Relative Importance Index in Ranking Performance Management Practices Towards Organizational Performance

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Abstract
Deficiencies in the implementation of water supply projects, inadequate water infrastructure management, customer dissatisfaction with water services, and persistent water production shortages, are performance problems that affect water service delivery. This paper aimed to identify the performance management practices affecting the performance of Mtwara Urban Water Supply and Sanitation Authority by using the Relative Importance Index (RII) method. The method used for data collection was a questionnaire. A sample of 64 respondents was drawn from the study population using a simple random sampling technique. Performance management practices were ranked using the responses acquired from respondents. The calculation of the Relative Relevance Index (RII) showed the ranking level of relevance. The finding showed that goal setting was ranked first (RII = 0.85), performance appraisal of employees was ranked second (RII = 0.83), measurement of performance ranked third (RII = 0.82), and target alignment with strategic objective (RII = 0.81). This study has an important contribution to guide managers and Human Resources professionals in designing and implementing more performance management strategies that align with organizational goals for effective water service delivery.

1. Introduction

In different parts of the world, freshwater resources are inadequate to meet different needs, which include domestic, economic development, and environmental needs (Naik 2017). About 2.2 billion people all over the world rely on unimproved drinking water sources, of which 2 billion live in countries that experience high water stress (UNICEF, 2021). The population growth rate in sub-

Saharan African countries is c.2.7% per annum and is projected to double by 2050 (World Bank 2019). Over 40% of its population, c.21 million people, lack access to improved drinking water (Enabel 2019). The United Nations' Sustainable Development Goals (SDGs) focus on achieving universal access to safe water and sanitation by 2030 (UNDP 2022) but access to water is still a challenge. The study is in line with the Tanzania Development Vision 2025, the Sustainable Development Goals (SDGs) particularly 6 which focus on ensuring the availability of clean water. The Tanzanian Government is determined to provide high-quality, accessible, and affordable water supply and sanitation service delivery. Throughout 1990, Tanzania's water sector was reforming to improve service delivery (Act No. 8 of 1997). In 1991 First National Water Policy, introduced user charges, 1998 Urban Water Supply and Sanitation Authorities were established, 2001 legislation for an independent utility regulator was passed 2002, National Water Policy was adopted, and Basin level management of water resources was introduced (Water Report 2015-2020, Ministry of Water). In 2022 the government created a 2022 National Water Policy that aligns with the Government's 2025 Development Vision. Mtwara Urban Water Supply and Sanitation Authority (MTUWSA) is one of the Urban Water Supply and Sanitation Authorities in Tanzania whose mission is to provide water and sanitation services in Mtwara municipal. Since gaining independence, the Urban water authorities are still facing challenges in terms of quality, affordability, and accessibility. The Water Report, 2015-2020, indicates there is a low improvement in water supply. Government efforts to provide adequate water services are hindered by enormous challenges. The Annual General Report of the Controller and Auditor General for Public Authorities (CAG) for the financial year 2021/2022 argued that one of the key causes of poor water service delivery is the lack of effective performance by Urban Water and Sanitation Authority including Mtwara Water Supply and Sanitation Authority (MTUWASA). Deficiencies in the implementation of water supply projects, inadequate water infrastructure management, customer dissatisfaction with water services, and persistent water production shortages are performance problems affecting water service delivery. There is an urgent need to bring together empirical data to understand the performance management practices that influence the performance of MTUWSA. Therefore, this study intends to rank different performance management factors by their level of importance using the Relative Importance Index.

2. Literature review

2.1 Performance management

Performance management refer to a go-together of planning, feedback and evaluation activities that gives employees the means, motivation, and opportunity to improve firm-level performance" (Schleicher et al., 2018. Performance management is a technique for assessing, recognizing, and developing individuals' performance by coordinating it with organizational strategic objectives (Ramataboe,2015). Performance management includes goal-setting(Bjurstrøm,2020), objective-setting (Beeri et al.,2019), and strategy-decision-making (Bouhazzama & Mssassi, 2020). The system uses ongoing evaluation and feedback to improve employee performance. Performance reviews improve feedback between employees and managers yearly performance reviews. According to Gebru (2018), consistent communication between the employer and employees promotes a working attitude, leading in improved performance. Performance management has assumedcentral importance, to ensure efficiency, effectiveness, and accountability in theface of mounting pressure to provide essential services to communities while simultaneously reducing costs (Sosu,2020). Performance management is distinct when employees have a clear idea about Performance management practices (i.e. planning, feedback, and evaluation). Performance

management are consistent when practices are applied coherently over time, and are based on agreement between decision-makers (Van Waeyenberg et al., 2022).

3. Methodology

This study investigated the Relative Importance Index (RII) in ranking the performance management practices towards the organizational performance of MTUWASA. Quantitative methodologies were adopted in this study. Sixty-four (64) employees of MTUWASA were sampled randomly. Primary data was collected using closed-ended questionnaires. A 5-point Likert scale was used to collect data. The questionnaires were collected and analyzed by using Statistical Package for Social Science (SPSS 20). RII was used to rank the different Performance management factors that had an impact on the performance of the MTUWASA. The performance Management practices analyzed were performance appraisal, performance measurement, alignment of individual targets on strategic objectives, performance agreement, performance dialogue, clear goal setting and performance feedback. The five-point scale ranged from 1 (strongly disagree) to 5 (strongly Agree) and was computed to Relative Importance Index (RII) for each factor.

3.1. Data Analysis

Using the Microsoft Excel tool, the respondents' feedback was analyzed. Relative importance index analysis was calculated based on the information provided in the questionnaires. The Relative Relevance Index (RII) calculation was significant to this study because its result indicated the ranked degree of relevance. To calculate the relative index, the following formula was applied.

$RII = \sum Wx \ X / Ax N$

Where:

W= the weight given to each response

X= the frequency of each response

A= the highest weight (5 in this case)

N= the total number of respondents

According to Akadiri (2011), five important levels were transformed from RI values: high (H) ($0.8 \leq RI \leq 1$), high medium (H–M) ($0.6 \leq RI \leq 0.8$), medium (M) ($0.4 \leq RI \leq 0.6$), medium-low (M-L) ($0.2 \leq RI \leq 0.4$) and low (L) ($0 \leq RI \leq 0.2$).

4. Results

4.1 Cronbach's Alpha Reliability Coefficients

Performance Management practices were evaluated for Cronbach's Alpha Reliability. There is high internal consistency for the data set in which Cronbach's Alpha is more than 0.7 (Hair et.al, 1998). The internal consistency reliability is determined by Cronbach's alpha, which uses the following criteria: The criteria of Cronbach's alpha for establishing internal consistency reliability are: excellent ($\alpha > 0.9$), good ($0.7 < \alpha < 0.9$), acceptable ($0.6 < \alpha < 0.7$), poor ($0.5 < \alpha < 0.6$), and unacceptable ($\alpha < 0.5$). Performance management practices had internal consistency values of 0.741. This demonstrates that the data had strong internal consistency and reliability was appropriate for analysis.

4.2 Relative Importance Index Analysis

The Relative Importance Index (RII) is a statistical tool used to rank different factors by their level of importance or impact. Research commonly uses it to prioritize items based on respondents' ratings. A relative index analysis was used to estimate the relative significance of Performance management practices among employees of MTUWASA. Table 1 shows the rankings for each performance management practice at MTUWASA. The overall findings demonstrated that clear goal setting, measurement of performance, alignment of performance targets with the strategic objective, and performance appraisal of each employee ranked High. Timely feedback on the performance of employees received a High-Medium ranking. Performance appraisal of each employee scored a Medium ranking.

**Table: Ranking of Performance Management Practices
(N=64)**

NO	Statement	RII	Rank	Importance level
1	Clear goal setting	0.85	1	H
2	Each performance target is aligned with the strategic objective	0.81	4	H
3	Agreement with employees on specific targets to be achieved	0.58	6	M
4	Timely feedback on the performance of all employees	0.76	5	H-M
5	Positive performance dialogue among employees	0.55	7	M
6	Measure organization performance to improve performance	0.82	3	H
7	Performance appraisal of each employee	0.83	2	H

4.3 Discussion

The results from calculations of the Relative Important Index (RII) method, indicated that the most important performance management practices that had an impact at MTUWASA were goal setting, followed by performance appraisal, measurement of performance, and alignment of targets to the strategic objectives. This implies that MTUWASA should prioritize and review the performance of employees on various aspects of work periodically. The performance appraisal of the organization provides feedback on the performance of the organization and improves performance. This is supported by Raveendran & Hameela, (2020) who argue that performance appraisal ensures that employees contribute to achieving an organization's objectives. Performance appraisal plays a crucial role in job performance (Dasanayaka et al., 2021). The RII has also shown that the alignment of targets to the strategic objectives was one of the important performance management practices at MTUWASA. MTUWASA should focus its efforts on the alignment of targets to the strategic plans. This implies that the alignment of individual targets to the strategic objectives will

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enable MTUWASA to allocate resources effectively and enhance performance. Performance measurement involves assessing how well employees in an organization are achieving organization objectives by using key performance indicators (KPIs). This study has shown that performance measurement of employees at MTUWASA is one of the factors affecting organizational performance. This finding implies that MTUWASA has to track the progress of its employees and make corrections and adjustments to improve performance. However, the manager's encouragement of positive performance dialogue among employees and the manager's agreement with employees on specific targets to be achieved was of low importance as the RII showed medium.

5. Conclusion and Recommendations

The analysis of the Relative Importance Index (RII) has provided valuable insights into the key factors influencing effective performance management. The findings indicated that the most critical components, as ranked by the RII scores include regular feedback mechanisms, clear goal setting, alignment of targets with the strategic objective, and performance appraisal of each employee. These elements are consistently reviewed as paramount across various organizations' contexts.   Regular feedback emerges as the priority, highlighting the necessity for ongoing communication between managers and employees. Clear goal setting was also highly ranked, underscoring the importance of well-defined objectives in guiding employees' efforts and measuring success. Furthermore, initiatives aimed at fostering employee appraisal were found to be crucial as they contribute significantly to performance. Conversely, the RII analysis factor on "managers encouraging positive performance dialogue among employees" and "agreement with employees on specific targets to be achieved" while still important was ranked slightly lower. This finding suggests that performance dialogue and performance measurement are enhanced when combined with other elements of performance management. The findings can guide managers and Human Resources officers at MTUWASA in designing and implementing more performance management strategies that align with organizational goals. Future research could expand on these findings by exploring the impact of other variables on the RII of performance management practices of MTUWASA.

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