

Proposing a Performance and Change Management Framework

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Abstract: The literature entitled results of implementing the performance measurement and management process in Arab countries may be totally different than the results reached when implementing it in Western countries because of cultural aspects which mean that culture is an important aspect when using performance measurement within an organization or country as the results may fail only because of culture. In turn, the change management will change the organizational state from the undesirable “before” to an improved or desirable "after" state as it takes culture into consideration when implementing change which can help in the performance measurement and management process.

The purpose of this paper is to propose a framework that links the performance measurement and management process to the change management framework in order to be used in the Arab countries to overcome the cultural problems that hinder progress.

Keywords: Performance Measurement, Performance Management, Change Management, Arab Countries, Cultural Aspects

Introduction

Performance measurement and management are correlated to each other but in some communities performance management is not effective (Bititci et. al., 2006). As will be presented in this paper, this non convenience is because of some cultural aspects that are found in those communities; those aspects cannot cope with the requirements of implementing the performance measurement and management process.

This paper aims to use the change management to help in modifying those negative cultural aspects. This will help organisations to measure and manage their performance more effectively and consequently be surer in reaching their objectives and goals.

In order to fulfil the purpose of this paper a brief literature is introduced for: (1) performance measurement and management showing their process and requirements, (2) cultural aspects that act as obstacles to performance progress in the Arab countries, and finally (3) change management explaining it, its relation to culture and a framework that helps in solving problems within organisations.

Finally, the paper ends with proposing a new framework that connects performance measurement, performance management and change management. This framework is intended to help the organisations facing cultural problems that stop the process of change.

Performance Measurement and Management

Performance Measurement and Performance Management are the logical sequence to each other as effective performance measurement is essential for an efficient performance management (Dinning, 1996; El- Araby et. al., 2006).

Performance measurement can be defined as a communication and management tool rather than a reward/punishment mechanism that is used to measure the effectiveness of performance of an organisation in attaining its goals and objectives (Dinning, 1996; El-Araby et. al., 2006). Neely et al. (1995) describe performance measurement as “*the process of quantifying action, where measurement is the process of quantification and action correlates with performance*”.

Furthermore, performance measurement is simply comparing what are the really attained goals to what goals should have been attained (Lichiello and Turnock, 1997; El-Araby et.al, 2006); while performance management is defined by some researchers (Artley et. al., 2001; I&DeA, 2006) as using the data gained from the performance measurement process and manage it to improve performance which leads to attaining the targeted goals.

Figure (1) shows the performance measurement process by O'Sullivan (2005), will be used in this paper to illustrate the relation between performance measurement process and performance management process (See Figure 1).

It could be noticed that the process in Figure (1) can be more precise if divided into two parts; as shown in Figure (2).

This process (system) of performance measurement and management is agreed upon by several authors such as (Artley et. al., 2001; I&DeA, 2006; Performance Management Process Handbook, 1999). According to these authors and to (O'Sullivan, 2005) the performance management process is simply implemented through the following steps:

- (1) Collecting data about the project goals and performance of team members from responsible parties according to the measures identified through the performance measurement process until a database is well arranged.
- (2) This data will be analysed and reported to know the actual performance.
- (3) This report will be used to compare actual performance to targeted goals.
- (4) If a variation is detected between the actual performance and the targeted goals then a corrective action should take place to reach the targeted goals.
- (5) If there is no variation then either new goals are set and consequently new performance measures and the cycles keeps going on; or there is no need for new goals which means that collecting data and evaluation shall be done again periodically to ensure reaching the targeted goals.

Performance measurement literature shows different aspects that should exist in an organization in order to be able to implement an effective and efficient performance measurement process (Bititci, et. al. 2005; Tangen, 2003; El Araby et. al., 2006; Islam and Labib, 2007). Several authors such as (El Araby et. al., 2006; Islam and Labib, 2007) state that these requirements are convenient more for the Western countries; rather than the Arab countries because of cultural differences as will be discussed in the following section.

Culture in the Arab Countries and its effect on Performance Measurement and Management

"Culture represents the complete design for living of a community of people inhabiting a particular environment" (Barakat, 1993)

The Arab identity and culture is formed through some aspects that all Arabs share: (a) the overall manner of living (social traditions, perceptions of different issues in social and political events, values, beliefs, customs, norms, traditions, skills) (b) shared history of science, knowledge or thought. (Barakat, 1993)

The Arab culture is a vast issue to go through in this paper, for this reason this section will show some characteristics that are related to culture and that affect the scope of the paper. Arab countries suffer from different cultural aspects that act as an obstacle to their progress. These cultural aspects are as follows:

- (1) Resists change (El Araby et. al., 2006)
- (2) Rejects initiatives that are not Arab originated (El Araby et. al., 2006)
- (3) Self-praise (Heggy, 1998a; Islam and Labib, 2007)
- (4) Stereotypes and Conspiracy Theory (Heggy, 1998a; Heggy, 1998b; Stables, 2006; Islam and Labib, 2007)
- (5) High Power Distance and High Uncertainty Avoidance (Hofstede, 2003a; Macleod and Baxter, 2001; Anjard, 1998; Hofstede, 2003b; Islam and Labib, 2007)

Table (I) presents cultural differences between nations as the culture prevailing in the Western countries differs from that in the Arab countries (Islam and Labib, 2007; Ali, 1996).

Table I: Cultural differences between nations:

Western (Lewinian) OD/change is:	East Asian (Confucian)Change is:	Arab/ Islamic change is:
Linear	Cyclical	Movement in a zig-zag pattern
Progressive	Processional	Processional
Destination-oriented	Journey-oriented	Goal-oriented and continuous
Based on creating disequilibrium	Based on restoring/maintaining equilibrium	Aimed at maintaining equilibrium
Planned and managed by people who are external to independent of objects or processes on why they act to achieve the desired goals.	Observed and followed by people who are at one with everything and must act correctly to maintain harmony in the universe.	Planned and managed by people who must act according to specific goals.
Unusual, because everything is normally in a quasi-stationary or static state.	Usual because everything is normally changing dynamic state.	Normal because everything is subject to change and man is proactive in directing change in ways that serve his and the community's interests.

(Source: Ali, 1996)

These cultural aspects act as an obstacle to progress and consequently cause problems in their communities. Therefore they need to be changed. Change management is a field of management that helps in solving problems to change organisations from an undesirable state into a desirable one as will be discussed briefly in the next section.

Change Management and cultural effect on change:

“Developing technology, the changing needs of stakeholders and economic pressures all contribute to the need for organisations worldwide to significantly modify the way they do things.” (Oakland and Tanner, 2006).

Organisational change mostly intends to change the organizational state from the undesirable “before” to an improved or desirable “after” state (Ragsdell, 2000). In spite of the importance and costs of reaching the desirable state *“many change programmes fail to meet expectations.”* (Oakland and Tanner, 2006).

Change is a way to tell people to adopt new ideas in dealing with different aspects of their lives. Of these aspects is introducing *“new ways of doing things, new ways of seeing*

themselves, their roles and their interactions with others inside and outside the organization.” (Sinclair, 1994). The change that might occur in an organization affects individuals from top managers down through the organization's hierarchy (Almaraz, 1994). Managers have to understand the influence of change on their employees and try to solve problems that may occur as a result to this change (Sinclair, 1994). These problems may happen because change is relative and differs from one person to the other, which makes it important to analyse problems that may occur from implementing change from different points of views (Sinclair, 1994; Ragsdell, 2000).

Change needs initiatives or elements for this change to take place; according to (Oakland and Tanner, 2006; Haridimos, 2005; Islam and El Araby, 2007) the most important initiatives are:

- Leadership
- Define Change
- Learning

Culture and cultural gaps will have a great role in the issue of leadership and learning concerning change and resistance to change as leaders deal with people and people are affected by culture.

Cultural gaps will also affect the communication between people (Sinclair, 1994) as communication is a very important factor in the process of change; its existence is considered an enabler while the lack of communication is considered a hindering factor of the process (Oakland and Tanner, 2006; Islam and El Araby, 2007) and that people are a main factor in the organizational change process (Islam and El Araby, 2007).

It can be observed from literature about culture and change management that “people” is a very important element when implementing change. In some cultures this is a problem as people have been widely recognized as a natural change-resistant. This problem could be solved as management gurus and consultants within the organizational change management area have developed over the years various approaches aiming at elevating employees' performance within organization (Sinclair, 1994; Ragsdell, 2000).

Concerning the scope of this paper some aspects of culture may be present within individuals of an organisation in the Arab countries as mentioned in the previous section. The following are some cultural aspects and how they affect directly the change that can be implemented within an organisation:

- Power distance will hinder any attempt for effective change, as it contradicts with the enablers of change (Oakland and Tanner, 2006), as well as neglecting an important element of change which is people in case of mal-management (Oakland and Tanner, 2006; Haridimos, 2005; Islam and El Araby, 2007).
- Self praise; makes it difficult for an organization to agree upon the need of a change unless there is a severe driver for change (Islam and El Araby, 2007).
- Stereotypes may delay change as an idea taken about a supplier or a raw material, may stop using it although it can help in the process of change, unless a vital change is needed (Islam and El Araby, 2007).

In order to solve the problem of culture and change, Figure (3) “The Oakland and Tanner framework” shows one of the managerial change frameworks that can be used in an organisation (See Figure 3).

From Figure (3) it can be observed that Oakland and Tanner, (2006) divided their framework into two stages:

Stage1: Readiness for Change

Stage 2: Implementing Change

The two stages are connected through different processes within the organization.

Oakland and Tanner, (2006) then define each stage as a cycle as follows:

Stage 1: Readiness for change: For an organization to examine its readiness for change, an external event or driver initiates the idea of a necessity for a need to change. As soon as the need for change is proved to leadership and direction it starts planning for the processes that will lead for the desired change.

Stage 2: Implementing Change: In order to effectively and efficiently implement change; the processes should be subject to convenient resources, systems, rules and controls, in addition to the its convenience to people's behaviour (behaviour) within an organization.

A Proposed Framework

As mentioned in the previous literature; some cultural aspects in the Arab countries act as a huge obstacle in the way of performance progress and may hinder the implementation of an effective performance measurement and management process. As change management deals with people's behaviours as a core component of its process. Figure (4) introduces a framework that combines both "Performance Measurement and Management Process" and "The Change Management Framework" (See Figure 4).

The new framework is considered simple as it takes the first steps of any ordinary performance measurement process:

1. Identify the process subject to measurement in the organization.
2. Identify and measure critical activities in this process that will affect the rest of the process.
3. Identified the targeted performance goals.
4. Establish the suitable performance measurements that will be used according to the nature of the process.
5. The last step is to identify the responsible member(s) who will manage the performance to reach the targeted goals.

Then the typical performance management process starts by:

1. Collecting the required data about the specified process and the required goal from the organisation database.
2. The actual performance status will be reported by the responsible member(s).
3. The actual current performance will be compared to the targeted performance goals by the responsible member(s).
4. At this point one if no gap is found between the actual and desired goal(s); then this means no corrective action is required. However, the performance process shall require a feedback loop, either to set new goals or to collect new data.
5. If new goals will be set then new measures will be identified according to the new goals of performance and the same steps will be repeated again.

The turning point in the model starts if there is a gap between the actual and desired goal(s); which means that a corrective action needed.

1. In the usual performance management process; if there is a corrective action needed then the responsible member(s) should make the needed changes that made the gap in

performance and bring it back into place. The problem here is if these gaps in performance were due to cultural aspects such as those listed in the literature of this paper.

2. If the corrective actions are because of cultural aspects then the change management process shall take place starting with the readiness for change stage.
3. Leadership and direction shall plan and find the best way to overcome the cultural aspect(s).
4. Process the plan and find out whether people are ready for accepting change or not. In case they are ready then new plans and research shall be implemented until the individuals in the organisation are ready for accepting change.
5. As soon as the readiness for change stage is completed the change implementation stage shall start to test the actual change in the individuals' behavior and cultural aspects which were obstacles to performance management.
6. The implementation of change stage shall be repeated until people's behavior is changed and to make sure of that the framework shows a returning loop to compare actual performance to goals and complete the same steps again.

Conclusion

According to the previous literature the author claims that if the change management framework is combined with the performance measurement and management process, many problems that act as an obstacle to performance progress in the Arab countries can be eliminated and thus help in increasing development.

The researcher believes that this framework is theoretically accepted but is not yet implemented; the author highly recommends framework implementation as further

research. The researcher predicts that the implementation shall take a long time that may reach a number of years as changing people's culture and their mind set is a difficult and time consuming process.

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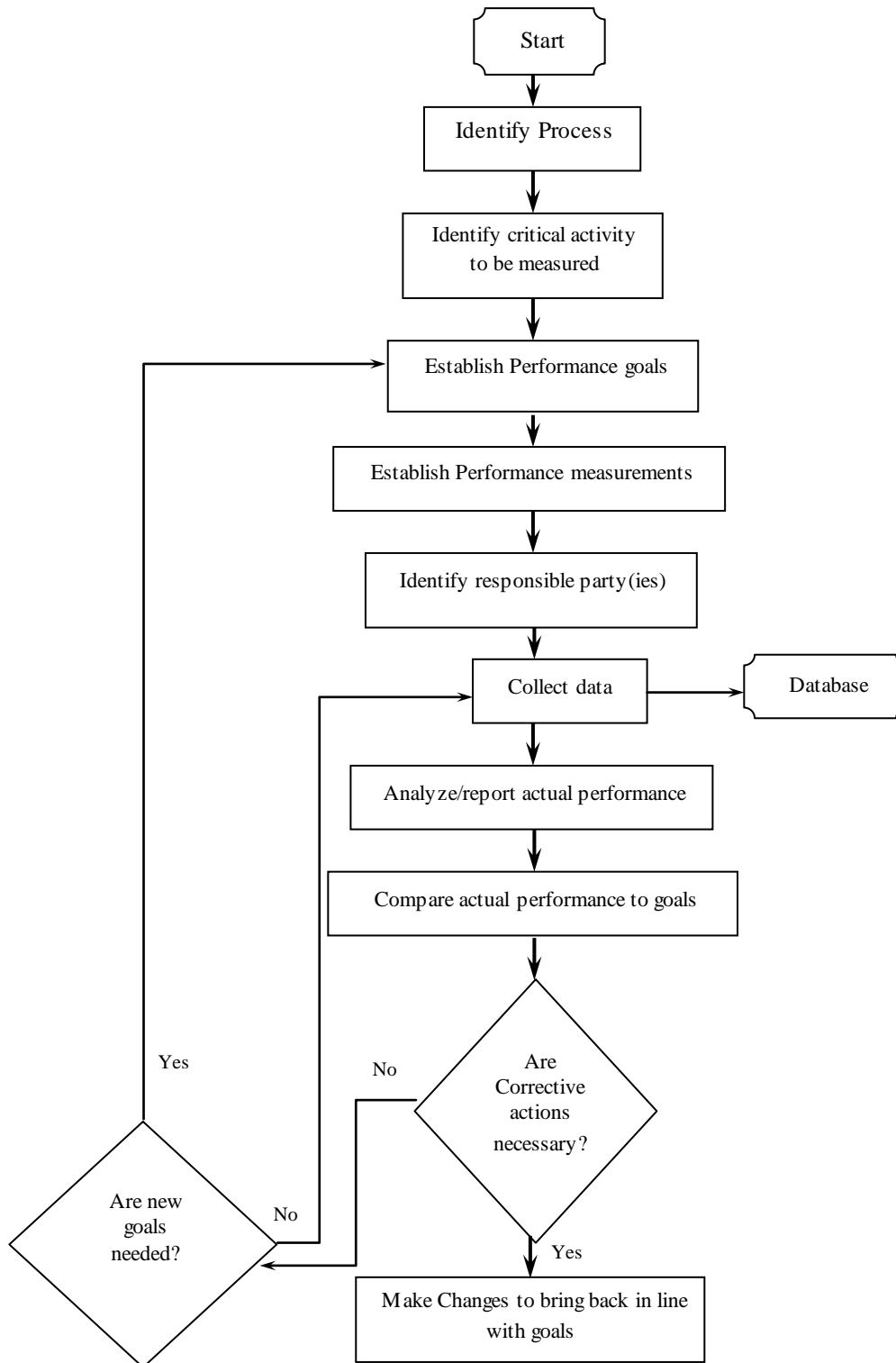
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Figures:

FIGURE (1): PERFORMANCE MEASUREMENT PROCESS



Source: O'Sullivan

FIGURE (2): THE RELATION BETWEEN PERFORMANCE MEASUREMENT AND PERFORMANCE MANAGEMENT

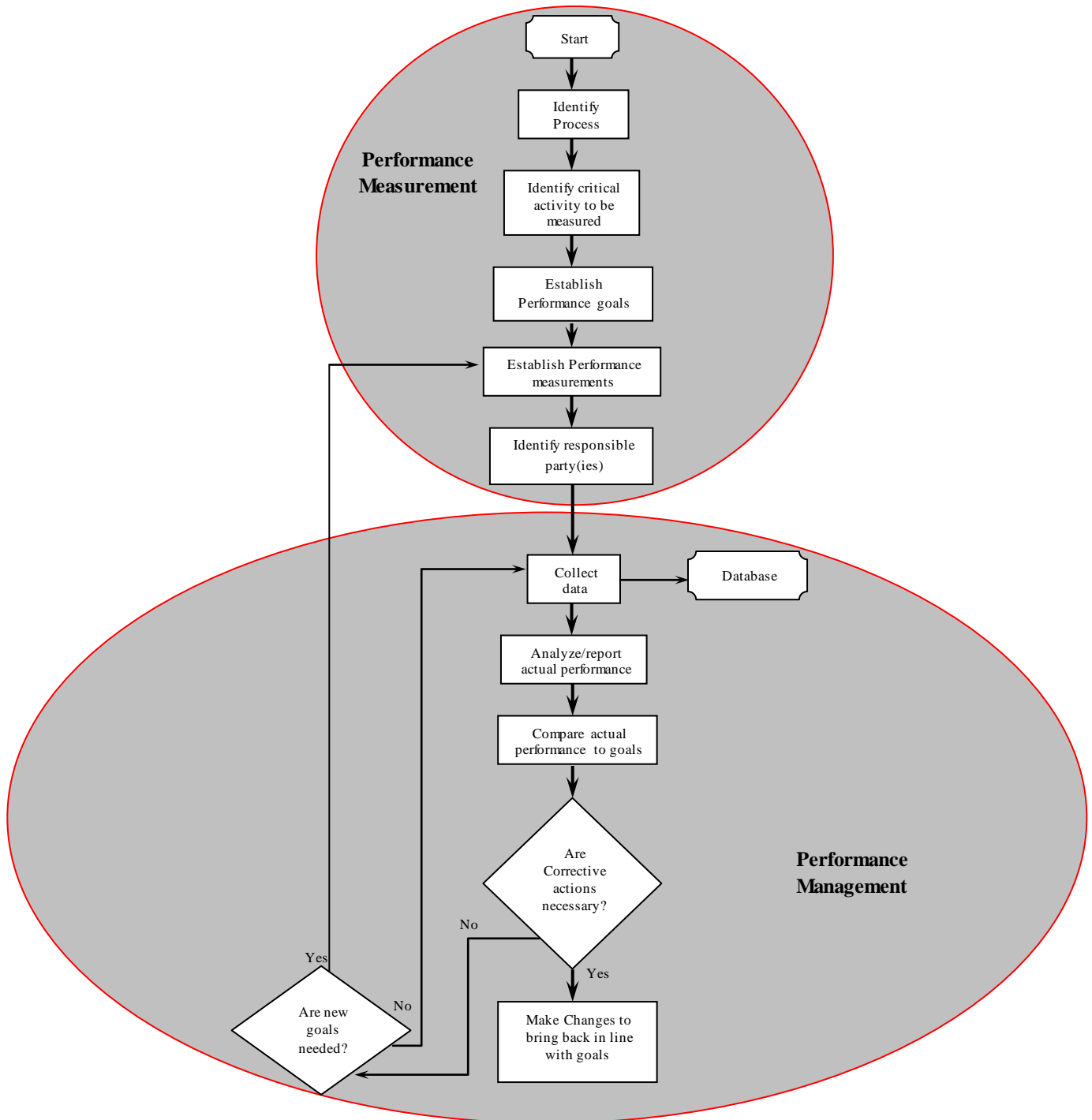


FIGURE 3: THE OAKLAND AND TANNER FRAMEWORK

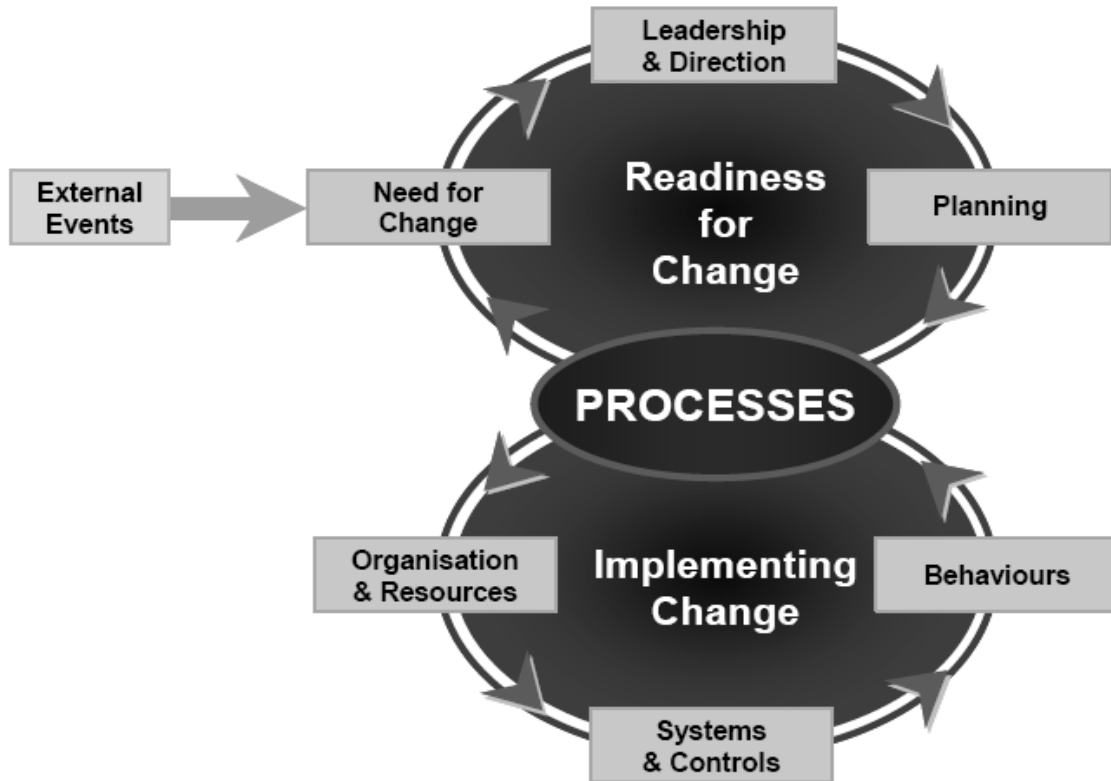


FIGURE 4: A PROPOSED FRAMEWORK

