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Imperatives of performance in successful organizations in Kenya: A conceptual analysis

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Abstract
Most organizations are operating within the realities of a highly competitive global marketplace. It has become apparent that in this challenging environment, some organizations have continued to sustain their competitiveness through enhanced processes and systems of work management while others have failed to safeguard their future. The most critical factor to successful organizational performance is the people working within these organizations and the type of performance imperatives and systems employed to harness their talents and competencies. This paper, therefore sought to explain and determine the imperatives of performance driving some of the successful organizations in Kenya.

Keywords: Competiveness, imperatives, talent, performance

Introduction

Performance Management is regarded as a continuous, future-oriented and participative system;an on-going cycle of criteria setting,monitoring,informal feedback from supervisors and peers, formal multi-source assessment,diagnosis and review, action planning and developmental resourcing(Shields,2007).This cycle may be annual, bi-annual, quarterly or even monthly. All employees in the organization must accept accountability for their contribution and assessment depending on the support from senior management. Managing employee performance is critical because without performance direction and recognition, employees may not understand where and how to direct their effort.In Kenya,most organizations have embraced performance management mainly as part of a statutory or regulatory requirement and not as a critical aspect of managing employee performance and achieving set targets.These organizations therefore tend to focus on performance appraisal instruments that are completed by both the appraisee and the supervisor,considered as part of a ritual towards the end of every financial year, undermining the essence of performance management in organizations today.

Several studies have indicated that successful organizations have developed practices,policies and systems that in turn lead to superior performance that is eventually embedded in the culture of that particular organization.Very little research has however been undertaken to establish the imperatives of performance in successful organizations in Kenya(Xavier,2010),(Kenya,2008) This paper therefore seeks to determine the imperatives of performance in successful Kenyan organizations.

Performance management is a process which contributes to effective management of individuals and teams in order to achieve high levels of organizational performance. It is a strategy which relates to every activity of the organization, set in the context of its human resources, policies culture, style and communication systems. From these definitions, it can be deduced that Performance management is about helping people understand how they can contribute to the strategic goals of the organization and ensuring that the right skills and effort are directed to aspects that matter to the organization. There has been a degree of consensus among scholars that performance appraisal, objective-setting, regular feedback, regular reviews and assessment of development needs are the cornerstones of performance management (Shields et.al, 2013).

These aspects of performance management have been given very little attention by management in Kenyan organizations.This paper sought to review pertinent literature regarding the imperatives of performance and to explain what motivates successful organizations in Kenya.

Literature Review

Imperatives of Performance

Organizations are competing in dynamic and competitive environments characterized by seismic change. This requires emphasis on high performance to achieve success. It involves steering resources towards efforts that are based on sound analysis of how organization activities can lead to the desired change and leadership that embraces continuous improvement. This approach therefore forms the foundation of performance imperatives that have been classified as follows:

Performance Imperatives

A performance imperative refers to policies and activities that are mandatory, an absolute requirement that is unavoidable. Performance imperatives ensure that organizations can make a real difference in the environment in which they operate and this enables organizations to create a culture of high performance. Performance imperatives can therefore be referred to as the ability to deliver meaningful, measurable and financially sustainable results (Amy, 2015) .There are seven organizational disciplines that deliver reliable and high performance. These are courage, leadership,disciplined and focused management,well designed and implemented programs financial health and sustainability ,a learning culture ,internal monitoring for continuous improvement and external evaluation for mission effectiveness.

Selden et.al (2011) define performance management as a methodology and process of managing the performance of an organization or its business processes to achieve a commonly understood set of goals and objectives. He further identifies six performance imperatives as follows;

Compliance management. This refers to the regulatory pressure exerted upon businesses to comply with set procedures and policies. It enables management to assess their policies and processes from finance to operations to enhance automation of systems and be proactive in monitoring business activities and processes to reduce audit costs.

Profitability management is an imperative that enhances the ability to manage costs and optimize revenue streams. The focus on profitability ensures that businesses look out for customer service, product quality, operations and financials by building a strong foundation that supports applications and systems for profitability management. This can be achieved by improving existing operational processes before automation with new ERP (Enterprise Resource Planning) software systems (Smith, 2005).It has been observed that most organizations will implement an ERP system before improving the existing operational processes that can either be manual or digital in nature.These inefficiencies are then transferred to the ERP system further complicating processes and systems of service delivery.

Cost management is a performance imperative that enables organizations to reduce costs to meet corporate and financial requirements, streamline operational processes for efficiency improvement and access and integrate data into timely and contextual interpretation through ERP systems. Performance improvement is an imperative critical to assess and refine processes to the next level of efficiency and effectiveness. However management support is required to link strategy to management functions of planning and execution.It has been reported in some instances that management does not understand the functioning of the automated systems embraced leaving this faculty to a few knowledgeable employees in the organizations.This scenario will facilitate manipulation of the systems and lead to consistent under achievement of results.Organizations that excel have invested in top management that has superior knowledge of the systems embraced and this leads to consistencies in the levels of efficiency in all aspects of that organization.

Business Innovation refers to the ability to apply innovative processes to gain a competitive advantage by taking advantage of information technology systems for business innovation by leveraging on ideas and knowledge. Assessment is a performance imperative that ensures that all existing innovations continuously undergo performance improvement in the organization (Smith, 2005).Safaricom Limited has leveraged on innovation as an imperative that continues to give a sustained competitive advantage.

Strategic Imperative

This imperative is a business goal, objective and a target that has the highest priority. Strategic planning evaluates the entire business of an organization and sets out plans of actions. From this perspective, an organization identifies those goals, objectives and targets that are critical to their operations to obtaining the most important results. The target, objective or goal is then prioritized and all employees are required to perform those tasks that can only lead to the attainment of the set targets. An organization can adopt a single or multiple strategic imperatives relating to different departments. It is therefore the duty of every employee to identify the organization's strategic imperative for the designation to work as a mandate. Examples of strategic imperatives include building a unique brand, brand awareness, differentiation and equity, growing the business organically, increasing and acquiring customers while ensuring that services remain relevant, expanding internationally and leveraging on technology. It is however important for businesses to ensure that they are structurally and culturally positioned to achieve these strategic imperatives (Buckingham et.al, 2015), (Schultz et.al, 2010)

Business Imperative

This refers to a major change or goal that an organization desires to achieve. An imperative does not have options of not working. There is therefore need for focused objectives that will drive and motivate the organization towards achievement of success. If an imperative does not succeed, the organization fails and all employees and management must be made accountable for failed imperatives. Examples of business imperatives include; expansion of businesses, provision of superior customer service, building employee trust and loyalty. It is the one critical activity if focused on will lead to the attainment of the strategic intent of an organization.

Apple Corporation have identified their strategic imperative as 'cool' meaning designing products that are highly sophisticated. This brand equity is unique to Apple and that is what gives them a competitive advantageIn Kenya,it has been reported that public and private universities offer training in Information Technology,Information Communication Technology and other related engineering courses but employers have complained that they have to spend so much money to prepare the recruits for what the industry and the market requires.To fill this gap Safaricom Limited,a Mobile Telecommunication Company in Kenya has established Safaricom Academy,and partnered with Strathmore University to produce recruits who are work-ready technical people (The Daily Nation,Wednesday,June 18,2014)

This strategy makes Safaricom one of the leading organizations with an effective and efficient learning and development strategy.Safaricom Limited has identified both strategic and performance imperatives such as superior customer service, profitability management, innovation and compliance management making it one of the most competitive telecommunication companies in Africa.

Managing Performance Competencies

Chiang et.al (2010) define employee competencies as traits, skills or attributes that employees need to perform their jobs effectively. Companies can hire employees with basic competencies then train them on more specific ones that are related to their job descriptions. Competencies are the measurable, observable knowledge,skills, abilities and behaviors that are critical to successful job performance.

In choosing the right competencies, organizations can achieve the following; plan how to effectively organize and develop the workforce, determine the job classifications that suit their business needs, recruit and select the best employees, manage and develop employees for future requirements of the organization. Competencies can be classified into knowledge; this includes practical and theoretical understanding of industry; skill and ability competencies; refers to the natural and learned capacities to perform actions and behavioral competencies that include patterns of conduct. Competencies are important for development of job descriptions, recruitment, selection and placement, performance management, training and development, career planning and compensation (Dragandis, 2006)

Shields et.al (2013) identified competencies to include but not limited to the following: Intellectual competencies; this refers to industry knowledge and expertise, Interpersonal competencies; the ability to interact with both the internal and external customers, to listen, teamwork and customer service skills, leadership competencies ;refers to the ability to lead others, influence co-workers, provide feedback and evaluate performance, organizational competencies; this is the capacity to organize, manage work and work-related issues ,ensure employees are efficient and effective in their work and self-management competencies as the ability to direct one-self towards attainment of goals and assignments, making effective judgement,ability to adapt and be flexible to new changes and organize work to achieve expected results.

Managing performance competencies is a significant aspect of an effective continuous improvement program. Organizations should deploy quality management systems that create and manage employee skills and maintain training records of employee competency through compliance with basic ISO 9001:2008 standards. According to Dragandis (2006) high performance work practices encourage better utilization and management of performance competencies at the work place. This is a set of complementary working practices adopted by businesses to enhance performance such as: high involvement practices which include self-directed teams, quality circles and access to company information; human resource practices such as sophisticated recruitment practices, performance appraisals, work re-design and mentoring; reward and commitment practices; financial and non-financial rewards, family and friendly policies, job rotation and flexible hours of work. These work practices revolve around management behavior, employee learning and development and autonomy, quality of communication and teamwork among others. All these factors influence employee engagement and the extent to which employees can put in more than expected for the organization.

The Kenya Commercial Bank in Kenya has established a Leadership Training Centre with emphasis on development of formal training programs aimed at training and developing employee competencies in the banking sector on a continuous basis.The training programs present participants with challenging opportunities within the bank with the aim of developing their management skills.(Kenya Commercial Bank,Annual Report,2013)

To manage performance competencies, the key enablers have been identified as follows; leadership, management that empowers employees by increasing rewarding opportunities, employeevoice whose views and opinions count and integrity; behavior in the organization that is consistent to stated values and trust. Managing performance competencies is a process that clearly sets and communicates performance standards and expectations, observing, providing feedback and conducting performance appraisals. Shields (2007),Manasa et.al (2010),Selden et.al,(2011) identified the following techniques for managing performance competencies:

Planning. This is the first management activity in managing performance competencies. It involves setting performance expectations and goals for groups and individuals to enable them work towards attainment of organizational objectives. Employees should be involved in the process to ensure they understand what is expected of them and why it is important for the organization. The establishment of standards and elements should be aligned to organizational policies and other regulatory frameworks. The set standards should be measurable, understandable, verifiable, equitable and achievable. Plans should also be flexible to allow for changes in work requirements.

Monitoring. Assignments should be monitored regularly and consistently to allow for measuring performance, providing feedback to groups and individuals. It is important to conduct regular reviews where performance is compared against standards and to evaluate how the employees are performing or whether to make changes to unrealistic standards. It enables early identification of unacceptable performance.

Development. This involves the evaluation of developmental needs and increasing the abilities of employees to perform better through training and giving assignments that introduce new skills with greater responsibilities, improving work processes and methods (Manasa et.al,2010). Centum Investment Group in Kenya has used this approach to reward and motivate best talent.The current CEO,James Mworia has grown through succession planning from an intern to his current position. Provision of training and development opportunities strengthens work-related competencies and enables employees to cope with dynamic situations and emergence of new technologies(Masese,2013)

Performance appraisal. A performance Appraisal can be defined as performance review, an evaluation or a career development discussion that documents and evaluates an employee's performance. It is a systematic or periodic process used to assess employees' performance in relation to pre-determined organizational objectives, other aspects of behavior, potential for future improvement, strengths and weaknesses (Selden et.al 2011).

Performance management determines to a large extent the success or failure of the organization. Performance appraisal can be conducted by objective production of information, personnel and judgmental evaluation which is done bi-annually, annually or quarterely.Performance appraisals are useful in making decisions regarding compensation, performance improvement, promotions and termination. It can also facilitate communication about employee progress reports, establish personal objectives for training, fulfilmemt of legal requirements, selection practices, monitor career development, develop motivation and reward systems in organizations and improve levels of trust. However it has been noted that in some cases it can lead to legal suits if executed subjectively. It is important to note that performance appraisals are specific to the organizational context and the appraisal instruments cannot be used to evaluate performance of other organizations (Hope, 2011),(Hope,2012)

Performance appraisal provides an opportunity to communicate with employees on past performance and evaluate employees' job satisfaction while providing plans for the future. It summarizes an employee's contribution over a specified period of time and should not be seen as a link to disciplinary process. When preparing for an appraisal, the supervisor and the employee should have a positive attitude in a venue that ensures privacy. Aspects of self-evaluation, list of achievements, challenges, future improvements, job descriptions, performance standards, previous commendation letters and records of disciplinary action should be discussed during an appraisal session. It is important to discuss goals and objectives throughout the year and provide a framework to ensure employees achieve results. At the end of the rating period, the supervisor appraises the employees performance against existing standards and establishes new goals for the next specified period.

Some of the limitations of performance appraisals have been established as; the difficulty in determining the relationship between individual performance and organizational performance, if the performance appraisal system does not correspond to the organizational culture it can lead to unexpected results, subjective evaluation based on managers' perception of employees and can affect the quality improvement if the organization has embraced the total quality management system.

Coaching. This is a method adopted to manage the performance competencies of employees once clear standards have been set. It is embraced to strengthen the communication relationship between the supervisor and the employee to essentially shape performance. It involves discussions towards meeting mutually established standards and goals. This process increases employee motivation and self-esteem. During the coaching session, feedback sessions, alternative actions, follow-up meetings, recognition of success, improvement coaching take place. Coaching should focus on behavior and not on personalities. The use of reinforcement techniques to shape behavior are encouraged.

Setting performance standards. This activity forms the basis of performance management. Standards will exist whether discussed or in writing and serve as a basis for communication about performance. It is basis with which management can differentiate between acceptable and unacceptable performance. This activity leads to job satisfaction, maps out expectations for new employees and can lead to open and trusting relationships. Performance standards should be SMARTA and expressed in terms of quantity, quality, timeliness, use of resources, effect of effort, behavior and methods of performing assignments (Hope, 2011)

Measuring performance. Performance standards can be measured to keep track of progress through direct observation, specific work results, keeping records and reports on attendance, safety,inventory, financial records, commendations and constructive comments about employee's work.

Rewarding employees. This refers to recognizing employee effort and achievement either individually or as teams. It is an on-going process that provides for a range of award recognition that can be informal or formal rewards, time off and appreciation. This practice reinforces positive behavior and improved results (Shields, 2007)

Performance contracting. This is a management tool that measures performance against agreed targets. It is an agreement that spells out expected standards of performance or measurable targets which an organization or mostly governments require their employees to achieve over a period of time. It is a performance tool that specifies mutual performance responsibilities of the parties involved. Performance contracting anticipates the following results; improved efficiency and effectiveness in delivery of results, development of a performance culture, monitoring and evaluating performance, identify reward management mechanisms, can be utilized as an accountability tool, leads to optimum use of resources, creates leaders with a strategic focus to competitiveness and creates a results-driven management style (Hope,2011)

Recommendations

Drivers of Performance

From the above discussion the following recommendations can be deduced. What then are the drivers of performance?Ledford (2012) asserts that every organization is designed to get the results it posts. This is attributed to the key drivers of performance adopted by businesses. Key drivers produce performance while key indicators measure performance. The Performance Driver Model (PDM) focuses on the internal dynamics that shape the performance of business to produce results. Five drivers of performance have been identified which include; Strategy; how and where the organization chooses to operate and how it interacts with its environment,Process; refers to the operationalization of processes and systems to allow for the achievement of results,Structure; the organization of functions in the business and how systems are designed to support employee motivation and customer satisfaction ,People; this refers to how the organization undertakes its recruitment, development and retention programs for its employees and Culture; refers to the beliefs,thoughts,ideas and attitudes of the people working in the business and how they shape the behavior of the organization. These key drivers are interdependent and must be managed by the leaders of the organization.

The Key drivers identified above can be improved through training of employees and management on the performance drivers and how they impact on business results by paying attention to all aspects of the drivers of performance.Assessment of results will lead to a common framework for managing performance, evaluation of employee engagement and effectiveness, acceleration of continuous improvement through internal best practices, benchmarking performance driver indicators against those of similar organizations and providing feedback on effectiveness and impact of developmental leadership strategies.

According to Bossidy et.al (2002) drivers of performance are leadership and execution. They observed that employees who achieve excellent results work for leaders who create the right environment that fosters continuous improvement and excellence. A team with a great leader who is passionate and persistent about people can achieve up to 40% more than the same team with an average leader. Employee motivation therefore reflects great leadership skills. High performance demands high level of leadership techniques that can enable one achieve the expected results.

Bossidy et.al (2002) define execution as the discipline of getting things done. The difference between a company and its competitor is the ability to execute. If the competitors are executing better then they are beating that company in the here and now. They observed that leaders placed too much emphasis on high level strategy, intellectualizing and very little on implementation. Execution is therefore not about delegation, it is a discipline and a system to be built in the strategy, goals and culture of an organization and the leader must be deeply engaged in it and be honest about its realities with others.

Ledford (2012) also identified seven drivers of performance as follows; providing regular informal performance feedback to employees that is fair and accurate, encourage employees to take reasonable but calculated risks, provide regular formal performance reviews by placing emphasis on employee strengths and opportunities that they can leverage on, communicate clear performance standards to all employees whilst having candid discussions on where their performance exceeds or falls short of expectations, provide internal communication required for the performance of jobs, the need for leaders to be knowledgeable about employee performance information that is current, assign employees tasks that instill a sense of passion and innovation and provide performance improvement feedback to employees.

Bossidy et.al (2002) noted that one of the key drivers for business success is the management’s ability to effectively manage the performance of individuals and teams. Managing performance is driven by the gap between where the organization is and where the organization wants to be. It is imperative that both management and employees understand the vision of the business and what is required for them to achieve this vision. He therefore suggests the five drivers of performance as; setting standards and agreeing on targets and expectations by making them Specific,Measurable,Achievable,Realistic,Time bound and Agreed (SMARTA),managing the quality of work, measure and monitor the work done on a regular basis by putting in place targets and measurements, develop employees through coaching, mentoring and training; this ensures that gaps are identified and dealt with proactively and the provision of right tools, techniques and resources to enable employees achieve the set targets. Managers should therefore focus on all the drivers to achieve positive change.

Buckingham et.al (2015) observed that target performance management drivers lead to the achievement of organizational goals and employee commitment. These drivers direct, guide and influence employee performance and commitment regardless of the size of the organization. These drivers include; selection of employees by hiring, promoting and retaining the right employees for the right jobs; provision of job descriptions and job conduct, Provision of resources such as tools, facilities, training and materials; evaluate and assess employee performance; respond to employee performance through feedback ,coaching, reinforcement, compensation, discipline and warnings, all these in a bid to avoid underperformance and sustain excellence.

Conclusion

Performance management is a means of achieving business objectives, a process that differentiates the high achievers from the low achievers. However, it is imperative that organizations adopt performance management as a critical business activity rather than as a Human Resource process. It is valuable to measure individual goals on performance against quantitative metrics, demonstration of competencies, acquisition of new skills and innovation. There is also need to align individual goals to organizational goals not only at senior management level but at all levels of management, it has been noted that this linkage decreases significantly at lower levels where employees are not involved in setting their own goals. Investment in management and employee training also enhances the effectiveness of performance management.

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