

# Effectiveness of Result Based Management as a Performance Management Tool Evidence from Small and Medium Enterprises (SMEs) in Zimbabwe.

Farai Mutambatuwisi<sup>1</sup>, Mapira Nyasha<sup>2</sup>, Chakanaka Ernest Muchadenyika<sup>2</sup> and Muzvidziwa Rutendo Faith<sup>2</sup>  
<sup>1</sup>Uzumba Maramba Pfungwe Rural District Council, Zimbabwe  
<sup>2</sup>Department of Human Resources Management, Great Zimbabwe University, Zimbabwe

**Abstract:** The research sought to assess the effectiveness of result based management as a performance management tool among small to medium enterprises in Zimbabwe. The research was carried out in the form of a case study in which a sample of 290 employees from a population of 376 employees was used. Stratified random sampling procedure was employed in selecting elements from 9 managers and 281 general employees. Questionnaires and interviews were used in triangulation to collect data on the sample. After analyzing the collected data, it was found that RBM has been effective in improving the performance as indicated by customer care, ability to meet performance targets and produce quality products. The study also found that the effectiveness of RBM has been hampered by various challenges such as inadequate resources and poor remuneration amongst others. The study recommended that small and medium enterprises must observe critical success factors which enhance the proper implementation of RBM system.

**Keywords:** Performance Management, RBM, SMEs.

## I. INTRODUCTION

There is no denial that performance of small and medium enterprises, public and private companies in Zimbabwe have continued to deteriorate in the past two decades. Companies embarked on various reforms since 1989 with the ultimate goal to restructure performance management systems. Companies adopted the Performance Management System (PMS) in 1996 aimed at enhancing performance and service delivery. The performance management system promised to end the era of automatic pay rises by linking performance to rewards and promotions were also based on merit rather than on seniority. It worked more like the appraisal in the traditional public administration model which measured the wrong elements.

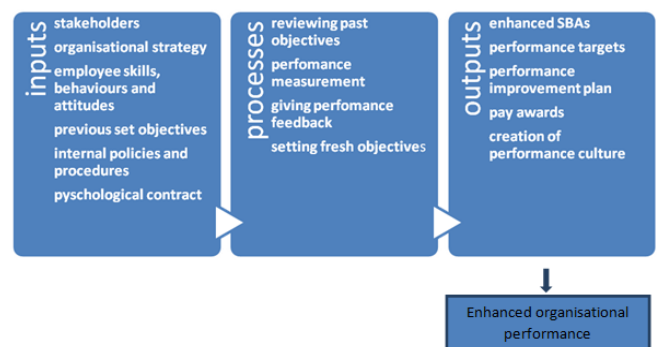
The flaws of the performance management system of 1996 led to the embracing of the RBM in 2005 with the quest to improve accountability and transparency in companies. The RBM system as adopted by the Zimbabwean government consist of five components namely the Integrated Development Planning (IDP), Results Bases Budgeting (RBB), Results Based Personnel Performance System (RBPPS), Results Based Monitoring and Evaluation (RBM&E), Results Based Information Systems (RBMIS). The RBM

system has not only questioned the process aspects of the management system, but also proposed changes to the way companies manages its performance. Results based management has been held highly as providing a platform for companies to introduce a new culture of accountability, performance targeting through accompanying of work planning and performance agreements. Hood (1991) indicates that the objectives of RBM to improve resource usage, to shift control of inputs to outputs, to stress results rather than procedures emphasizing value for money, efficiency and effectiveness in organisations. The Government of Zimbabwe RBM programme document (2004) also outlined the objectives of the RBM as the need to address the problem of resource scarcity, better quality and people oriented services.

## II. LITERATURE REVIEW

This research is guided by Millmore *et al* (2007)'s performance management system model and Zimbabwe RBM Training Manual of 2006

### A. Millmore Et Al (2007) Performance Management System Model



Source: Millmore *et al* (2007)

The framework suggests that the cycle lead to enhanced organisational performance.

### Inputs

The model suggest that appraises and appraisers are the most important stakeholders who have the most immediate impact on the performance of the organisations. Their behaviours and attitudes together with their skills are also regarded as vital component of the performance management success. Inputs also include the strategy that serves as the roadmap to the

performance and previous objectives acting as benchmarks for performance reviews.

### Processes

The model suggests that measurement of the performance is vital for improving organisational performance. The processes according to the model consist of converting inputs into outputs through setting and reviewing objectives and also feedback of the performance management system.

### Outputs

Outputs of the a performance management model is signified by ability to meet performance targets set, the ability to create a culture focused on results and the ability to improve the skills, behaviours and attitudes of workers. The model suggests that the model will affect the organisational performance positively if followed.

### B. Result Based Framework (2006)



Source: Zimbabwe RBM Training Manual (2006)

### Inputs

The framework suggests that the first level of effective performance measurement model is the recognition and development of inputs. Inputs identified by the model include human, capital and materials together with strategic plans. Neely and Bourne (2002) also recognises that the success of any performance management system is premised on the availability of inputs to start work with and to act as guided for organisational performance.

### Activities

The framework recognises that processes are not ends in themselves but means to an end. Harrington (1991) argues that an effective model takes inputs, adds value to them and provides outputs to a customer. Results based framework takes process as activities to add value to inputs and deliver performance results to stakeholders. Organisational activities or process are not signified as indicators of performance for departments.

### Outputs

The framework defines these as the number or percentage or other form of results which are the products of the process. The results form an indication to which a department achieved its goals which denotes the effectiveness of a performance model though organisational success is as its customers perceive it to be.

### Outcomes

Using the Results framework, the outputs has to improve the welfare of the users, community hence the need to follow up the results emanating from the outputs to maximise public satisfaction. The model suggest that the effectiveness of a public sector model is not signified by attainment of goals alone but the extent to which the goals attained has added value to the welfare of the public (Heyer 2011).

### Impacts

The framework suggests that the long term result of an intervention is a greatest measure of success of a model. According to (Thomas 2011), public sector performance management system should yield positive impact on the economy at large which is evident in service delivery, economic well-being of the country and various indices used to measure productivity or performance of sectors in countries. In addition the framework recognises the significant role played by the enabling environment in achievement of targeted results and careful management of change process to get buy in from the users of the system.

### Definition of Results Based Management System

Marie et al (2006) define RBM as an approach that seeks to change the way organisations operate, with the ultimate goal of improving performance. Similar definition of RBM has been given by (Ortiz 2004) who weighed it as a change agent for public organisations. Same sentiments were echoed by Thomas (2011) who defines RBM is a holistic process that seeks to redefine how public sector measures their performance through strategic planning, goal and objective setting, performance indicator development, work targeting and implementation and evaluation of performance cycle. The definitions given for RBM indicate that RBM is a strategy that seeks to achieve results for public and private organisations. Inferring from the above definitions, the researchers therefore defines RBM as a contemporary philosophy which enables public and private organisation to focus on results.

### Rationale for RBM

The deliberate implementation of RBM across nations is premised on the belief that RBM is indeed a panacea to problems of poor service delivery challenging many jurisdictions. The RBM principle having emerged from private sector managerial ideas emphasise on focusing on clients, offering quality services and managing resources which indeed is what has been lagging behind in public organisations (Pollit 2001). Hood (2012) as cited in (De Vries and Nemeč 2013), asserts that because RBM sees performance of public sector organisations not as hopeless but rather something to be improved, the need for RBM in companies has been cemented.

Osborne and Gabbler (1996) argue that if you can't measure results, you cannot win public support the need to win back the public support has also been a cause for RBM support by many jurisdictions. They further mentions that RBM is only a tool that can be used to revamp the declining service delivery in public sector. Their argument is that because governments measure wrong things such as processes, budgets owned, staff managed, they cannot achieve results hence the need to have a new management that enables them to tap the most out of their human resources. Osborne and Gabbler (1996) postulate that RBM enable companies to restructure their structures for improved service delivery. They further argue that due to the red tape in bureaucratic structures, services are delayed hence RBM is the tool to remove such system for efficiency of operations.

The need for results has also been stressed by funding bodies as they require jurisdictions to demonstrate results for limited aids (Bester 2007). Bester (2007) further asserts that given that governments are financed through various supra-national bodies, the need to account for funds through results achieved has been the drive for RBM. Zimbabwe is no exception as illustrious in the (RBM Training Manual 2004) that there are claims by donors for efficient and effective use of limited funds. Though accountability of funds and resources, governments are able to improved resource usage thus economic uplift (Bester 2007). Analyses of the above account may signify that though there is need to achieve results; RBM may be wholly a reaction from external pressures from these bodies. Bester (2007) highlights that the adoption of the results based management was in large part a response to increasing pressure from the public in donor countries to demonstrate the effectiveness of aid.

The need for results in companies has been justified not only as a tool to improve service delivery but through the realisation that there is no other management that organisations can employ if they are to be successful in delivering their services (Melamed 2011). Melamed (2011) questions that if it's "not results then what?", signifying that the measurement of results is the only option for organisations. Madhekeni (2012) justifies the measuring of performance using results as not an exception in companies; rather the need is greater due to poor performance.

The above justifications have been similar to the ones outlined for adopting RBM in Zimbabwe. The public service has elaborated the need to ensure accountability of the few resources and funds, to win public support and to be more sensitive to the needs of clients as the rationales for introducing the RBM in its sector. Zimbabwe Public Service Review (2004) indicates that the government is geared to reverse the falling service delivery through a results culture that would enable

players to be more focused on work in all sectors including SMEs.

The benefits that are cited as accruing from RBM in Zimbabwe also include better quality life of citizens as indicated by the national vision (2020) which outlines that the government seek to "emerge as a prosperous, democratic, egalitarian economy with a high quality of life for all by 2020. The RBM approach has been highly spoken as the driver of economic performance through delivering of services to people.

### **Impact of RBM**

The success stories of RBM in countries have led to implementation of RBM worldwide. Horton (2006) asks whether there have been fundamental changes brought about by RBM in the public sector. Reviewed literature indicates that the new values of productivity, efficiency and accountability have indeed impacted service delivery of public sectors across nations.

Dollery (2000) shows that there has been substantial impact of the reform on the local government level of effectiveness. The results oriented ethics of RBM has been attributed to have improved the customer care relationship together with the services of the local government which were described as now being accessible to the users. Heyer (2011) also argues that RBM has been successful in enhancing business effectiveness and efficiency in countries such as United Kingdom and New Zealand. He further consolidate that the improvements in economic performance in these countries has been seen through the ability of the public sector and private business to save resources and also through attainment of objectives.

Thomas (2011) asserts that the Malaysian economic turnaround has been highly attributed to RBM. The review highlights that introduction of performance appraisal and performance budgeting for results in the Malaysian organisations has proved fruitful. Siddique (2006) supports the notion given by (Thomas 2011) as he brings to light that public and private sector performance in Malaysia has attracted foreign investor leading the country to be economically sound. The report given by the (Word Bank 2011) reveals that the management of 1997 financial crisis of Malaysia was a result of sound management practices brought by the RBM system.

Common (2011) postulates that RBM has been a success in Sweden. Perrin (2002) accounts RBM has influenced the improvement in performance of Swedish departments. They identified improvement in health care facilities, educational facilities and provision of services to citizens as contributed by RBM. A report given by Meier *et al* (2003) signifies that RBM has been effective in Australia, Belgium, German public and private sectors. The report expands to give that the



results based budgeting and performance appraisal has worked well in improving the economies of these countries.

Desautels (1996) acknowledges that the efficacy of RBM has been felt by the Canadian countries. His report elaborates that RBM managed to abolish bureaucracy, overstaffing and accountability problems in the public and private sector. Targeting of performance according to (Desautels 1996) has increased both the delivery of services and satisfaction of employees in the public sector. Thomas (2009) points out that the effectiveness of RBM as a policy has also been felt in Asian countries as well. The reports of Korea, Indonesia, Cambodia, Philippines, Sri Lanka to mention but a few shows that performance has improved in the public and private sector due to implementation of RBM. The areas in which performance has been evident include the budgeting and the availability of services in governments departments as well as information systems in the governments.

RBM implementation is regarded to have improved development effectiveness and the quality of life of the Nepalese people (Sharma 2002). The review conceals that RBM managed to improve expenditure through effective allocation of resources and prioritising projects. He further conceals that performance measuring has been effective as performance mechanisms has been found in all ministries and outputs and services for programs has been achieved. Obongo (2009) also reveals that performance contracting has been effective in providing avenues for comparing performance through benchmarking. The performance contracting as cited by (Obongo 2009) has assisted organisations to improve service delivery as clear roles have been defined for them. The performance of Kenya has been reported to have improved as a result of implementing RBM. Results of Switzerland also alludes that RBM has been an effective tool for aiding public and private sector organisational effectiveness. Meier (2003) indicates that the public and private sector of the country has changed a lot in terms of service delivery. He highlights that there is now great efficiency and effectiveness in the manner services are granted to the citizens. The reports reveal that the citizens have been expressing satisfaction in the quality of service being provided in by the government.

Sheriff (2006)'s investigation on the benefits of RBM in Egypt National Water Quality and Availability Management (NAWQAM) shows that RBM has proven to be an effective model of performance measurement. The RBM performance management tool is reported to have helped overcome the constraints of limited water supply due to increased demand. The effectiveness of the system has been reviewed and indeed literature has pointed out that RBM has been an effective tool in

enhancing performance of organisation though no review has been seen in the literature to point out the effectiveness of the system in sub-Saharan countries.

Despite views by scholars that RBM has been effective in improving performance of public and private sectors, debates shows that impact of RBM on organisational effectiveness has not been tenable in many countries. According to (Fryer and Ogden 2009), performance management has not been the predicted success in the public and private sector. Common (2011) agrees with the aforementioned ascertain as he elaborates that the improvements on performance in nations has been a fallacy meant to mislead and sell the RBM approach by western countries. He contends that RBM has never worked in developing nations due to different realities found in the nations. The research further states that western solutions have proved to be disastrous to developing nations hence RBM has never been a reality but a theory.

Derek (2007) also criticise RBM as being unhelpful to the public and private sectors of many countries. His research reveals that RBM has managed to add more costs, burdening the ailing public sector through its implementation without any significant results to point. Gabbler (2007) noted that the philosophies of RBM have not changed the attitudes of the public in developing countries were the "business as usual approach" is still being practiced. Try (2007) also argues that there have not been many changes in the performance of public sector organisations through implementation of RBM. De Vries and Nemeč (2013) argue that there has been no way out, no matter what the system, public and private sector performance has remained worse.

However (Fryer and Ogden 2008) bring to light that, were RBM has not been predicted a success in the public sector, some of the problems has arouse because of implementation failures. The challenges encountered whilst implementing RBM has led countries question the effectiveness of RBM (UNDP 2004).

### **Challenges affecting RBM implementation**

Radnor and McGuire (2004) postulate that the implementation of RBM has not been an easy task and countries are facing difficulties in translating RBM into a reality. The challenges experienced in the implementation of RBM have led to the questioning of whether the RBM system is a friend or foe (Hatton and Schroder 2007). Performance management literature also admits that there are bound to be challenges in implementing performance management tools (Armstrong 2012, Bourne 2000, and Adcroft 2006). Reviewing RBM definitions also indicates RBM as a change agent and literature shows that in any change regime they are bound to be obstacles for changing (Ortiz 2007).

Leadership commitment have been found to be challenging implementation of the performance management as leaders were alleged of implementing the RBM system with rules and regulations and then leave the program to run without being involved and motivating the people to produce (Radnor and McGuire 2004). Schacter (2004) indicates that managerial attitudes towards the RBM approach have been counterproductive in Canada. Managers have been reported to dislike the issue of measuring results due to fear of accountability and replacement if they fail to produce (Luke 2011). Siddique (2010) articulates that the top management in Malaysia has shown disinterest in the performance planning and targeting during the early years of implementing RBM. Bourne (2000) shows that management is vital for effective implementation of RBM in any performance management regime. According to literature no sheep can stir without radar and without management commitment performance management systems are bound to fail

Brunnetto and Wharton (2008) identify perceptions of employees as blocking effectiveness of RBM. Smith (2005) concur that employees perceptions, beliefs and behaviours affect the smooth implementation of performance management systems. What have been the views of employees regarding the new performance management tool in jurisdictions? Berg (2006) brings to light that low level employees and top managers have different perceptions of RBM. RBM have not been welcomed in the public sector and according to (Hatton and Schroder 2007), public servants have perceived RBM as a management system that will fade in due time just like other public sector reforms.

Morabela (2008) shows that reforms as derived from western countries has not been perceived as beneficial to developing nations due to the disastrous effects caused by the other reforms in the past. According to the research, African nations were hit hard by Structural Adjustment Programmes (SAP) and until now ordinary public servants have blamed western policies for the problems of economic meltdown they are facing. Hoque and Moll (2009) mentioned by (Heyer 2011) argue that RBM has been viewed as a problem rather than a solution challenging its effectiveness in nations. More often than not, the RBM regime has been castigated for being a paper exercise, without benefits at all. Schacter (2004) divulge that even in Canada were the system originated, public servants still perceived the system as inapplicable to the realities faced in public organisations. Klijn and Koppenjan (2000) held the view that while RBM represents an attempt to translate ideas of private sector to public organisations such as contracting, these has been perceived as impossible by end users who view their work as social and process oriented as opposed to outputs.

The views held by the users have also led to massive resistance to approach in many countries as reviewed by (UNDP 2007). Gabbler (2007) bring to light that resistance has been massive due to the perceptions held by the users of the system. His paper notes that in developing countries, the government is constituted of ageing population, unskilled but occupying positions of power and these perceive change as threatening their empires. The argument by Gabbler (2007) has been that because of the ages of the employees and the work experience they have gained through their tenure in the public sector, they are no longer change receptive and thus would want to safeguard the status quo.

Common (2011) points out that the slogan 'RBM is here to stay' has been employed in various countries in bid to make sure that the policy would work. Performance management literature however argues that people have a tendency to resist policies forced on them despite the slogans and bribes to win their commitment (Bourne 2000). UNDP (2004) argues that measures of performance in developing countries do not fail as a result of being driven by policy makers, but due to implementation failures such as failing to award employees among others. Derek (2007) concurs as he elaborates that similar policies have been imposed in the private sectors and these have worked well due to the enabling environment in private sector, which is still a factor to be taken seriously in the public sector. This poses for a debate whether performance management policies should be a prerogative of the employer or the employee to have a win-win situation. Bourne (2000) however, reveal that performance management regimes should be directed by the organisation not the employee as evidence has shown that employees are threatened by measures and would want to avoid measures at all costs. Mayne (2007) reveals that, performance management as brought by the employer should also maximise benefits for both the organisation and for the user to be appreciated.

Assessing the arguments brought forward in the literature, perceptions of the RBM as a system has been a major challenge affecting the effectiveness of RBM in public sectors of various countries.

Furthermore, resource shortage has been identified as plaguing the effectiveness of RBM as a performance management tool (Perrin 2002, Meier 2003). Governments had been found to lack the adequate resources to implement RBM. Financial crisis had swept all the economies with the impact being great in developing countries that also look up to the developed nations for aid (World Bank 2011). Bennendijk (2000) argues that effective implementation of RBM has been by inadequate resources in many countries leading to the system dying at early stages before realising its goals. Thikedn (2001) reveals that African countries have acute shortages of resources and this have crippled

the effectiveness of the performance management regimes in the past. Meier (2003) reveal that due to resource shortages RBM has taken years to be effective in Thailand. Review of sub-Saharan countries by (UNDP 2007) has shown that RBM has been a paper exercise in the reviewed countries due to unavailability of resources to implement.

Another challenge noted in literature is also skills shortage. Bester (2007) shows that RBM has been viewed as a complex and demanding system hence requires competent skills to translate the system into effective paper instruments. Perrin (2002) explains that the case of Thailand reveals that mastering the complex procedures of RBM require competent drivers of the process. Siddique (2006) concurs with the realisation that without the skilled personnel, RBM effectiveness cannot be realised. The concept has not been fully understood in many countries due to lack of skills and competencies resulting in lack of appreciation of the system (Fryer and Ognaro 2008). Reviews indicate that in developing countries, public employees are not highly skilled most governments are taken as the last employer of resort due to poor working conditions. Gabbler (2007) notes that due to the low level of education evident in public sector employees, effective implementation of RBM has been weakened as employees do not fully understand the system as RBM requires highly skilled personnel. The need for highly skilled personnel has been emphasised in the literature for the effectiveness of RBM in jurisdictions.

In addition to skills, the need for reward has been cited as the major blocker for the RBM approach. Schacter (2004) indicate that public servants needed rewards for producing the results. The perceived benefits derived from implementing the system has been a major challenge in many nations as public servants showed disinterest of implementing the system without benefits attached to it (Thomas 2011). Berg (2006) cites that without rewards the system had been shunned by users and were coercion had been used, no results have been achieved. The Malaysian experience according to (Siddique 2006) signified that rewards were important for the effectiveness of the RBM system. The rewards reviewed as being expected by users included promotional opportunities, incentives, performance related pay, bonuses to mention but a few (Meier 2003). Perrin (2002) also accounts that the issue of rewards has been topical in Thailand and the government had to consider incentives to promote implementation of RBM. Performance management literature also asserts that performance management regimes cannot be effective without monetary and non- monetary rewards.

### **Critical success factors for RBM implementation**

In endeavour to address challenges pointed out in various nations affecting RBM implementation, critical success factors for implementing RBM has been put

forward by scholars. Critical success factors are essential areas of activity that must be performed well if you are to achieve the mission, goals and objectives of a project (Rao 2004). Rockart (1979) defines critical success factors as the limited number of areas where things must go right for the performance management tool to be effective, if these areas are not adequate, the organisations' efforts will be less desired. Deducing from the above explanation critical success factors for RBM are not strategies but areas of concern that need strategy formulation for effective implementation. The literature notes that since countries are unique, strategies for implementation may not be universally applicable hence the need to point out essential areas which need to be considered for RBM to succeed

Mayne (2007) accentuates that senior leadership is important. Bourne (2001) also identified top management as one of the key drivers to successful performance management. Research argues that it is insufficient to announce RBM by managers and expect other stakeholders to be committed when they are not. Marie *et al* (2006) accentuates that leadership is essential in providing resources, stabling a culture, demonstrating results and guidance through the process. For RBM to succeed, the review indicates that leadership commitment is vital and countries should buy the commitment of their leaders.

Another critical element noted in literature, is creating and promoting a culture oriented on results. Successful implementation of RBM is dependent on the organisation's ability to create work culture that is focused on results (Mayne 2007). Literature also agrees with the essence of culture in implementing performance management. Meier *et al* (2003) articulates that it is the organisation's ability to create a management culture that enables achievement of results. Existence of a measurement culture within the organisation is vital for ensuring the value of measurement (Kennelly and Neely 2002). How then do you bring about cultural change? Research indicates that promoting a results culture requires incentives. In change regimes people always ask "what is in it for me". The perceived benefits arising from implementing and using performance management system is a key driver to effective implementation. Neely and Bourne (2000) explains that in a culture where commitment and discipline are divided, incentives are necessary to gain commitment.

A performance management culture has been mentioned to have the right people for the right jobs. The availability of the required skills to use, reflect on, modify and deploy measures makes performance measurement a success (Kennerly and Neely 2002). Rao (2004) adds that competencies are one of the key drives to effective implementation of performance measures. Competencies are therefore vital if an



organisation is to promote a result culture. Capacity building has been advocated for effective implementation of RBM across nations (Mayne 2007, Perrin 2002).

The success of RBM has also been premised on building results frameworks at all levels. Strategic planning is important for RBM to succeed (Mayne 2007). Experience from literature reveals that there is need to craft strategic objectives at all levels, linking work plans with strategic framework. Alignment of results to resources and programmes has been noted to be a prerequisite for RBM success (Perrin 2002). He further provides need for active participation of grassroots as a way to promote active involvement as people are inclined to reject any approach that is imposed on them.

In this fast technological environment, the use of information systems has been acknowledged as an enabler to the success of performance measures. The challenge in measuring performance is in designing measuring instruments (Bourne 2000). Mayne (2007) provides that information technology make RBM user friendly by enabling quick capturing and dissemination of information. He also indicates that there is also need for appropriate design of measurement system that is what to measure and how it is measured, for instance how does one measure service delivery. Developing appropriate performance indicators has been held highly as a key success to effective RBM implementation.

To add more, evaluations establish the essence of reporting performance as a critical success factor for RBM implementation. Most performance management information is not reported thus stifling performance improvement as recipients are not appraised on progress towards achievement. Mayne (2007) notes that there is need to report how well the organisation is doing, how far they have achieved and deficiencies for accountability as well as success from experience. Perrin (2002) also accounts that absence of feedback from submissions stall effective implementation as implementers are keen to know if their submissions were useful and if they have done as expected.

**Study Site**

The study was carried out in Harare Central Business District. Only retail SMEs along Harare Street were chosen because the street is highly convenient for the researchers.

**Sampling Method**

The study used a sample of 290 employees from a population of 376 employees. Two hundred and ninety employees comprises of 9 managers and 281 non

managerial. The researchers used a stratified random sampling technique; the researcher divided the employees into two segments, that is management and for non-managerial workers. The researchers used 77 per cent of the population which is way above the recommended 10 percent by Best and Khan (2003).

**Data collection instruments**

The research instruments used in this research were formal questionnaires and key informant interviews. Questionnaires were used as appropriate research tools to reveal sensitive issues which respondents would otherwise feel uncomfortable to talk about in an interview. A pre-test survey was conducted in order to evaluate the validity and reliability of the questionnaire. Questions that proved to be unclear to the respondents were modified, rephrased or discarded. Edwards (2003) posits that pre-testing of instruments in the field can serve as a reality check indicating to the researcher how well conceptualization of the problem matches the actual experience of the practitioner. Key informant interviews were used to obtain in-depth data from the selected few.

**Data entry and analysis**

The data was coded into the computer using SPSS, to allow analysis to be carried out. Data was presented in tables.

**Results**

The table below shows responses by respondents to suggested statements on the effectiveness of RBM as a performance management tool.

Table1. Responses To Suggested Statements (SS) On The Effectiveness Of RBM As A Performance Management Tool.

	SA	A	NS	D	SD	Total Frequency
SS1	33	47	10	3	7	100
SS2	27	22	1	29	21	100
SS3	47	20	0	13	10	100
SS4	43	27	15	8	7	100
SS5	30	19	2	40	9	100
SS6	32	30	8	25	5	100

Source of data: Raw Data

**Key:** SS on the effectiveness of RBM as a performance management tool.

SS1: RBM is an effective performance management tool.

SS2: Right person for the right job is the major key success factor for RBM implementation.

SS3: RBM is here to stay slogan is the only way to reduce resistance to implement RBM system.

SS4: RBM is a change management process with the objective of enhancing performance.

SS5: RBM has never been a reality but a theory of western countries to mislead and sell the RBM system.

SS6: Acute shortage of resources cripples the implementation of RBM.

**Key: Responses to SS**

SA: Strongly Agree; A: Agree; NS: Not Sure; D: Disagree; SD: Strongly Disagree

**Analysis of table 1**

The majority (80%) of the respondents agreed and strongly agreed that RBM is an effective performance management tool while 10% of the respondents thought otherwise. On the statement that right person for the right job is the key major success factor of RBM implementation, 22% agreed with the statement with as small as 27% of the respondents strongly agreeing to it. However, 21% of the respondents did not agree with the suggested statement. On SS3, the majority (23%) of the respondents are against the statement that the RBM is here to stay slogan is the only way to reduce resistance to implement RBM system while on the other hand an overwhelming 67% of the respondents agree. On SS4, and SS6 70% and 62% respectively of the respondents are supporting the statements while only 15% and 30% respectively are against the statement. SS5 has a balance of opinion with 49%

The table below, which is derived from the responses table above, explores the extents to which each statement was supported by respondents through the means of ranking the scores obtained by each suggested statement.

Table 2: Scores of Responses and Rankings of SS

	SA (SA*2)	A(A*1)	NS (NS*0)	D(D*-1)	SD (SD*-2)	SCORE	RANK
SS1	66	47	0	-3	-14	96	1
SS2	54	22	0	-29	-42	5	6
SS3	94	20	0	-13	-20	81	3
SS4	86	27	0	-8	-14	91	2
SS5	60	19	0	-40	-18	21	5
SS6	64	30	0	-25	-10	59	4

SS1 and SS4 are the suggested statement to which the respondents significantly agreed to with a score of 96 and 91 respectively. The order cascaded down through SS3 (score 81); SS6 (score 59) until the least agreed SS5 with a score of 21.

**Discussion**

The findings on the key success factors of RBM are consistent with Kennerly and Neely (2002)'s proposition that the availability of the required skills makes performance management a success. Additionally, Rao (2004) argues that competencies are one of the key drives to effective implementation of performance measures. However the findings also revealed that besides right person for the right job is not the only key success factor as given by Mayne (2007) who accentuates that senior leadership is important. In support, Bourne (2001) also identified top management as one of the key drivers to successful performance management. Meier *et al* (2003) also articulates that it is the organisation's ability to create a management culture that enables achievement of results.

The findings on reducing resistance to change are in line with the results of Common (2011) who argues that the slogan 'RBM is here to stay' has been employed in various countries in bid to make sure that the policy would work. Sharing the same sentiments is Derek (2007) who elaborates that similar policies have been imposed in the private and public sectors to reduce resistance. Contrary, Leadership commitment have been found to be challenging implementation of the performance management as leaders were alleged of implementing the RBM system with rules and regulations and then leave the program to run without being involved and motivating the people to produce (Radnor and McGuire 2004). In support, Schacter (2004) indicates that managerial attitudes towards the RBM approach have been counterproductive in Canada. Managers have been reported to dislike the issue of measuring results due to fear of accountability and replacement if they fail to produce (Luke 2011). In support, Siddique (2010) articulates that the top management in Malaysia has shown disinterest in the performance planning and targeting during the early years of implementing RBM. Finally, Brunnetto and Wharton (2008) identify perceptions of employees as blocking effectiveness of RBM.

Results on the impact of RBM concur with Thomas (2011) who asserts that the Malaysian economic turnaround has been highly attributed to RBM. The review highlights that introduction of performance appraisal and performance budgeting for results in the Malay public sector has proved fruitful. Siddique (2006) supports the notion given by (Thomas 2011) as he brings to light that public sector performance in Malaysia has attracted foreign investor leading the



country to be economically sound. The report given by the (World Bank 2011) reveals that the management of 1997 financial crisis of Malaysia was a result of sound management practices brought by the RBM system. Sharing the same sentiments is Common (2011) who postulates that RBM has been a success in Sweden. In support, Perrin (2002) accounts that RBM has influenced the improvement in health care facilities, educational facilities and provision of services to citizens in Sweden. Additionally, a report given by Meier *et al* (2003) signifies that RBM has been effective in Australia, Belgium, German public sectors. In contrast, Fryer and Ogden (2009) argues that performance management has not been the predicted success in the public sector. In support, Common (2011) agrees with the aforementioned ascertain as he elaborates that the improvements on performance in nations has been a fallacy meant to mislead and sell the RBM approach by western countries. He contends that RBM has never worked in developing nations due to different realities found in the nations. The research further states that western solutions have proved to be disastrous to developing nations hence RBM has never been a reality but a theory.

Sharing the same sentiments is Derek (2007) who criticise RBM as being unhelpful to the public sectors of many countries. His research reveals that RBM has managed to add more costs, burdening the ailing public sector through its implementation without any significant results to point. In support of Derek (2007), Gabbler (2007) noted that the philosophies of RBM have not changed the attitudes of the public in developing countries were the “business as usual approach” is still being practiced.

Findings on the challenges of implementing RBM system cement Perrin (2002) who argues that resource shortage has been identified as plaguing the effectiveness of RBM as a performance management tool. He further postulates that governments lack adequate resources to implement RBM. In support, Bennendijk (2000) argues that effective implementation of RBM has been affected by inadequate resources in many countries leading to the system dying at early stages before realising its goals. Sharing the same view is Thikedn (2001) who reveals that African countries have acute shortages of resources and this have crippled the effectiveness of the performance management regimes in the past. Review of sub-Saharan countries by (UNDP 2007) has shown that RBM has been a paper exercise in the reviewed countries due to unavailability of resources to implement. However, research findings revealed that besides shortage of resources there are other factor that hinders the implementation of RBM system and this concurs with Bester (2007) who argues that besides shortage of RBM has been viewed as a complex and demanding system hence requires competent skills to translate the system into effective

paper instruments. In support, Perrin (2002) explains that the case of Thailand reveals that mastering the complex procedures of RBM require competent drivers of the process. Siddique (2006) concurs with the realisation that without the skilled personnel, RBM effectiveness cannot be realised. The concept has not been fully understood in many countries due to lack of skills and competencies resulting in lack of appreciation of the system (Fryer and Ognaro 2008).

## CONCLUSION

The research findings show that RBM system impacted positively on the organizational performance. The weight of each statement has been shown on the Scores of Responses and Rankings of SS table in which SS1 topped the rank while SS2 ranked last.

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