

# **The Use of Performance Measurement Information in the Tanzanian Public Sector: The Case of National Housing Corporation**

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**ABSTRACT:** *This paper examines the use of performance measurement information in the Tanzanian public sector by focusing on one public organization; the National Housing Corporation (NHC). In most countries, public organizations are now engaged in producing performance measurement information and our aim in this paper was to understand how performance information is used, for what purpose and by whom. Addressing these questions is important if we want to understand the implications of the introduction of performance management system in public organizations.*

*Our main findings indicate that public organizations are still struggling to implement performance measurement system and that performance measurement information are somehow being used by many important factors, including and the NHC itself. The information is used for various reasons including for the purpose of improving the agency's internal operation. In the context of this study, we can therefore say that performance measurement will continue to be part and parcel of most public organizations' management.*

**Keywords:** Public Sector Reforms, Performance Management, Performance Measurement in Tanzania

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Public organizations in most countries are facing enormous pressure to increase the quality of their services and improve the efficiency and effectiveness in the utilization of their productive resources. This has eventually forced public organizations to adopt new management techniques, mostly drawn from the private sector under the influence of New Public Management (NPM)-inspired reforms. As can be noted in the literature (See Hood, 1991, Pollit and Bouckaert, 2004, Politt and Van Thiel, 2007) an enduring legacy of NPM is the pressure for public organizations to justify spending in a transparency and measurable way. Performance measurement techniques have become integral part of the tools that are useful in managing public sector. The use of performance measurement systems is frequently recommended for facilitating strategy implementation and enhancing organizational performance (Davis and Albright, 2004). Today, performance measurement comprises the use of financial as well as non-financial performance measures that are linked to the organization's performance strategy. It has been argued that performance measurement can help organizations to promote transparency, provide a means of rewarding performance, and promote learning between and within organizations.

Tanzania has undertaken many NPM-inspired reforms and indeed performance management constitutes the core of Tanzania's public service reform programme (PSRP). The PSRP has been implemented in Tanzania in order to improve public service delivery and policy management. Indeed, every public organization is required to introduce performance management system (PMS) so as to improve the efficiency and effectiveness of its service delivery and to ensure that value for money is achieved. Most public organization in Tanzania are now struggling to introduce new management reforms that would enable them to focus on achieving specific performance results with possibly limited resources. The national housing corporation is among the many public organizations that are implementing new performance management approach that include performance measurement and it would be of great interest to see whether this policy reform has been effectively implemented. It is important to recognize that in both public and private sector, measuring organizational performance has been a complex exercise that demands both resources and organizational commitment.

It is thus important to explore and understand to what extent NHC has gone beyond policy rhetoric by implementing performance measurement agenda as part of its performance management reform. Our aim is to contribute to our understanding of how performance

measurement approach works in practice in Tanzania. To that effect we thus seek to address the following questions: Is there a performance measurement system at NHC? How performance measurement information is used in practice at NHC and by whom and for what purpose? Addressing these questions is important if we want to understand the implications of the introduction of performance management system in public organizations, especially in developing countries.

### **Performance Management in the Public Sector**

Public sector reforms that started about three decades ago have made performance management a central activity for public managers. These reforms were seen as necessary in order to improve not only the efficient and quality of public services but also to enhance public sector accountability. Indeed performance management is concerned with the process for achieving the objectives of an organization in more efficient and effective ways. Rouse (1997) defines performance management as the process 'from the inputs to the outcome'. As key aspect of the public sector reforms, the implementation of performance management systems aims at bringing the process of public service delivery closer to business methods or private sector management techniques. It has been noted that the introduction of performance management cycles in the public organizations signifies a shift from administrative approach in delivery public policies to more managerial approach with major focus on performance results (Sulle, 2011). In this regard, Dunleavy and Hood (1994) suggest that the move from public administration to new public management was accelerated by the growing importance of performance measurement systems, competition and de-concentrating provider roles.

The appeal of this approach lies in its promise to enhance the performance of public sector organizations. According to NPM, the traditional public administration model performs poorly because it lacked explicit standards of performance and that there was no a strong result-based accountability (Sulle, 2011). An important approach in performance management is managing for results or performance-based accountability for public sector managers. Managing for results requires public organizations to move away from an administrative culture of compliance, error avoidance, rigid rules and procedures to a more efficient and effective public service management systems. It demands multiple changes to the existing public administrative systems that, for years, were based on the Weberian model.

The influence of NPM-inspired reforms in improving public sector management has remained a matter of endless debates. Although many agree that NPM –

inspired reforms have introduced into the public sector a range of new management techniques such as performance measurement, staff appraisal systems, performance related pay, scrutinize, the so-called “quality audits”, customer feedback mechanisms, customer charters, and quality standards’ and new management culture (Hoggett 1996, Pollitt 1993) many criticisms are equally leveled against NPM. For instance, NPM has been criticized for putting the public sector out of control through privatization, over-contracting-out and weakened accountability. For a developing country like Tanzania, scholars are also skeptical about the success of NPM-inspired reform because of weak administrative capacity and poor management culture (see Schick 1998, Sarker, 2006)

### Performance Measurement for Public Organizations

Central to the current approach to performance management is the use of performance measurement in determining public organizations’ performance. Measuring performance is seen as critical in improving effective use of public resources and in enhancing accountability for performance-results. David et al (2001) argues that performance measurement has been the barometer of performance management. More specifically, performance measurement can allow the public to know not only how much money public organizations spend, but also how much work they do and how well or efficiently they do it. Moreover, the information from performance measurement is needed for accountability, including accountability of the elected representatives. Therefore performance-based measurement is said to accountability, the quality of the policy making and decision making processes.

Performance measurement has been defined in many ways. Neely, (1998) defines performance measurement as the process of quantifying the efficiency and effectiveness of past actions through acquisition, collation, sorting, analysis, interpretation and dissemination of appropriate data. Moullin, (2002) defines performance measurement in terms of its purpose; emphasizing the assessment of how well organizations are managed and the value they deliver for stakeholders. Performance measurement can serve different purposes and in this regard, GOA (1980) defines it as assessment of an organization’s performance that may include the measures of:

- Productivity, which quantifies the outputs and inputs of an organization and expresses the two as a ratio. Generally, the ratio is expressed as output to input.

- Effectiveness, which determines the relationship of an organization’s, outputs to what an organization is intended to accomplish.
- Quality, which examines an output or the process by which an output is produced. Quality is indicated by attributes such as accuracy (or error rate), thoroughness, and complexity.
- Timeliness, which evaluates the time, involved producing an appropriate output.

It is hence imperative to note that performance measurement systems come in all shapes and sizes, from those that monitor detailed indicators of a production process or service delivery operation within one particular agency every week, to others that track a few global measures for an entire state or the nation as a whole on an annual basis (Poister, 2003). Some performance measurement systems are intended to focus primarily on efficiency and productivity within work units, whereas others are designed to monitor the outcomes produced by public programs. It can also be used to track the quality of the services provided by an agency and the extent to which clients are satisfied with these services

Therefore public managers have to build their performance measurement systems according to the purposes they want to achieve. This is because indicators appropriate for one purpose may not be suitable for another. Bhen (2003) however, points out that measuring outcomes is much better than measuring inputs, processes and outputs. From inputs to outcomes, an integrated performance measurement system can help governments better evaluate their interactions among services.

Purpose	Purpose
<b>Evaluate</b>	Outcomes, combined with inputs and with the effects of exogenous factors
<b>Control</b>	Inputs that can be regulated
<b>Budget</b>	Efficiency measures (specifically outcomes or outputs divided by inputs)
<b>Motivate</b>	Almost-real -time outputs compared with production targets
<b>Promote</b>	Easily understood aspects of performance about which citizens really care
<b>Celebrate</b>	Periodic and significant performance targets that, when achieved, provide people with a real sense of personal and collective accomplishment
<b>Learn</b>	Disaggregated data that can reveal deviancies from the expected
<b>Improve</b>	Inside-the-black-box relationships that connect changes in operations to changes in outputs and outcomes

### **The Rationale of Performance Measurement in Public Organizations**

Many reasons have been advanced to justify the use of performance measurement in the public sector. Poister (2003) argues that when performance measurement systems are designed and implemented effectively, they provide a tool for managers to maintain control over their organizations. It can also act as a mechanism for governing bodies and political leaders to hold public organizations accountable for producing the desired kinds of results. In this case the benefits of performance measurement are not only to managers of an organization but also to key stakeholders of that particular organization. It has also been noted that, performance measures are critical elements of many kinds of results-oriented management approaches, including strategic management, results-based budgeting, performance management systems, process improvement efforts, performance contracting, and employee incentive systems (Poister, 2003). Furthermore, performance measurement can produce importance information that can contribute to more informed decision making. For instance, measures of output, productivity, efficiency, effectiveness, service quality, and customer satisfaction provide information that can be used by public organizations or the government to manage their programs and operations more effectively (cf Poister, 2003). They also serve as essential management tool that helps organizations to reward success or failure and to take further corrective action. Also as Poister (2003) observed, measurement systems can be used to communicate the results produced by the organization to an array of external as well as internal audiences. In addition, it can also help an organization make its case, for example in supporting budget requests to governing bodies or the government.

Indeed, it seems convincing to suggest that both organizational management and their respective stakeholders will have clear motivation for introducing performance measurement. At organizational level, the use of performance measurement will draw attention of the management and staff to particular aspects of organizational performance to be measured. In insisting the importance of performance measurement, Osborne and Gaebler (1992) have once said the following inspiring words: “What gets measured gets done”,... “If you don’t measure results, you can’t tell success from failure”. Furthermore, “if you can’t see success, you can’t reward it”..., and “if you can’t recognize failure, you can’t correct it”.. As Poister, (2003) argued, performance measures are thus essential for letting managers know “how things stand” along the way so that they can act accordingly to maintain or improve performance

### **Performance Measurement Systems**

Effective implementation of performance measurement for any organization would need the present of effective performance measurement systems. It is this system that would monitor, evaluation and determine the success in the achievement of performance goals and targets that have been measured. Performance management system allows organizational management and stakeholder to track selected performance measures at regular time or intervals so as to assess performance results. . According to Poister (2003) performance measurement systems is the principal vehicle for observing, reporting, and using performance measures, and most people who are directly involved in performance measurement are engaged in designing, implementing, managing, maintaining, or using performance measurement systems. Poister, further notes that performance measurement systems consist of three components, which pertain to data collection and processing, analysis, and consequent action or decision making. In the first place management is responsible for clarifying and communicating the strategic framework within which the performance measurement system will be used—including the organization’s mission, strategies, goals, and objectives, and the targets to be attained—and ensuring that the system is appropriately oriented to that framework ( cf, Poister, 2003).

In the performance measurement system, the next step is collect appropriate information and data on performance targets to see whether or not units in the organizations are succeeding in achieving their goals. These data are often on performance indicators that can be computed from the raw data; often in the form of averages, percentages, rates and ratios, and rates of change. These performance indicators need to further be analyzed for meaningful interpretation of organizational success or failure so that appropriate rewards, sanctions and corrective measures are taken respectively. Indeed, performance measurement is meaningful when managers and stakeholders use its information for informed decision making. Poister (2003), insists that managers should pay attention to the performance data and consider the results in making decisions regarding overall strategy, program design and implementation, service delivery systems, resource acquisition and use, and a variety of support systems. Furthermore, performance data can also be used to refine goals and objectives, targets, and standards as the organization gets more experience with the system, possibly “raising the bar” for expectations as actual performance improves over time.

## **Towards Performance Measurement Approach in the Tanzanian Public Sector**

Performance management constitutes the kernel of Tanzania's Public Service Reform Program (PSRP) which is being implemented in the entire public sector. These reforms were initiated in order to improve public service delivery and in improving the management of public organizations in general. In line with these reforms all public organizations, all public organization are required to introduce in their organizations, performance management system (PMS). The aim of PMS was to improve the efficiency and effectiveness of public service delivery by linking and aligning individual staff performance, organizational and the public service objectives and results (Bana, 2009). It also meant to highlight the issue of how employees do their work and how they achieve their performance goals (efficiently?) Generally speaking performance management was meant to introduce new management techniques in delivery public services in Tanzania.

According Rugumyamheto, (2004) public organizations in Tanzania are required to develop their own reform strategy that would ensure every public organization implement its own performance management system. The new reform strategy, named result based management approach was introduced using a home grown reform rubric known as Performance Improvement Model (PIM). This is an integrated approach to performance management with interlinked four stage processes and nine elements. This approach, among other things, requires all public service institutions to plan, implement, monitor, evaluate, and report on performance, and finally carry out performance reviews.

From the year 2000 to 2006 PIM has been installed in all Ministries, independent departments, Executive Agencies and Regional Secretariats (Bana, 2009). The government introduced a number of reform measures in order to facilitate the institutionalization of this new performance management system. Some of the specific management tools included strategic and operational planning, client service charters, service delivery surveys, self-assessment programmes, performance budgets, the introduction of Open Performance Review and Appraisal System (OPRAS) and comprehensive monitoring and evaluation (M&E) system (Bana,2009).

Furthermore, in order to effectively implement performance management system in the public sector, the government of Tanzania decided to introduce various legislations and rules. This is because, effective performance management requires the institutional and legal frameworks. However, it should be noted that new

legislations are a necessary but not sufficient condition for institutionalizing managing performance systems in the public sector. Both the hard (laws) and soft measures, including counseling and training are required to enforce compliance with performance management requirements. It is thus safe to say that the implementation of performance management system in the Tanzanian public sector is supported by the appropriate institutional and legal framework.

### **National Housing Corporation**

This public organization is chosen a case study of this research, and it is therefore important to briefly describe it. The national housing corporation (NHC) is a public organization established by an Act of Parliament No.45 of in 1962. Since then this organization has undergone a number of reforms and restructuring and it has been moved or has worked under different ministries. Indeed, the NHC is one of the more 400 parastatal organizations established in Tanzania during the post colonial era to the earlier 1980s. However, most parastatal organizations are now privatized and the very few remaining are now required to operate without government subsidies.

Since its establishment the main mandate of The NHC was provide low-cost housing to Tanzanians. It was meant to the implementing hand for all governmental policies and strategies related to human settlements. Therefore during the first 20 years, the NHC has constructed over 20,000 dwelling units in all major cities of Tanzania for the rental market. It has also carried out contractual construction works for the general construction industry.

NHC institutional framework was entirely overhauled in 1990, when the Acquisition of Buildings Act of 1971 was repealed and all the buildings that were in the ownership of the this agency under the Registrar of Buildings Act, were transferred to NHC .This means that the NHC was given more mandate and responsibility in fulfilling the increasing demand for housing in Tanzania. More recently, and especially the 2005 amendment has empowered the NHC to operate more commercially and its focus on low-income housing was lessened. The current mission of the NHC is now to provide accommodation to all income groups as well as for industries and commercial undertakings

Apart from these reforms, this organization is still lagging behind in meeting public demands for housing. For instance, NHC constructed only 762 units between 1990 and 2007. It is probably for this reason, a major overhaul of the National Housing Corporation was carried in 2010, including the recruitment of a new

board and executive team to spearhead the Corporation's effort to become a master estate developer by 2015.

According to the company's five year strategic plan, which envisages increasing the housing sector's GDP contribution to 4 per cent (currently at 1 per cent) the NHC expects to develop a minimum of 15,000 houses for sale and lease by June 2015. This would include the construction of 10,000 medium and high class homes and an additional 5,000 homes aimed at low income buyers.

In terms of governance, NHC is directly responsible to the Ministry of Lands, Housing and Human Settlement Development through the Director of Housing. The NHC is also an independent body with its own Board of Directors and Management. The Ministry is only responsible for policy matters that relate to the main mission of the NHC. The government is represented in the NHC Board. The chairperson of the Board is appointed by the President of Tanzania and members of the board are appointed by the minister responsible for Land, Housing and Human settlement. At managerial level, NHC is headed by Director General, who is assisted by a management team composed of directors of various NHC directorates.

### Methodology

This paper is based on a case study design and it takes the National Housing Corporation in Tanzania (NHC) as its focal point. Our aim is to understand how performance measurement is used in public organizations in Tanzania, given the arguments that public organizations in most developing countries tend to poorly implement new management techniques that are mostly borrowed from the private sector under New Public Management-inspired reforms (Schick, 1998; Sarker, 2006). It is thus important to examine and understand how public managers in Tanzania are struggling to implement this new management approach and to what extent they have not or have succeeded in overcoming the obstacles of using these new management tools in enhancing the performance of their organizations. Given the exploratory nature of this paper, a case study design is chosen, because as Bassey (1999) noted, an essential feature of case study is that sufficient data can be collected for researchers to be able to explore significant features of the case and put forward interpretations for what is observed.

This paper uses both primary and secondary data. For primary data, it draws from interviews and questionnaires addressed to different employees of the National Housing Corporation. By using purposive

sampling techniques, individual staffs from top leadership to middle-level managerial positions were carefully selected and involved to get primary data. In addition, key stakeholders of NHC services were also approached for interviews. They were drawn from the parent ministry and NHC board. For secondary data, various publications from NHC (annual reports and strategies planning) and those related to public sector management in Tanzania were reviewed. These materials were further supplemented by general literature review indicated in our references.

### Research Findings

**Performance Measurement at National Housing Corporation:** Our first empirical question was to determine the implementation of performance measurement practice at this public organization and to see how performance is measured and by whom. This will enable us to understand whether or not the introduction of performance management reform is still at rhetoric level or it has been institutionalized and well grounded in the NHC management practice.

Our documentary reviews and the subsequent interviewed indicated that, generally speaking, the NHC has introduced new performance management systems in its various departments and sections. In order to modernize its management, the NHC has been working with strategic plans and its current strategic plan (2010 - 2015) has clear strategic drivers and performance goals. According to NHC, strategic drivers are major factors that are expected to influence the future plans and performance of the Corporation. They are the basis from which mission and vision of the corporation are developed. The NHC's strategic drivers are; the property market situation; public perception; Government expectations; and the role of housing in fostering economic growth (see NHC strategic Plan; 2010 - 2015). According to NHC, these strategic drivers form the basis from which the NHC's strategic goals, objectives and targets to be developed for the 2010/11 - 2014/15 period. For example, from these strategic drivers, the NHC has developed clear performance goals, strategic targets and performance indicators. These goals, strategic targets and performance indicators are spread over the period of five years (2010 -2015). One can therefore say that officially the NHC has a potential strategic document to guide its daily and annual operations

**Performance Measurement Process at NHC:**As illustrated above, although the NHC operate with strategic planning, it is also important to understand the process of performance measurement at NHC and the key actors that involved. Our review of various

documents at NHC shows that, performance measurement process at NHC start with a performance planning stage at the beginning of each financial year. Then during the course of the year, the NHC often carry out performance monitoring, rating staff development and rewarding. As indicated in figure one below, this implies that the NHC uses a cycle of performance management in evaluating its annual performance goals and targets. All directors of departments are involved in the process of developing their departmental annual performance goals and these annual departmental goals must be linked to the overall NHC five –year strategic objectives as stipulated in the NHC strategic planning document.

The planning stage involve setting performance expectations and goals for employees so that they can effectively put their efforts toward achieving NHC organizational objectives. The performance goals, objectives, targets, and key performance indicators for individual employees (at all levels) are jointly discussed and agreed during face-to-face meetings between employees and their direct line managers. These are then put into formal and written performance agreement for each staff member.

The formal planning and performance agreement for each staff is followed by performance monitoring exercise. This involves consistently measuring individual and departmental performance. It also entails providing ongoing feedback to employees on their progress toward reaching their goals. Monitoring gives NHC the opportunity to check how employees are doing and to identify and resolve any problems at earlier stage.

**Figure 1 Performance Management Cycle at NHC**



### Other Important Activities in the NHC

Performance management cycles are rating, development of staff and rewarding of performance results. Staff development is concerned with staff capacity building for better and capacity to perform better and through training of the employees, the NHC has managed to add more conceptual and technical skills in dealing with new approach to performance management.

In its performance management cycles, the NHC also do rate staff performance so that good and bad performances are equally rewarded. Staff rating is about evaluating employees' or departments' performance against the elements and standards specified in the employee's performance plan so that specific performance rate is given for the level of performance achieved by employee at the end of year. The NHC evaluate and rate its employees' performance using performance appraisal form on the basis of balanced scorecard system rating. As indicated in Table 2 below the lowest performance rate is one and the highest is five (excellent performance). The rating is done at the end of each financial year which is June/July of each year. Ideally, performance rating and rewarding are meant to reward good performance and sanction poor performance. For example, an employee who receives performance rating one (poor) can be fired from work whereas those that receive a rating of 2 can get warning letter.

**Table 2; Rating and Rewarding of Employees at NHC**

Rate	Reward	Time line
Performance 5	This can be bonus/promotion	End of each year
Performance 4	This can bonus	End of each year
Performance 3	Departmental ward	End of each year
Performance 2	Warning letter for poor performance	End of each year
Performance 1	Fired from employment	End of each year

According to an interview carried at NHC, the corporation reward outstanding performance in three specific ways: 1) by promoting individual to higher position, example from supervisor to managerial position, 2) By giving bonuses to staff who excelled in the performance and finally, there is a best worker awards each department.

### Factors that Influences Performance Management at NHC

In this paper we were also interested in understanding factors that influence performance measurement at NHC. As shown in Table 3 below, property market situation was the most influential factor by scoring 43.3%, followed by public perception with 26.7% while government expectations and the role of housing in fostering economic growth scored 16.7% and 13.3% respectively. This is no wonder because these factors were also the strategic drivers that form the basis of NHC's strategic goals, objectives and targets to be pursued for the 2010/11 –2014/15 period.

Indeed, property situation in Tanzania is the most important strategic driver for NHC because Tanzania faces a huge deficit of housing units and therefore the NHC must have a special focus and interest in that area. Strategically, NHC is expected to serve this high market segment in the residential sector alongside the private sector. NHC can exploit the current market an opportunity resulting from the housing shortage in the country, given the fact that is has the government support. In addition, the NHC can take full advantage of the fact that most of its land is situated within central business districts of all major towns.

**Table 3; Factors influencing performance management**

Factors	Number of respondents	Percentage
Property market situation,	13	43.3
Public perception,	8	26.7
Government expectations	5	26.7
Role of housing in fostering economic growth	4	13.3
<b>Total</b>	<b>30</b>	<b>100</b>

### The Users of NHC Performance Information

In this section of the paper we seek to analysis the issue of how performance measurement information is used, by whom and for what purposes. From the documentary review and interviews, we noted that performance information at NHC is mainly used by both internal and external actors. The main external actors are regulatory authorities, Controller and Auditor general (CAG), the government, the banking institutions and some key stakeholders such as the customers. For instance, Controller and Auditor general (CAG) office uses

performance information from NHC to provide Report on Financial Statements of NHC each year to the Parliament and to other key stakeholders. As public organization, the parliament is also interested in know how the NHC implement some government policies on housing.

Moreover, external NHC stakeholders such as banks who have provided mortgage loans to NHC are clearly interested in its performance information. Recently banks such the National Bank of Commerce (NBC), Stanbic Bank, Exim Bank, Bank ABC, Azania Bank, CRDB Bank and NIC Bank agreed to partner with NHC in providing mortgage services to its customers and therefore these banks are keen in getting the NHC performance information such as financial performance report (yearly audited financial reports) and Strategic partnership (joint venture and revenue sharing model) all of which assures the banks of the returns of their loans.

The government of Tanzania is also interested in the performance information from NHC and the government gets the performance information through NHC annual report submitted to the parent ministry or through the NHC board meetings because the government is fully represented in the Board. But why would the government need this information?

There are some good political reasons why the government did not fully privatized the NHC in the first place, and would like to get regular performance information from it. As noted earlier, one NHC strategic driver is government expectation and therefore the NHC is generally aware that the government has much interest in its performance. More recent, the ministry of Land and human settlement has clearly stated that NHC has to play a leading role in the realization of national housing policy in collaboration with the urban and district councils. Similarly, during a debate in the Parliament in July 2010, the Prime Minister of Tanzania underscored government's efforts in prioritizing the housing sector as one of the pillars for solving the looming poverty problem in Tanzania. He cited efforts that the government had undertaken towards developing cheap technology that would make house construction in Tanzania less expensive to the general public, and especially to poor Tanzanians.

Indeed, the Government passed the Unit Titles Act No. 16 of 2008 and Mortgage Financing Act No. 17 of 2008 for the purpose of creating an enabling environment for poor people to access housing loans at affordable interest rates. All of these suggest that the government takes public housing sector seriously because of great public pressure due to high public demand for housing in the face of very limited available houses. It said that

Tanzania is facing a terrible shortage of good quality and affordable housing. The nation is currently faces a 3 million housing deficit and that is in addition to an increasing annual demand of 200,000 units. This high demand for public housing has a political ramification and the government has an interest in the NHC performance. Finally the NHC also faces another pressure from the government and this time it is the demand that NHC must operate on its own without receiving any government subsidy. Therefore NHC is being urged by government to improve its revenue collection system for improved performance. It must operate commercially and become a master real estate developer.

Internally, NHC uses itself its performance information for many purposes including for its internal decision-making, organizational strategies and strategic thinking and in responding to its customers demand. It is expect that performance measurement information would improve its internal performance accountability. Indeed, senior managers seem to be well focused to performance measurement at NHC. In our interviews, some senior managers put forward the following statements in respect of their concern with performance measurement, including why they measure performance;

Performance measurement is not the only aspect of internal management, but using performance information is the most important factor. We emphasize using performance information, as it encourages greater emphasis on internal management, for instance planning and management strategies. It offers a good indication of what is working and what is not good'. (an interview with Corporate affairs manager, in 2013).

Indeed, performance information and analysis are significant elements in strategic management and effective control system at NHC. One senior manager from finance department has this to say in that respect; "Performance management in NHC is about using performance information effectively. If you do not know how well or badly you are performing and what you have done in a financial year you cannot identify the scope for improvement. Performance measurement can be a mirror (Interviewed in 2013).

It is thus clear from this brief analysis that the NHC management is currently putting more attention to performance measurement and performance measurement seems to serve several managerial purposes. The users of information from NHC performance measures are many and especially its key stakeholders and for various resources. The NHC is progressively continuing to institutionalize performance

management systems in all its departments and it seems that this organization is determine to improve its internal management system for better service delivery.

### Conclusion

With continued increasing pressure for performance accountability, the focus on performance management for public organization will not go away. Public managers will continuously face the demand to improve the performance of their organizations with limited resources. Performance management and performance measurement will continue to be their management tools.

The main objective of this paper was to examine performance measurement practice in Tanzania by examine one public organization. The main focus was on the issue of whether public organizations have introduced performance management system and especially performance measurement strategy to improve their service delivery.

Indeed, as illustrated by our findings performance management and especially performance measurement is not only implemented at NHC but it is also used by both internal and key external stakeholders and for varied reasons. Internally, it seems to have allowed NHC to align its resources, systems and employees's efforts to NHC strategic objectives. Indeed, there is an indication that the NHC use performance measurement information to improve its internal decision making. For instance, NHC uses performance measurement in managing, maintaining and developing its properties. Similarly, performance measurement information is used by various external stakeholders such as regulators for the purpose of directing and regulating some NHC activities.

Our main conclusion is that this public organization in Tanzania is gradually institutionalizing performance management system in its institutional system. Both the NHC management and its key stakeholders seem to support the introduction and the use of this management strategy and for various reasons as noted earlier.

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