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A Comparative Assessment of Performance Management on Public Service Delivery in Paraguay and USA

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Abstract

Experiences of South America's development over the last two decades have consistently demonstrated the need for more intensive efforts towards effectively addressing the continent's major development challenges, the degree of which varies from country to country. The state-of-the-art techniques and practices currently in operation in Western organisations can undoubtedly be of great benefit to organisations in developing countries. This study on performance management and public service delivery in comparison of Paraguay and the USA is therefore motivated by the need to establish and understand the factors that affect and influence improvement in public sector and ultimately improvement in the quality of public service delivery. This study adopted both an explorative case study research design and descriptive survey research design. Descriptive survey research design was used to analyze the patterns in the performance management in the two countries under study. The target population was the Ministries, Departments and Agencies (MDAs) under the Public service commission. The study used personnel in USA from the National Performance Management Commission to obtain qualitative data for the study. The data was analyzed using Chisquare and T-test. The chi square statistics indicated that there was no significant relationship ($0.209 > 0.05$) between the various techniques; balance score card, 360 degrees, behavioral assessment, ranking method and the written essay method on public service delivery service. This implied that there existed no significant relationship between the performance management methods used and public service delivery in Paraguay. The t-test results reported a significant difference on comparison of United states and Paraguay where health had a significance level of ($0.014 < 0.05$), Agriculture ($0.0066 < 0.05$), Education ($0.0466 < 0.05$), Security ($0.002 < 0.05$) and thus implied that the performance management systems used in the United States and those in Paraguay had a significance effect on public service delivery. In addition, the difference can be associated with the difference in development of systems and institutions in United States and Paraguay since the United States is a developed economy while Paraguay is developing economy.

Keywords: *Comparative Assessment, Performance Management, Service Delivery, Paraguay & USA.*

1.1 Background to the Study

Performance management in the public sector is an ongoing, systematic approach to improving results through evidence-based decision making, continuous organizational learning, and a focus on accountability for performance. Performance management is integrated into all aspects of an organization's management and policy-making processes, transforming an organization's practices so it is focused on achieving improved results for the public. Performance management uses evidence from measurement to support governmental planning, funding, and operations (Buckingham & Goodall, 2015).

Until about four decades ago, the administration and management of the public sector in many countries appeared to have taken on a life of their own. Citizens of most of these countries were regarded as almost after thoughts to the complex network of structures, policies and systems internal to government (Buick, Blackman, O'Donnell, O'Flynn & West, 2015). However, the recent wave of reforms compelling reversion to customer focus in many governments changed substantially the operating environment for both elected officials and public service employees. The struggle has now boiled down to finding the best and most cost effective ways to continuously engage the public and improve service quality.

Improvement in public service delivery and the consequent increase in customer (public) satisfaction with public services have been at the core of reform programs in many developed and developing countries (Gerrish, 2016). Public sector reforms in the past half century have accordingly, been directed at ensuring that public services have the right people, structures and organization capable of developing and delivering the right policies and services, while at the same time ensuring the public service operates efficiently and effectively. This is in addition to the imperative need to expose the management of the public sector and the country to global market forces and competition (Arnaboldi, Lapsley & Steccolini, 2015).

There are context specific differences between a developed and a developing country. A key difference is in what has been termed as a neo-patrimonial state in developing countries where the line between personal wealth and public resources is grayed. In United State of America (USA) according to Government Performance and Results Act of 1993, performance contract aimed at making federal departments more productive and therefore boosts citizens' confidence in their government (Van Dooren & Van de Walle, 2016). According to the research findings by Talbot (2005), Japan, the UK and the USA all now have well developed systems of reporting government performance results. In Japan, the Government Policy Evaluation Act (GPEA) has been active since 2001; in the UK the Public Service Agreements (PSA) system dates back to 1998, while in the USA, the Government Performance and Results Act (GPRA), has been operational since 1993.

In the case of developing countries mostly in Asia, and South America, performance oriented reforms have had a shorter life span and mostly adopted (sometimes involuntarily) as part of conditions for accessing development aid (World Bank, 2015). In Egypt, there is a trend in many organizations to combine financial and nonfinancial measures because there is growing awareness that sole reliance on financial data is no longer effective for an organization.

1.2 Statement of the Problem

Experiences of South America's development over the last two decades have consistently demonstrated the need for more intensive efforts towards effectively addressing the continent's major development challenges, the degree of which varies from country to country. For instance, the scarcity of management skills and expertise often makes it not viable for developing countries to develop complex structures such as sophisticated performance management systems. They therefore concentrate more on introducing and copying tools and systems from the Western world which are not always the best suited to local circumstances. This raises the question whether Western techniques like performance management are suitable for developing countries. The state-of-the-art techniques and practices currently in operation in Western organisations can undoubtedly be of great benefit to organisations in developing countries (Borgonovi, Anessi-Pessina & Bianchi, 2018). However, these techniques and practices have evolved in the context of Western environment and cannot be expected to be transplanted just like that to the different sociocultural environment of developing countries. In addition, the poor management practices, bureaucratic inefficiencies, and low productivity levels in many organizations of developing countries create considerable pressure for managers to adopt speedy, ready-to-implement strategies.

Moreover, governments in the developing countries have generally tended to focus on project implementation and not on the quality of performance. They have as a consequence not laid significant emphasis on improvement in service delivery. This study on performance management and public service delivery in comparison of Paraguay and the USA is therefore motivated by the need to establish and understand the factors that affect and influence improvement in public sector and ultimately improvement in the quality of public service delivery.

1.3 Purpose of Study

The general objective of this study was to conduct a comparative assessment on performance management on public service delivery in Paraguay and USA.

2.1 Literature Review

2.1.1 New Public Management Theory

The NPM represents the culmination of a revolution in public management that emerged in the 1980s. Rather than focusing on controlling bureaucracies and delivering services, public managers are now responding to the desires of ordinary citizens and politicians to be the entrepreneurs of a new, leaner, and increasingly privatized government. As such, the NPM is clearly linked to the notion of trust in economic rationalism through the creation of public value for public money (Radnor, Osborne & Glennon, 2016). The NPM concept is centered on the proposition that a distinct activity-management-can be applied to the public sector, as it has been applied in the private sector, and that it includes ; The adoption of private sector management practices in the public sector; An emphasis on efficiency; A movement away from input controls, rules, and procedures toward output measurement and performance targets; A preference for private ownership, contestable provision, and contracting out of public services; and The devolution of

management control with improved reporting and monitoring mechanisms (Denhardt & Denhardt, 2015).

The NPM theory has been criticized that there are blurred lines between policymaking and providing services in the New Public Management system. Questions have been raised about the potential politicization of the public service, when executives are hired on contract under pay-for-performance systems (Hyndman & Lapsley, 2016). The ability for citizens to effectively choose the appropriate government services they need has also been challenged. There are concerns that public managers move away from trying to meet citizens' needs and limitations on accountability to the public. NPM brings to question integrity and compliance when dealing with incentives for public managers - the interests of customers and owners do not always align. Questions such as managers being more or less faithful arise.

2.1.2 Concept of Performance Management and the Evolution of Public Management

Performance management can be viewed in historical context as the most recent stage in the evolution of public-sector management. Early governments in the United States were plagued by spoils and corruption. Then, as a reform, a bureaucratic, merit-based system was instituted, focusing on processes to eliminate financial improprieties and nepotism and promote fair access to government contracts (Knies, Boselie, Gould-Williams & Vandenabeele, 2017). Performance management, while continuing to assure appropriate controls through effective processes, has expanded the meaning of accountability and protecting the public interest to encompass achieving results that benefit the public. While bureaucratic processes focus on preventing bad things from happening, performance management adds a focus on assuring that government actually produces positive results. Performance management is becoming the new standard for public-sector management (Van Dooren & Van de Walle, 2016).

Effective performance management systems help ensure that goals, programs, activities, and resources are aligned with priorities and desired results (Kurrild-Klitgaard, 2018). Alignment must be both vertical (from the top to the bottom of the organization structure and also from organization wide to individual goals) and horizontal (across organizational units and, optimally, across governments serving the same population). A lack of alignment creates two significant impediments to success: The organization will act like multiple organizations rather than a single one, potentially compromising efficiency and effectiveness; and Components of the organization will compete for resources rather than developing ways to cooperate (Gerrish, 2016).

There are context specific differences between a developed and a developing country. A key difference is in what has been termed as a neo-patrimonial state in developing countries where the line between personal wealth and public resources is grayed. In United State of America (USA) according to Government Performance and Results Act of 1993, performance contract aimed at making federal departments more productive and therefore boosts citizens' confidence in their government (Van Dooren & Van de Walle, 2016). According to the research findings by Talbot (2005), Japan, the UK and the USA all now have well developed systems of reporting government performance results. In Japan, the Government Policy Evaluation Act (GPEA) has been active since 2001; in the UK the Public Service Agreements (PSA) system dates back to 1998, while in the USA, the Government Performance and Results Act (GPRA), has been operational since 1993.

In the case of developing countries mostly in Asia, and South America, performance oriented reforms have had a shorter life span and mostly adopted (sometimes involuntarily) as part of conditions for accessing development aid (World Bank, 2015).

3.1 Methodology

This study adopted both an explorative case study research design and descriptive survey research design. The explorative case study research design was used to compare the performance management using case studies and takes a pragmatic approach where the focus is an attempt to answer the research questions. Descriptive survey research design was used to analyze the patterns in the performance management in the two countries under study. The target population was the Ministries, Departments and Agencies (MDAs) under the Public service commission. The study used personnel in USA from the National Performance Management Commission to obtain qualitative data for the study. This study utilized questionnaires that was used to collect primary from selected government institutions. The data was analyzed using Chisquare and T-test.

4.1 Results and Findings

The study findings indicated that in Paraguay, the main techniques used for performance management are monitoring and evaluation technique with a percentage of 45% with observational checklist at 29% and assessment and development at 26%. On the methods for performance appraisal, the balance score card was the widely adopted with a rate of 45.2% while the second in use was 360 degrees at 16.7% while behavioral assessment and ranking method was at 14.3%. The written essay method was the least adopted at 9%. Under the performance management system, training and development was the most adopted at 54.8% with coaching was rated at 18.3%. Career management and development plans and succession planning were least rated as they had 16.7% and 10.3% respectively. On the remedy for poor performance in the public service, training of the staff was the most rated with 60% and relocation at 19%. Improvement coaching was rate at 14.3% and dismissal at 7.1%

4.1.1 Comparative Assessment

A Chi-square test was conducted to establish if there was a significant effect on performance management methods and techniques used and performance of service delivery. The various techniques included the balance score card, 360 degrees, behavioral assessment, ranking method and the written essay method. The level of significance was tested at 0.05 and the findings are as shown in Table 1.

Table 1: Chi-square Test

	Chi-Square Tests		
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.875 ^a	4	.209
Likelihood Ratio	6.326	4	.176
Linear-by-Linear Association	.441	1	.507
N of Valid Cases	42		

The findings in Table 1 indicate that there was no significant relationship ($0.209 > 0.05$) between the various techniques; balance score card, 360 degrees, behavioral assessment, ranking method and the written essay method on public service delivery service. This implied that there existed no significant relationship between the performance management methods used and public service delivery in Paraguay.

The study further conducted a t-test to compare if there was a significant difference in the performance management in the United States and Paraguay. The study used the sectors of Health, Agriculture, Education and Security and the findings are presented in Table 2.

Table 2: T-test for Performance management in Paraguay and USA

Group Statistics	Country Code	Mean	Std. Deviation	Std. Error Mean
Health	USA	72.4	6.367	1.644
	Paraguay	43.8	9.923	2.562
Agriculture	USA	70.33	6.102	1.576
	Paraguay	44.13	7.864	2.03
Education	USA	69.27	6.147	1.587
	Paraguay	45.2	7.37	1.903
Security	USA	69	6.199	1.601
	Paraguay	46.93	11.145	2.878

t-test for Paraguay and USA							
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Health	6.88	0.014	9.40	28.000	0.000	28.60	3.044
			9.40	23.858	0.000	28.60	3.044
Agriculture	2.188	0.006	10.19	28.000	0.000	26.20	2.570
			10.19	26.374	0.000	26.20	2.570
Education	4.547	0.046	9.71	28.000	0.000	24.07	2.478
			9.71	27.126	0.000	24.07	2.478
Security	12.089	0.002	6.70	28.000	0.000	22.07	3.293
			6.70	21.906	0.000	22.07	3.293

The results indicated that in all the sampled sectors of health, agriculture, education and security for Paraguay and United States, there was a significant difference. Health had a significance level of ($0.014 < 0.05$), Agriculture ($0.006 < 0.05$), Education ($0.046 < 0.05$), Security ($0.002 < 0.05$) and thus implied that the performance management systems used in the United States and those in Paraguay had a significance effect on public service delivery. In addition, the difference can be associated with the difference in development of systems and institutions in United States and Paraguay since the United States is a developed economy while Paraguay is developing economy.

Radin's (2013) comparative study of Australia, New Zealand, and the United States emphasized the impact of contextual differences on implementation of performance management systems. The key contextual variables she identified included the structure of the country's institutional arrangements, such as federalism structures, centralization, and contracting out; the process of defining outcomes, such as standards to assess performance and conflicting program goals; issues

related to timing, such as reporting periods and short- or long-term coverage; availability and investment in data systems, such as data sources and usability and use of data; predominant performance values, such as efficiency, effectiveness, access, and equity; system gaming experiences, such as creaming and other efforts intended to avoid performance assessment; and accountability arrangements, including internal and external accountability and control through sources such as legal or political expectations. Radin (2013) found major differences across the three countries in such matters as structure, the processes of defining outcomes and collecting data, and accountability relationships. Radin also described what she called the “normal tensions” these countries share in the performance management process.

Pollitt’s (2016) findings from his study of performance management practices in four functions in Finland, the Netherlands, Sweden, and the United States were similar to Radin’s. The study found that all agencies studied had for years used performance as part of the normal organizational discourse with performance indicators, and systems generally had undergone continuous improvement. He had expected to find, and did, that public management reforms in majoritarian, single-party forms of government would enable rapid change because of fewer veto points and a greater capacity to impose losses on specific interest groups. More individualist and risk-accepting cultures allow more vigorous use of devices like performance related pay and transparent public reporting of targets and achievements.

4.1.2 Challenges in application of performance management in Paraguay and USA

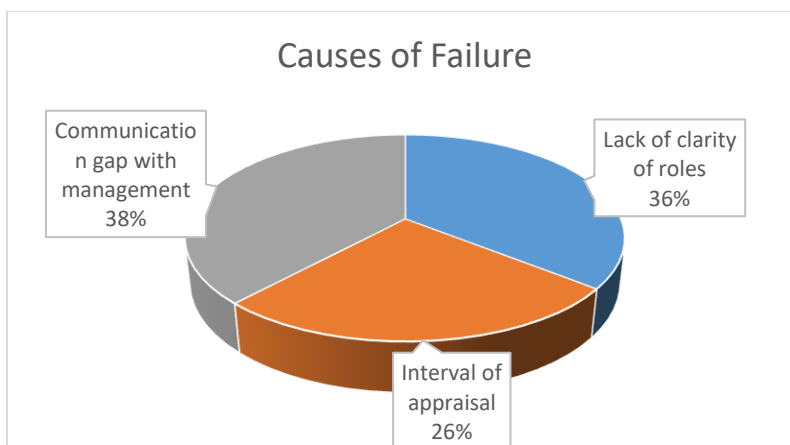


Figure 1: Causes for Poor Performance

The results of the current study indicated that all but one of the institutions (98.7%) that used a performance appraisal system used a manual system using either a word-processing program (e.g. Microsoft Word) or a paper system rather than a commercial software program written specifically to do performance appraisal. These results suggest that either the institutions did not consider that the use of a software program written specifically for performance appraisal created sufficient benefit to justify the cost of purchasing a software system, performance appraisal was not a high enough priority to justify the time and money needed to evaluate, purchase, and implement a new

system, or there were no resources available for any new programs or improvements to existing programs.

5.1 Conclusions

Based on the findings, the study concluded that in Paraguay, the main techniques used for performance management are monitoring and evaluation technique with a percentage of 45% with observational checklist at 29% and assessment and development at 26%. On the methods for performance appraisal, the balance score card was the widely adopted with a rate of 45.2% while the second in use was 360 degrees at 16.7% while behavioral assessment and ranking method was at 14.3%. The written essay method was the least adopted at 9%. Under the performance management system, training and development was the most adopted at 54.8% with coaching was rated at 18.3%. Career management and development plans and succession planning were least rated as they had 16.7% and 10.3% respectively. On the remedy for poor performance in the public service, training of the staff was the most rated with 60% and relocation at 19%. Improvement coaching was rate at 14.3% and dismissal at 7.1%

However, there is a need for future research and analyses into the actual impact of key institutional variables on public sector efficiency, both within and across countries. More research is also needed into how the individual country context and political economy influence the capacity to adopt certain institutional drivers and their chances of success. Second, regardless of the type of evaluations, performance measures or international benchmarking of public sector efficiency consideration needs to be given to whether and how it will be used by decision makers. It is a matter not just of process, but also of having the right incentives to motivate decision makers to use the information.

6.1 Recommendations

Based on the findings, the study made the following recommendations;

Facilitate the Right Climate for Performance Management

Building organizational (senior management, other management, and staff) commitment to and support for results-oriented goals and strategies is fostered through an organizational culture and value system that encourage the disciplined use of metrics for ongoing performance improvement. The right climate calls for strong leadership for reform and supporting managers responsible for program performance. This may mean establishing the leadership and authority of the central finance ministry or some other body to manage performance management and budgeting reform in defining concepts, supporting implementation, and monitoring effects

Develop a Common Whole-of-Government Performance Framework

The performance management system should use a consistent, comparable, and structured measurement and reporting approach across programs, agencies, and sectors where appropriate. Effective change management strategies will be needed to ensure that those operating and using performance management systems understand expectations and how lines of responsibility for shared outcomes will be institutionalized.

Set Reasonable Performance Goals, Targets, and Strategies to Achieve Them

Performance expectations start with goals and targets. These should be credible, legitimate, reasonable, and achievable. Outcomes should be emphasized through outcome-focused goals and specific performance targets that are important to achieving enterprise success. Goals and targets should focus on what a program is actually trying to achieve rather than measures that might distort organizational behavior, and value-added measures should be considered. This calls for superior knowledge of programs, including their program logic, and expected benefits. Performance goals and targets should be a product of strategic planning processes, supportable by baseline measurement and reliable information sources for monitoring. Cogent long-term strategies and shorter-term action plans are needed to establish feasible implementation strategies. Special attention is needed to form collaborative performance partnerships (interorganizational structures) where performance outcomes require the efforts of more than a single organization.

Provide Necessary Capacity and Capability to Support the Designed Performance Management System in the Short and Long Terms

Designing a performance management system should not be viewed as an end in itself. Skills, resources, and authority are important to meet targets or revise them to account for implementation obstacles. Ongoing system effectiveness relies on sufficient ongoing capacity and expertise at all levels of government and with partnering organizations to support results-oriented thinking, managing, and such tasks as monitoring and evaluation. Those using the system must know how to operate the system and use the performance information. Practices such as mechanically linking performance information to spending reviews and resource allocation should be avoided. Technology should be effectively used to consolidate information systems and reduce burden and redundancies in reporting.

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