just the managers. This requires training both managers and employees about their roles and responsibilities in the performance feedback process.

Having open and constructive performance dialog with their line managers during the regular check in, jobholders will get the opportunity for learning and personal growth. Managers' responsibilities include providing feedback in a constructive, candid and timely manner. Employees' responsibilities include seeking feedback to ensure they understand how they are performing and reacting well to the feedback they receive.

Depending on the nature of the organizations, regular performance check-ins (feedbacks) can be done weekly, monthly, bi-monthly, or quarterly but not annually. During the check-ins, both the job owner and line manager/supervisor provide "progress update" on objectives. Check-ins should be empowering and collaborative for both manager and job owner. If done properly, the check-ins will be good inputs for the final review that is the closing of the performance management cycle. Since there have been regular meetings and check-in moments throughout the year – then the final review period is less heavy and there are no surprises as there has been regular feedback & most issues have been addressed and discussed already. At this stage the manager only reviews the year performance (objectives, competencies scores, identifies development areas) and do a recap.

Generally, feedbacks received on a timely and continuous basis better results in learning and performance improvements. Hence, despite the challenges of giving regular performance feedback, it is important for public sector organizations to shift from the old and one time performance appraisal to regular feedback/check-ins. However, empirical evidences are required to corroborate with this study.

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