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Unveiling Current Research Direction on Performance Management Systems through Systematic Literature Review

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Abstract

Manuscript type: Systematic literature review. **Research aims:** This systematic literature review (SLR) investigates contemporary research directions regarding Performance Management System (PMS) challenges by synthesizing literature on implementation barriers. **Design/methodology/approach:** Following PRISMA 2020 protocols and the PICo framework, the study identified 25 high-quality empirical articles (2015–2025) through rigorous screening and MMAT quality appraisal. **Research findings:** Thematic synthesis revealed four critical themes: public sector failure due to red tape and goal ambiguity; incompatibility of standardized PMS models with academic roles; execution failures where PMS becomes a perfunctory paper-exercise; and a shift toward integrated human-analytical systems. **Theoretical contribution/originality:** The study addresses a research gap in systematic synthesis, moving beyond traditional narrative reviews to provide a replicable, bias-minimized map of emergent research directions. **Practitioner/policy implications:** Organizations should abandon "off-the-shelf" models in favour of contextualized systems that strengthen the link between performance and rewards while fostering developmental coaching. **Research limitations:** The review is limited to English-language empirical articles from two databases, potentially excluding relevant regional insights or conceptual advancements in non-indexed journals.

Keywords: Barriers, Challenges, Contemporary Research, Performance Management Systems, Performance Measurement, Systematic Literature Review

Introduction

Performance management systems (PMS) is a crucial organisational tool designed to align individual goals with broader organisational objectives, promoting employee engagement, productivity, and overall success (Harefa et al., 2024). From a theoretical

perspective, PMS is grounded in performance management theory, which emphasises the alignment between organisational strategy, performance measurement, and control systems. In addition, the concept of New Managerialism explains the increasing adoption of performance-based practices, particularly in public and higher education sectors, where efficiency and accountability are emphasised. Furthermore, motivation-based perspectives, such as expectancy theory, highlight the importance of linking performance outcomes with rewards to ensure the effectiveness of PMS. These theoretical perspectives collectively provide a conceptual basis for understanding the structural, behavioural, and contextual challenges associated with PMS implementation.

In reality, however, many organisations are unable to effectively implement PMS, preventing the realization of its intended goals (de Mendonça et al., 2020). There have been numerous contemporary literature reviews on challenges impacting the implementation of PMS. Recent examples of these challenges range from working conditions, compensation and promotion (Almulaiki, 2023), to appraisal outcomes and workforce morale (Kumari, 2024), to insufficient staff training (Kunene, 2024), and to high public expectations (Thusi, 2023). These findings indicate that PMS implementation issues are multifaceted, involving structural, human, and contextual dimensions.

However, the narrative focus (Bahl, 2023) of these traditional literature reviews presents their own unique weaknesses, particularly the lack of methodological guidance (Mohamed Shaffril et al., 2021). This limitation makes it difficult for future researchers to replicate prior studies and validate their findings. Additionally, traditional literature reviews are exposed to bias, as authors may selectively focus on topics that align with their own research interests (Shaffril et al., 2025). As a result, existing knowledge on PMS challenges remains fragmented and lacks systematic integration.

In contrast, a systematic literature review (SLR) addresses these limitations by introducing a structured and transparent review methodology that enables the integration of both qualitative and quantitative evidence (Sumsuzzman et al., 2024). Despite the extensive body of literature on PMS, a systematic synthesis of the barriers to its effective implementation and the identification of contemporary research directions remains relatively limited. This gap highlights the need for a more rigorous and comprehensive approach to consolidating existing findings.

Accordingly, the objective of this study is to unveil contemporary research directions in PMS challenges through a systematic literature review. This study adopts the PRISMA protocol to ensure a transparent and replicable review process. The paper is structured in a coherent progression, beginning with the selection of the review protocol, followed by the formulation of the research question, the implementation of a systematic search strategy, the analysis of contemporary literature, the presentation of findings, and finally the discussion and conclusion of the study.

Literature Review

Evolution and Purpose of Performance Management Systems

Performance Management Systems (PMS) have evolved from traditional, narrow financial measurement tools into more holistic frameworks designed to align individual behaviours

with broader organizational strategy (Ferreira & Otley, 2009). As organizations increase in complexity, PMS serves as a critical mechanism for enhancing accountability, facilitating organizational learning, and improving stakeholder communication (Otley, 1999). However, the effectiveness of these systems is highly dependent on their design, implementation processes, and the institutional context in which they operate. Poor alignment between PMS design and organizational realities often results in ineffective implementation and limited impact.

New Managerialism in Public and Higher Education Sectors

The adoption of PMS in non-profit and public sectors is largely influenced by the concept of New Managerialism (NM), which promotes the transfer of private-sector management practices to improve efficiency, accountability, and performance outcomes (Pollitt & Bouckaert, 2017). Within higher education institutions, this shift has generated significant tensions, as standardized performance models frequently conflict with traditional academic values, autonomy, and disciplinary diversity (Sheikh et al., 2022). The imposition of rigid performance targets, particularly in relation to research output, has altered the psychological contract of academic staff, often resulting in increased work-related stress, reduced intrinsic motivation, and a perceived erosion of academic identity.

Gaps in Contemporary Research Synthesis

Although barriers to PMS implementation have been widely discussed, the existing body of literature remains largely narrative in nature and often lacks methodological transparency (Bahl, 2023). Traditional literature reviews tend to reflect selective perspectives aligned with specific research agendas, limiting their generalizability and replicability (Shaffril et al., 2025). Furthermore, there is limited systematic integration of findings across diverse organizational contexts, particularly within higher education. This study addresses these limitations by employing a structured systematic literature review (SLR) approach to provide a comprehensive and methodologically rigorous synthesis of current evidence on PMS implementation challenges.

Theoretical Foundations of Performance Management Systems

To provide a robust conceptual grounding, this study is informed by several key theoretical perspectives that explain the design, implementation, and effectiveness of performance management systems.

Firstly, Goal-Setting Theory (Locke & Latham, 1990) underpins the role of clear, specific, and challenging goals in enhancing employee performance. Within PMS, the alignment between individual and organizational goals is critical; however, ambiguity or misalignment in goal-setting has been widely identified as a key barrier to effective implementation.

Secondly, Expectancy Theory (Vroom, 1964) explains the motivational mechanisms underlying PMS, emphasizing that employee effort is influenced by the perceived relationship between effort, performance, and rewards. Ineffective PMS often disrupts this linkage, particularly when performance evaluations are perceived as unfair or when rewards are not meaningfully tied to outcomes.

Thirdly, Institutional Theory (DiMaggio & Powell, 1983) provides insight into how PMS practices are shaped by external pressures such as regulatory requirements, professional norms, and the adoption of globally accepted "best practices." In the context of higher education, this often results in the implementation of standardized PMS models that may not align with local institutional realities.

Finally, the concept of New Managerialism serves as an overarching theoretical lens to explain the diffusion of private-sector performance practices into public and higher education institutions. While intended to enhance efficiency and accountability, this shift often creates tensions due to the incompatibility between managerial control mechanisms and academic values.

Collectively, these theoretical perspectives provide a comprehensive framework for understanding the structural, behavioural, and contextual challenges associated with PMS implementation. They also guide the interpretation of findings in this study, particularly in analysing the barriers and emerging research directions identified through the systematic literature review.

Methodology

Methodology Protocol

This systematic literature review employs the new Preferred Reporting Items for Systematic reviews and Meta-Analyses (PRISMA) 2020 systematic review methodology. This methodology was specifically chosen because it presents an explicit and understandable method to identify, select, appraise, and synthesise studies (Page et al., 2021). Further, PRISMA 2020 features the comprehensive 27-item checklist that covers all aspects of a systematic review reporting, ensuring thoroughness and transparency (Park et al., 2022).

The alternative review protocol, the Reporting standards for Systematic Evidence Syntheses (ROSES) was considered but was found to have several weaknesses to preclude its usage for this SLR. The weaknesses of ROSES include ROSES is designed specifically for environmental evidence syntheses; ROSES is newer and more niche, primarily for environmental reviews; and ROSES is less recognised in management and HR journals and communities (Haddaway et al., 2018).

Research Question

A key aspect of any SLR is the research question. The formulation of the research question for this SLR follows the Research Question Development Tool (RQDT) which allows the adoption of any of the four mnemonical methods for formulating research questions: the PICO framework (Population, Intervention, Comparison, Outcome) (Schiavenato & Chu, 2021); the PICo framework (Population, Interest, Context) (Methley et al., 2014); the SPIDER framework (Sample, Phenomenon of Interest, Design, Evaluation, Research type) (Methley et al., 2014); and the ECLIPSE framework (Expectation, Client group, Location, Impact, Professionals, Service) (Ostler et al., 2024).

ECLIPSE is often used in health policy and management reviews, SPIDER is designed for qualitative and mixed-method reviews, PICO is best for intervention-based systematic reviews, while PICo is most suited for qualitative systematic reviews where interventions and

comparisons may not exist. Since this SLR on challenges in the implementation of PMS is qualitative and organisational,
while not focusing on intervention, then the most appropriate mnemonical framework to be adopted is the PICo framework.

Table 1
The Application of Each PICo Element to This SLR

PICo Element	Definition	Application to This SLR
P (Population)	Group or setting under this study	Stakeholders such as employees, staff, raters, appraisers, appraisees, and organisational units
I (Interest)	Phenomenon of interest	Barriers, challenges, and inhibitors to effective PMS implementation
Co (Context)	Setting or environment	Higher education institutions (HEIs), university-owned companies or public sector contexts

Synthesising the above PICo elements to the application of this SLR results in the formulation of this research question: *What barriers (Interest) hinder stakeholders (Population) from effectively implementing PMS in Higher Education Institutions (Context)?*

Identification
After selecting the methodology protocol (PRISMA) and formulating the research question, the third step is undertaking a systematic search strategy. This systematic search strategy comprises three distinct processes, namely *identification, screening,* and *eligibility*. The first process in the systematic search strategy is the identification of potential contemporary research literature to be included in this SLR.

Based on the formulated research question earlier, the identified main keywords are *barriers, PMS implementation,* and *higher education institutions*. To retrieve more articles for this review, the main keywords must be enriched, as accentuated by Shaffril et al. (2021). Keyword enrichment is done by seeking synonyms, variations, related terms, keywords from past studies, and keywords suggested by databases (eg Scopus) and yields the enriched keywords as set out in Table 2 below:

Table 2
Enriched Key Words to be Used for Database Searches

Main Keywords	Enriched Main Keywords
Barriers	Barriers, Challenges, Issues, Obstacles, Hindrances, Problems, Limitation, Difficulty, Pitfall, Failure
PMS implementation	Performance management systems, performance measurement systems, performance management, performance appraisal, employee performance, human resources performance
Higher education institutions	Higher education institution, HEIs, universities, university-owned companies, university companies, university start-ups, public sector

Subsequent to the above, a PRISMA-compliant literature search strategy table incorporating databases, keywords, date ranges, inclusion/exclusion criteria, eligibility criteria and screening process was developed, as follows:

Table 3
PRISMA-Compliant Search Strategy Table

Element	Description of Element	Application of Element to SLR
Databases searched	Core multidisciplinary and domain-specific databases	Scopus and Web of Science
Data range	Defines the temporal scope of included studies	2015-2025 (to capture the contemporary PMS barriers)
Keywords and Search string	Structured using Boolean operators, truncation, wildcards and synonyms	**Scopus**: TITLE-ABS-KEY (Performance management system* OR Performance measurement system* OR Performance management) AND (challenge* OR barrier* OR hindrance*) AND (HEI* OR university* OR public sector* OR university-owned company* OR university company* OR university start-u*) **Web of Science**: TS= (Performance management system* OR Performance measurement system* OR Performance management) AND (challenge* OR barrier* OR hindrance*) AND (HEI* OR university* OR public sector* OR university-owned company* OR university company* OR university start-u*)
Inclusion criteria	Defines what studies are considered	Journal articles that are empirical and peer-reviewed, English language, focus on PMS barriers or challenges
Exclusion criteria	Defines what studies are excluded	Conference papers, non-English publications, technical papers without implementation

Element	Description of Element	Application of Element to SLR
		focus, opinion pieces, editorials, SLR paper, non-empirical paper
Screening process	PRISMA flow diagram stages	Identification → Screening → Eligibility → Inclusion
Eligibility criteria	Criteria applied after full-text screening to ensure relevance	Studies must explicitly address barriers/challenges in PMS implementation; must provide empirical evidence (qualitative, quantitative, or mixed methods); must be situated in organisational contexts (e.g., higher education, public sector, corporate)
Data extraction	How information is captured	Author, year, country, context, methodology, type of barrier
Synthesis method	How findings are analysed	Thematic synthesis, categorisation of barriers (structural, cultural, technological, human factors), identification of current research directions

Two databases namely Scopus and Web of Science were selected to balance breadth and relevance. The date range (2015–2025) was chosen to capture current developments in PMS challenges. Keywords combined controlled vocabulary and free-text terms using Boolean operators to maximize sensitivity and specificity. Inclusion and exclusion criteria were applied consistently, while eligibility criteria were assessed at the full-text stage to ensure that only studies explicitly addressing PMS barriers in organisational contexts were retained. The screening process was documented using a PRISMA flow diagram. Data extraction focused on contextual, methodological, and theoretical dimensions, enabling thematic synthesis of barriers to PMS implementation and identification of emerging research directions in PMS. At the end of this identification phase, a total of 5,379 records were identified across the two databases (Scopus n=1,289 records and Web of Science (WoS) n=4,090 records).

Screening

The second process in the systematic search strategy is the screening step. During this step, working within each of the two databases, 1,705 records (Scopus n=661, WoS n=1,044) were excluded because the publication date was not between 2015 to 2025, leaving a balance of 3,674 records. Next, 855 records (Scopus n=180, WoS n=675) were excluded because the article type was not a journal article, leaving a balance of 2,819 records. Then, 51 records (Scopus n=15, WoS n=36) were excluded because the article language was not English, leaving a balance of 2,768 records. Further, 2,208 records (Scopus n=99, WoS n=2,109) were excluded because the subject area was not social science, business, management or accounting, leaving a balance of 560 records. Further on, 126 records (Scopus n=126, WoS n=0) were excluded because the keywords identified by the articles were not focused on PMS, leaving a balance of 434 records.

Regarding the keywords identified, the article would be deemed to focus on PMS if the article has these keywords: performance measurement (n=160), performance management (n=96), higher education (n=44), employee performance (n=28), performance appraisal (n=26), performance management system (n=16), performance measurement

system (n=12), performance management systems (n=15), performance management system (n=14), performance measurement systems (n=10), performance measures (n=8), employees performance (n=3), and performance measure (n=2). All these articles were included, and the rest were excluded.

The included articles of 434 records (Scopus n=208, WoS n=226) were exported from both databases to Excel and sorted by author's name, enabling the duplicate records from both databases to be identified. 12 records (Scopus n=0, WoS n=12) were identified to appear in both databases and all these records were excluded. At the end of this screening process, a total of 422 articles remained, all of which would be ready for the next process, the eligibility evaluation.

Eligibility

The third process in the systematic search strategy is the eligibility evaluation. During this process, the eligibility of each article to be included in the SLR was assessed against four eligibility criteria, as informed by Mohamed Shaffril et al. (2021). This assessment was performed by manually reading the title, abstract, and, if required, the content. Articles were kept for review or discarded from review based on the following Inclusion and Exclusion Matrix:

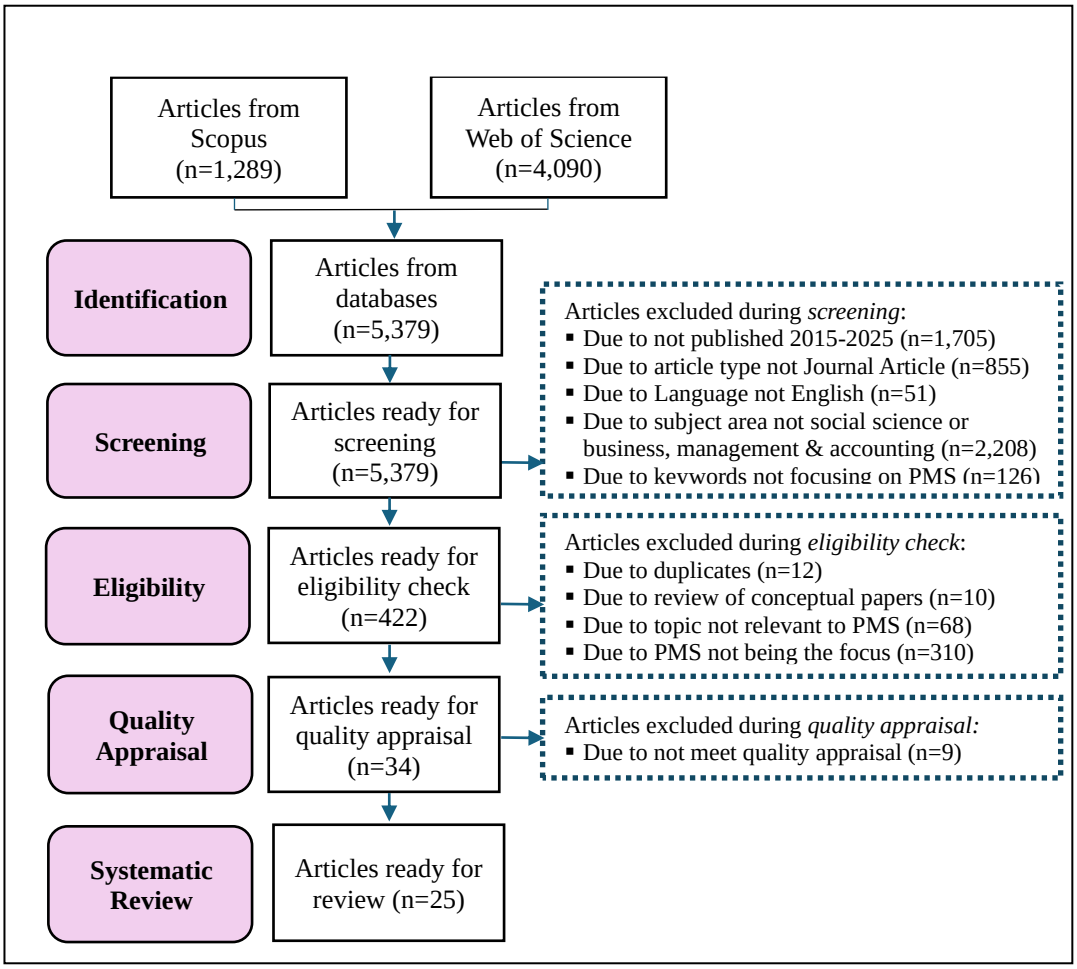
Table 4
Inclusion and Exclusion Matrix

Criteria	**Inclusion Criteria (Keep Articles)**	**Exclusion Criteria (Discard Articles)**
Topic Relevance	Article must specifically discuss performance management, performance appraisal, or performance measurement in an organisational context	Article focuses on performance in unrelated technical field e.g., machine performance, specific medical outcomes, financial crime detection, without linking to organisation management
Thematic Focus	Article must discuss challenges, barriers, implementation issues, resistance, or contemporary trends e.g., digitalisation, analytics	Article discusses a broad concept e.g., Leadership, Sustainability, Circular Economy, where PMS is only a minor sidenote or a generic outcome variable
Unit of Analysis	Article must focus on the system or organisation (especially Public Sector or Higher Education)	Article focuses solely on macroeconomic indicators or specific operational compliance (e.g., tax evasion, money laundering) not related to employee/institutional management
Document Type	Empirical research articles	Review papers, conceptual papers, conference papers, textbooks, book covers, teaching manuals

From the 422 articles that were subjected to the eligibility check using the above inclusion and exclusion matrix, 395 articles were excluded after a rigorous and strict filtering. The 34 articles that met the eligibility criteria were retained for the next step of qualitative synthesis the quality appraisal.

Quality Appraisal

Once all three processes in the systematic search strategy (identification, screening, and eligibility) were completed, the remaining 34 articles underwent a quality appraisal process. This is a core step of the SLR to evaluate the trustworthiness, relevance, and methodological rigour of the remaining articles (Higgins et al., 2019). To perform the quality appraisal of this mixed method studies, firstly the full text pdf of all 34 articles that passed the eligibility criteria were downloaded. These 34 articles were subjected to the Mixed Method Appraisal Tool (MMAT), a critical appraisal tool to assess the methodological quality of primary studies for systematic reviews, particularly those that include qualitative, quantitative, and mixed methods research (Hong et al., 2018). Guided by MMAT, each of the remaining 34 articles was carefully perused, paying particular attention to the methodology section and the analysis conducted, appraising the study design category (qualitative, quantitative, etc), the MMAT screening questions (S1-Whether the research questions were clear, S2- Whether the collected data addressed the research question), the MMAT criteria (5 different questions based on whether the study design category is Qualitative, Quantitative randomised controlled trials, Quantitative non-randomised, Quantitative descriptive, or Mixed methods), and the overall appraisal of each article. The scrutinised article is considered to have passed the MMAT quality appraisal if it is appraised to be either moderate quality or high quality. 11 articles were of high quality, and 14 articles were of moderate quality. In total, 25 articles passed the quality appraisal. The balance 9 articles that were neither of moderate nor high quality were excluded from this SLR. This entire process of identifying, screening, eligibility checking and quality appraising is summarized in the PRISMA flow diagram in Figure 1 below.



Source: Page et al. (2021)
Figure 1: PRISMA Flow Diagram for Systematic Search Strategy

With the above 25 quality articles transparently and methodologically selected, the SLR next progressed to data analysis and synthesis. This stage was characterized by *firstly* data extraction and coding, and *secondly* the thematic synthesis. This stage will enable the later identification of the current research direction in PMS. The processes under this stage are set out in Figure 2 below.

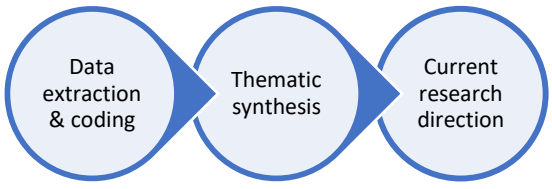


Figure 2: Analysis Process Performed Under This SLR

Results

Data Extraction

Before data may be extracted from the 25 articles, a data extraction matrix was built so that a systematic and structured information may be extracted from each article (Mohamed Shaffril et al., 2021). The matrix included information useful to answer the research question earlier and included 9 datasets namely bibliographic info (author, year, country/context), sector (higher education institution, public sector, corporate), study focus, methodology (qualitative, quantitative, mixed), PMS components studied, identified challenges, key findings on PMS challenges, recommendations, and finally contemporary research direction.

Next, a coding schema was developed that used thematic codes aligned to the research question identified earlier; *What barriers hinder stakeholders from effectively implementing PMS in Higher Education Institutions?* From the 25 articles reviewed, 12 of the studies employed qualitative method, 7 employed quantitative method, and 6 adopted a mixed method approach.

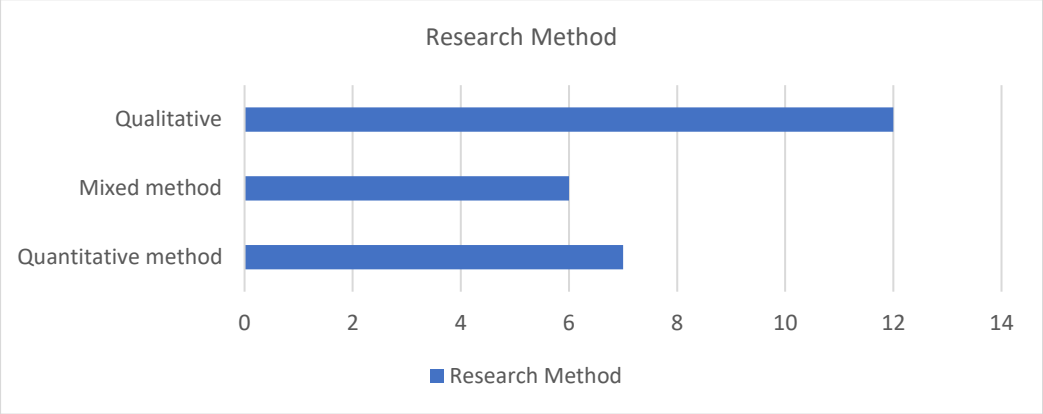


Figure 3: Frequency of Research Method Employed

In terms of publication date, 3 were published in 2025, 6 were published in 2024, 3 in 2023, 3 in 2022, 1 in 2021, nil in 2020, 2 in 2019, 1 in 2018, nil in 2017, 2 in 2016, and 5 in 2015. The recent years especially 2024 and 2025 show the greatest number of publications on PMS challenges.

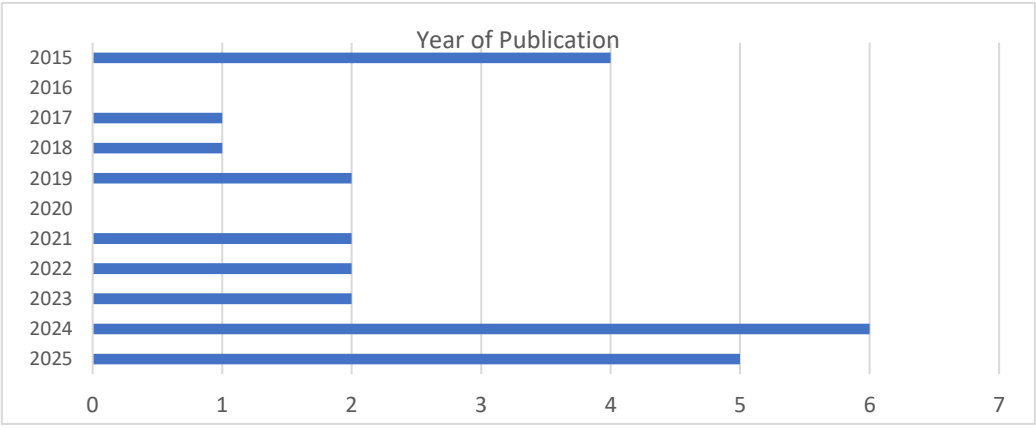


Figure 4: Distribution of Year of Publication

Most of the studies were conducted in USA (4 studies) and in South Africa (4 studies), followed by Pakistan (3 studies), the UK (3 studies), Australia (2 studies) and one each in Ghana, Tanzania, Sudan, Egypt, Malaysia, Indonesia, the Philippines, New Zealand, Hungary, Portugal, Bahrain and 5 internationally focused studies. It is interesting to note that most of the publications on PMS challenges were on multiple international country, as opposed to country specific. Also notable is that only the South American continent is not represented in the dataset, with no PMS challenges studied made in the past two decades. Figure 5 below depicts the distribution of countries that the studies on PMS challenges have been performed.

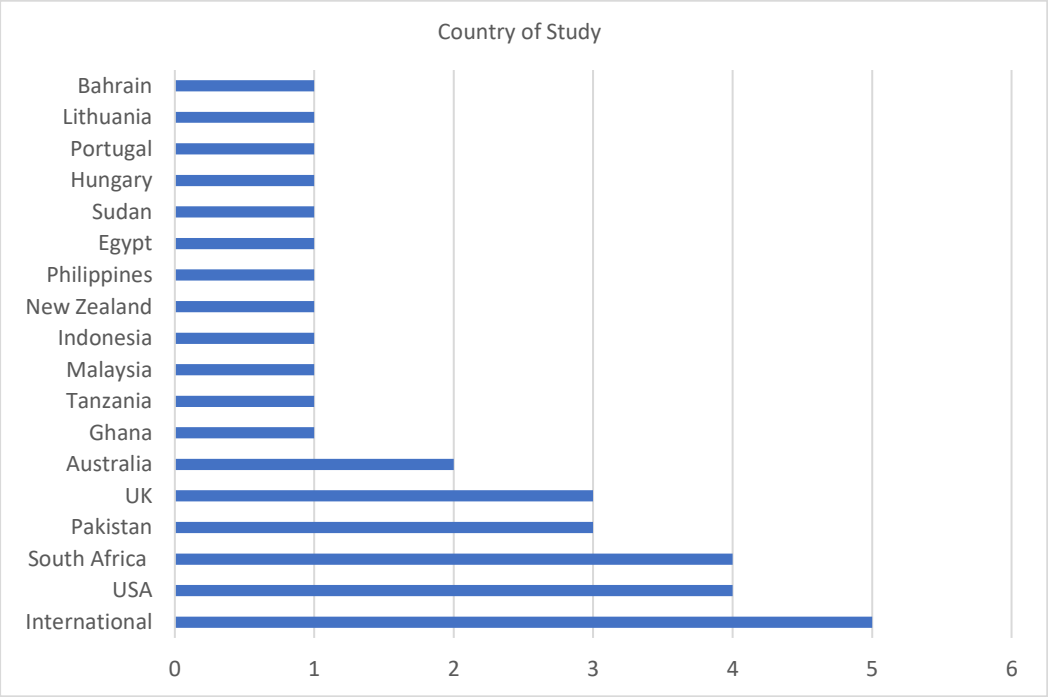


Figure 5: Distribution of Country that Study was Performed

Relevant data from each of the 25 articles are extracted and populated into an extraction matrix. For this SLR, the relevant data includes sector context, methodology, PMS components studied, the challenges identified, the key findings, the recommendations, and finally the current research direction. This is depicted in Table 5 below.

Table 5
Matrix of Extracted Data From 25 Articles

No	Author (Year)	Sector Context	Methodology	PMS Component Studied	Identified Challenges	Key Findings	Recommendations	Current Research Direction
A1	Agarwal (2021)	General organizational HR, applied to HE *India*	Conceptual model, Delphi technique with HR practitioners	Goal-setting, appraisal, feedback	Structural (lack of strategic backing), Technical (complexity of BSC/QFD)	Developed House of Performance Management (HOPM) model linking expectations to technical requirements	Use BSC-QFD hybrid to align goals and conditions	Balanced scorecard integration, strategic alignment
A2	Al-Alawi et al. (2019)	GCC public schools (education ministries) *Bahrain*	Case study, questionnaires + interviews, ADKAR model	Appraisal & change processes	Structural (bureaucracy), Cultural (resistance), Procedural (weak appraisal link)	Weaknesses in knowledge, authority, appraisal linkage	Structured training, clearer authority, link rewards to appraisal	Change management integration, staff empowerment
A3	Albous hra et al. (2015)	Sudanese public university *Sudan*	Qualitative case study, 23 interviews + documents	Measurement, appraisal, KPIs	Structural (lack of strategy, funding), Cultural (resistance), Technical (poor systems)	PMS adopted ceremonially, driven by external pressure; lack of competent personnel	Closer collaboration with government, build capacity in quality/self-evaluation	Strategic planning, decentralization, capacity building
A4	Alsaid & Ambilichu (2024)	Urban development (public sector)	Case study	KPIs reporting	Technical (indicator design, sustainability metrics)	Focus on sustainability indicators in urban development	Improve KPI design for sustainability	Sustainability KPIs, sectoral benchmarking

No	Author (Year)	Sector Context	Methodology	PMS Component Studied	Identified Challenges	Key Findings	Recommendations	Current Research Direction
		Egypt						
15	Arnaboldi et al., (2015)	Public sector (international)	Conceptual analysis, literature synthesis	PMS tools (BSC, KPIs, Lean, etc.)	Structural (complexity), Cultural (staff morale), Technical (tool limitations	PMS often undermines morale; tools imported from private sector problematic	Context-sensitive PMS, avoid clumsy audit culture	Human-centric PMS, adaptive tools
		UK						
16	Buzási & Jelen (2023)	Hungarian universities	Empirical survey of universities	Measurement indicators (innovation, IP, tech transfer)	Technical (indicator design), Structural (lack of standardization)	Indicators useful but limited; need SMART criteria	Develop sector-level standard indicators, improve TTO practices	Innovation KPIs, knowledge transfer
		Hungary						
17	Cunha et al. (2023)	Industry 4.0, continuous improvement *International*	Systematic Literature Review (PRISMA, 31 studies)	Indicators, system design, data use	Structural (lack of strategy link, unclear systems), Technical (inappropriate indicators, excess indicators), Cultural (blame culture), People (low involvement, poor understanding), Tech (IT tools)	Identified 175 obstacles grouped into 19 types across 6 categories (System, Indicators, People, Culture, Tech, Data)	Mitigate obstacles via better alignment, communication, training, indicator redesign	Industry 4.0 integration, Lean + PMS synergy
18	Cunha et al. (2025)	Portuguese industrial company *Portugal*	Case study, 32 interviews + Likert survey + chi-square	Barriers to PMS effectiveness	Communication failures, poor target definition, lack of trained resources, weak employee involvement, poor indicator understanding	Employees: unaware of goals, distrust indicators; Middle managers: poor info, blame culture; Top managers: strategic alignment but weak improvement use	Improve communication, training, indicator relevance, leadership commitment	Hierarchy-sensitive PMS reform, participatory communication
19	Gao	Global	Literature review (2004–2013)	Measurement &	Gaming, measurement errors,	Shift from measurement to	Stimulate demand for performance	Citizen-driven

No	Author (Year)	Sector Context	Methodology	PMS Component Studied	Identified Challenges	Key Findings	Recommendations	Current Research Direction
	(2015)	public sector *International*		management	tension between accountability vs improvement	management; citizen surveys valid if designed well; BSC widely used; empowerment & learning critical	info, balance accountability with learning	measurement, empowerment, organizational learning
10	Harrington & McCaskill (2022)	U.S. federal public sector agencies *USA*	Longitudinal panel study using 5-year (2010–2014) Federal Employee Viewpoint Survey (FEVS) data; agency-level aggregation; OLS regression with fixed effects	Performance appraisal fairness (perceived), focusing on goal-setting integration within appraisal processes	Ambiguous organizational goals in public sector. Difficulty in ensuring appraisal fairness. Limited employee-level influence on goal participation. Reduced generalizability due to federal-only sample	Perceived goal difficulty and organizational-level goal specificity are positively associated with appraisal fairness. Intrinsic motivation enhances perception of fairness. Older and minority employees perceive less fairness	Improve goal clarity and set attainable but challenging targets. Link individual and organizational goals explicitly. Combine effective goal setting with strategic use of intrinsic & extrinsic rewards. Enhance participation and feedback processes in appraisal design	Explore moderating role of reward structures. Investigate employee participation and feedback mechanisms in PMS. Evaluate effects across different government levels and contexts outside the U.S
11	Hill & Plimmer (2024)	NZ public sector *New Zealand*	Qualitative study, 22 interviews + docs	Employee PM (formal + informal)	Structural (competing goals), Procedural (red tape), Cultural (accountability vs development tension)	Formal systems often ritualistic; informal psychosocial processes crucial; PSM provides resilience	Reconstrue PM as psychosocial process supported by formal system	Integration of formal + informal PM, PSM-sensitive design
12	Khan & Jabeen (2024)	Pakistani public universities *Pakistan*	Multiple case study, 70 interviews across 5 universities	TTS implementation	Structural (discipline mismatch), Cultural (elitism, competition), Political (power struggles), Procedural (admin delays)	TTS improved research output but undermined teaching, created elitist faculty class	Contextualize criteria by discipline, reduce political tensions, balance teaching & research	Adaptive PMS, contextualized tenure track

No	Author (Year)	Sector Context	Methodology	PMS Component Studied	Identified Challenges	Key Findings	Recommendations	Current Research Direction
13	Komungem we & Marijani (2025)	Tanzanian HLIs *Tanzania*	Mixed methods, 256 surveys + 12 interviews	PMS via Performance Improvement Model (PIM)	Structural (goal setting vs workload), Procedural (poor planning, late feedback), Cultural (weak ownership, supervisor bias)	Compliance with PIM but awareness low; challenges in planning, innovation, supervisor training	Improve training, stakeholder involvement, adapt PMS to academic context	Context-specific PMS, participatory planning
14	Mofolo & Novukela (2024)	South African university *South Africa*	Document analysis	Strategic alignment of PMS	Delay in PMS implementation; merger legacy unresolved; lack of integration with policies	PMS delay undermines strategic plan; policies exist but not linked	Develop comprehensive PMS framework linked to policies; cascade PMS to divisions	Strategic alignment, policy-integrated PMS
15	Nagy (2025)	Global HEIs *International*	Comparative case studies + quantitative modeling	QA systems (ESG, EFQM, ISO)	Traditional QA lacks responsiveness; resource constraints; subjective peer review	Hybrid models improve efficiency, transparency, competitiveness	Integrate quantitative models with QA frameworks; adopt AI feedback	Data-driven QA, hybrid analytics
16	Nasurdin et al. (2018)	Malaysian private hospitals *Malaysia*	Survey (639 nurses), PLS analysis	Performance appraisal, compensation, employment security	High turnover; migration; weak retention	PA & compensation reduce turnover via commitment, employment security less significant	Strengthen HPWPs, fair appraisal & compensation	HPWPs as retention strategy in healthcare
17	Noordiatmoko et al. (2023)	Indonesian government agencies	Survey (391 civil servants), SEM-PLS	Institutional, operational, value-added dimensions	Weak national policy impact; ICT & HR quality gaps; cultural issues	ICT & HR quality strongly influence PMS; operational dimension key	Invest in ICT, HR training, culture development	Sustainable PMS via SEM-PLS validated dimensions

No	Author (Year)	Sector Context	Methodology	PMS Component Studied	Identified Challenges	Key Findings	Recommendations	Current Research Direction
		Indonesia						
18	Ohemeng et al. (2015)	Ghanaian civil service *Ghana*	Interviews, case study	Performance appraisal	Cultural bias, expectancy theory mismatch, distorted ratings	PA largely symbolic, not improving performance	Reform PA with incentives, training, accurate ratings	Expectancy theory lens, PA reform in CS
19	Opi et al. (2022)	Public sector (global) *International*	Systematic Literature Review (37 articles)	PMS objectives, roles, perceptions	Goal ambiguity, role ambiguity, mission confusion	Ambiguity inherent, cannot be eliminated; affects motivation & outcomes	Managers must cope with ambiguity, use flexible strategies	Ambiguity perspective, institutional logics
20	Sewpersad et al. (2019)	South African university of technology *South Africa*	Qualitative interviews (15 academics)	PMS, psychological contract	Anxiety from research output targets; student-as-client identity; casualization	NM reshapes psychological contracts; mixed positive/negative outcomes	Design policies toward positive side; balance autonomy & accountability	Psychological contract lens, NM impact
21	Shankar & Ramsaroop (2024)	South African HE security sector *South*	Qualitative case study (12 managers)	PMS for security staff	Inadequate training, tech barriers, inconsistent rewards, lack of transparency	PMS hindered by literacy gaps, poor communication, resource limits	Improve training, fair rewards, feedback, tech literacy	SDG-aligned PMS, contextual HRM

No	Author (Year)	Sector Context	Methodology	PMS Component Studied	Identified Challenges	Key Findings	Recommendations	Current Research Direction
		Africa						
A22	Sheikh et al. (2022)	British Higher Education (HE) sector	Literature review + pilot qualitative study (HR professionals)	PM practices, HR strategies	Shrinking funding, Brexit/Covid shocks, excessive managerialism, weak HR maturity, poor integration, unintended consequences of NPM	PM systems often data-driven, causing stress, gaming, reduced teaching quality; SET unreliable	Balance directive vs. enabling models; embed stewardship approaches; integrate HRM with IC; consult staff	Hybridized PM models, stewardship theory, IC as mediator
		UK						
A23	Sudnickas (2016)	Public vs. private sector *Lithuania*	Conceptual analysis, comparative frameworks	Indicators at org vs. individual levels	Weak linkage between levels; confusion of indicators vs. determinants; mission complexity in public sector	Indicators monitor performance; determinants improve it; misalignment undermines motivation & compensation	Match individual & organizational indicators; clarify factors vs. indicators; adapt BSC for public sector	Integrated dual-level PMS; competency-based appraisal
A24	Taylor (2015)	Australian Public Service *Australia*	Survey (116 APS employees) + qualitative elaborations	PM system design, rewards, appraisal	Poor measurement (quantity > quality), inadequate rewards, inconsistent implementation, unfairness	Employees report little behavioral change; intrinsic motivation undervalued; patchy results	Design credible PM: accurate measures, valued rewards, fair process; align with PSM	Employee-centered PM; intrinsic rewards; credibility & fairness
A25	Zabalala-Luzon (2024)	Philippine state college *Philippines*	Mixed descriptive design (survey + interviews, 143 staff)	SPMS stages: planning, monitoring, review, reward	Too many indicators, unrealistic targets, lack of consultation, weak coaching, poor feedback, absent documentation	Staff burdened by broad goals; lack of trust in review; coaching absent; evaluation opaque	Simplify indicators; participatory planning; structured coaching; transparent review; merit-based rewards	Four-stage SPMS refinement; participatory, feedback-rich cycle

Thematic Synthesis

Once the data has been successfully extracted, the next step was to conduct the thematic analysis of the data in order to identify, analyse, organise, and describe patterns from the 25 articles. Researchers regard thematic analysis as one of the most effective tools to analyse and synthesise data from diverse research designs (Flemming et al., 2019).

The thematic analysis also yields the answer to the research question earlier namely: ***What barriers hinder stakeholders from effectively implementing PMS in Higher Education Institutions?*** The barriers in implementing PMS in HEIs can be distilled into 5 main barrier themes that answer the research questions, as depicted in Table 6 below:

Table 6
Barriers to Effective Implementation of PMS in HEIs

Main Barrier Themes	Sub-Themes	Articles
Strategic and Structural	Lack of alignment: PMS is not linked to strategy of organisational policies	Agarwal (2021); Alboushra et al. (2015); Cunha et al. (2023); Mofolo & Novukela (2024)
	Goal ambiguity: Unclear organisational goals or competing missions	Harrington & McCaskill (2022); Hill & Plimmer (2024); Oppi et al. (2022)
	Bureaucracy: Rigid structures and 'red tape' hindering flexibility	Al-Alawi et al. (2019); Hill & Plimmer (2024)
Technical and Functional	PMS design: Poorly defined Key Performance Indicators (KPI), unrealistic targets, lack of SMART criteria	Alsaid & Ambilichu (2024); Buzási & Jelen (2023); Cunha et al. (2025); Zaballa-Luzon (2024)
	Unfit tools: Difficulties in using public sector tools such as Balanced Score Card (BSC) and Lean Systems in HEI and public contexts	Agarwal (2021; Arnaboldi et al. (2015); Nagy (2025)
	Measurement error: Gaming, distorted ratings and subjective peer reviews	Gao (2015); Nagy (2025); Ohemeng et al. (2015)
Behaviour and Cultural	Resistance: Staff resistance against new systems or perceived managerialism	Al-Alawi et al. (2019; Alboushra et al. (2015); Sheikh et al. (2022)
	Blame culture: Fear of punishment rather than focus on improvement	Cunha et al. (2023, 2025b)
	Anxiety: Tension regarding the psychological contracts and research output pressure	Sewpersad et al. (2019; Zaballa-Luzon (2024)
Operational and Procedural	Feedback: Lack of ongoing monitoring, coaching, or late feedback	Komungemwe & Marijani (2025); Zaballa-Luzon (2024)
	Inconsistency: Unfair implementation and 'ceremonial' compliance	Alboushra et al. (2015); Hill & Plimmer (2024); Shankar & Ramsaroop (2024); Taylor (2015)
Resource and Competency	Training Gap: Lack of training for PMS users and poor understanding of indicators	Cunha et al. (2025b); Komungemwe & Marijani (2025); Shankar & Ramsaroop (2024)
	Infrastructure: Funding constraints and poor ICT too integration	Alboushra et al. (2015); Noordiatmoko et al. (2023); Shankar & Ramsaroop (2024)

For thematic synthesis, the key findings from the 25 articles were clustered together into categories of similar issues. After manually perusing the key findings from the 25 articles, the clusters of issues that emerged could be categorised into four main themes, namely 1) Public sector context and challenges (this focus on ambiguity and red tape); 2) Context-specific challenges in higher education; 3) Modern PMS design and analytical tools; and 4)

Performance outcomes and motivational factors. The extracted key findings also suggest that the four main themes have further sub-themes, that can be traced direct to statements in the articles, all of which are *italicised* in the tables below.

Theme 1: Public Sector Context and Challenges (Focus on Ambiguity and Red Tape)
This theme addresses the specific contextual factors in public administration that complicate effective PMS implementation, including goal ambiguity, institutional complexity, and bureaucracy (Hill & Plimmer, 2024; Oppi et al., 2022). The sub-themes and extracted content (*in italics*) are set out in Table 7 below:

Table 7
Theme 1 Public Sector Context and Challenges (Red Tape)

No	Sub-theme	Extracted Content
1	Ambiguity and goal clarity as core challenges	*Ambiguity is defined as a lack of clarity and consistency in reality and in terms of causality and intentionality* (Oppi et al., 2022). *Organizational goal ambiguity is 'the extent to which an organizational goal or set of goals allows leeway for interpretation, when the organizational goal represents the desired future state of the organization* (Harrington & McCaskill, 2022). *When the assessment process of goal achievement, target, priorities and timing is uncertain, negative consequences arise in terms of performance evaluation and understanding* (Oppi et al., 2022)
2	Red tape, bureaucracy, and implementation failure	*Red tape commonly describes unnecessary procedures, and it can undermine performance management effectiveness, through tangled rules and regulations, and capricious and lethargic bureaucratic behavior* (Hill & Plimmer, 2024). *The PA system... has become a mere formality, and the information yielded is not used in any meaningful way because it is extremely distorted, and useless for decision-making* (Ohemeng et al., 2015). *Implementation consistency and rigor often fail, leading to subjective ratings, lack of performance monitoring, lack of feedback on results, and lack of feedback mechanism* (Zaballa-Luzon, 2024)
3	Public service motivation as a buffer	*Public service motivation provides workarounds. To work well, modern performance management could be reconstrued less as a compliance activity and more as a psychosocial process reinforced by a formal, prescribed organization system* (Hill & Plimmer, 2024)

Theme 2: Context-Specific Challenges in Higher Education
This theme highlights the unique difficulties faced by universities spanning new managerialist pressures, incompatibility with academic roles, and strategic integration issues. The sub-themes and extracted content are as follows:

Table 8
Theme 2 Context-Specific Challenges in Higher Education

No	Sub-theme	Extracted Content
1	New managerialism, accountability, and psychological contract	*The common thread informing these transformations and restructuring attempts are new managerial (NM) practices imported from the private sector* (Sewpersad et al., 2019). *The reorganisation of universities' academic structures... has led, for some, to an increased managerialism... and a persistent weakening of the academic voice* (Sheikh et al., 2022). *All participants reported research production as the main source of anxiety in the new performance management systems* (Sewpersad et al., 2019)
2	Incompatibility, strategic alignment, and implementation failure	*A one-size-fits-all approach to performance management systems may be unsuitable for different universities due to the difference in professional discipline requirements and the underlying political and contextual logic* (Khan & Jabeen, 2024). *The delay or sluggish implementation of PMS is analogous to deliberate postponement of achieving the set strategic goals* (Mofolo & Novukela, 2024). *The biggest challenge facing PMS in higher learning is setting goals without considering the teaching workload, resulting in an unfair appraisal of academic staff* (Komungemwe & Marijani, 2025)
3	Operational and resource deficiencies	*The study identified three challenges, namely inadequate training, education, development and communication, technological barriers and low computer literacy... and a lack of transparency in rewards systems* (Shankar & Ramsaroop, 2024). *The lack of coaching and mentoring is considered the greatest problem in performance monitoring* (Zaballa-Luzon, 2024).

Theme 3: Modern PMS Design and Analytical Tools

This theme encompasses the structural components of PMS, emphasizing the mandatory integration of formal and informal systems, multi-dimensional models, and advanced quantitative methods. The sub-themes and extracted content are set out in Table 9 below:

Table 9
Theme 3 Modern PMS Design and Analytical Tools

No	Sub-theme	Extracted Content
1	Formal and informal systems in practice	*Employee performance management... is complex, and requires alignment across both a formal administrative level and an informal psychosocial level* (Hill & Plimmer, 2024). *These two systems, formal administrative and informal psychological, need to be consistent and aligned to work well* (Hill & Plimmer, 2024).
2	Multi-criteria and quantitative	*Data Envelopment Analysis (DEA) is a widely used non-parametric method for assessing the relative efficiency of higher education institutions* (Nagy, 2025).

No	Sub-theme	Extracted Content
	evaluation methods (DEA, AHP, Bayesian)	*The Analytic Hierarchy Process (AHP) is a quantitative decision-making model that applies pairwise comparisons... to determine the relative importance of university ranking criteria* (Nagy, 2025). *Bayesian modeling is increasingly utilized in higher education forecasting* (Nagy, 2025)
3	Multi-dimensional measurement model and stages	*Measurement of performance management is based on three factors: 1) institutional dimension; 2) operational dimensions; 3) value-added dimension* (Noordiatmoko et al., 2023). *The first factor in establishing sustainable performance management is the operational dimension which is one of the keys to sustainable performance management through government evaluation systems* (Noordiatmoko et al., 2023)

Theme 4: Performance Outcomes and Motivational Factors

This theme encompasses the structural components of PMS, emphasizing the mandatory integration of formal and informal systems, multi-dimensional models, and advanced quantitative methods. The sub-themes and extracted content are as follows:

Table 10
Theme 4 Performance Outcomes and Motivational Factors

No	Sub-theme	Extracted Content
1	High Performance Work Practices (HPWP), commitment, and turnover intention	*This study provides a framework depicting how organisational commitment can mediate the relationship between three forms of high performance work practices (HPWPs) (performance appraisal, compensation, and employment security) and turnover intention* (Nasurdin et al., 2018). *Organisational commitment was found to be negatively associated with turnover intention* (Nasurdin et al., 2018).
2	Intrinsic motivation and perceived fairness	*Public employees who have a higher level of intrinsic motivation show a more positive perception toward performance appraisal fairness* (Harrington & McCaskill, 2022). *The respondents were dissatisfied with their agency's rewards and did not perceive a strong link between their performance and their access to rewards* (Taylor, 2015).
3	Linking PMS to Sustainable Development Goals	*The study advocates for practical strategies in response to the challenges faced by security managers to enhance performance aligned with sustainable development goals* (Shankar & Ramsaroop, 2024).

Discussion

Thematic Discussion

This section provides an in-depth discussion by integrating the identified themes with the underlying theoretical perspectives, thereby tracing the interplay between challenges, models, contexts, and outcomes in contemporary Performance Management Systems (PMS) research. The findings suggest that PMS implementation is not merely a technical or operational issue, but one that is deeply rooted in theoretical tensions related to motivation, institutional pressures, and goal alignment. The thematic analysis reveals that contemporary PMS research is fundamentally concerned with reconciling rhetoric and reality in increasingly complex organizational environments (Nasurdin et al., 2018; Taylor, 2015). This reconciliation can be understood through two key dimensions: (i) objective versus implementation, and (ii) standardization versus contextualization.

The first dimension, objective versus implementation, highlights a persistent gap between the intended purpose of PMS and its actual execution in practice. While PMS is conceptually designed to enhance performance and organizational alignment, its implementation frequently fails due to structural inefficiencies and bureaucratic constraints (Taylor, 2015). This disconnect is strongly aligned with Goal-Setting Theory, which emphasizes the importance of clear, specific, and aligned goals in driving performance. The presence of goal ambiguity and misalignment, as identified under Theme 1, undermines the effectiveness of PMS by weakening the clarity of performance expectations. Consequently, PMS often shifts from a developmental mechanism to a compliance-driven administrative exercise, dominated by red tape and procedural rigidity (Hill & Plimmer, 2024; Zaballa-Luzon, 2024).

From a motivational perspective, the breakdown of PMS effectiveness can be further explained through Expectancy Theory, which posits that employee effort is contingent upon the perceived linkage between effort, performance, and rewards (Vroom, 1964). Findings under Theme 4 indicate a significant disruption in this linkage, where rewards are perceived as inadequate, inconsistent, or disconnected from actual performance outcomes (Ohemeng et al., 2015). This weakens the motivational foundation of PMS, resulting in unintended consequences such as demotivation of high performers and tolerance of underperformance. As a result, the system fails to serve its intended role as a driver of performance improvement.

The second dimension, standardization versus contextualization, reflects the challenges associated with adopting uniform PMS frameworks across diverse organizational contexts. The widespread use of standardized, “off-the-shelf” PMS models often leads to a misalignment between system design and contextual realities, particularly in higher education and public sector institutions. This phenomenon is best explained through Institutional Theory, which highlights how organizations adopt practices due to external pressures, legitimacy concerns, and mimetic behaviour rather than internal suitability (DiMaggio & Powell, 1983). As a result, PMS implementations are frequently symbolic or ceremonial, lacking substantive integration with organizational processes and culture.

This issue is further reinforced by the influence of New Managerialism, which promotes the transfer of private-sector performance practices into public and higher education settings. While intended to enhance accountability and efficiency, this transfer often creates tensions due to the incompatibility between managerial control mechanisms

and the intrinsic values of academic institutions. As reflected in Theme 2, such tensions manifest in the form of resistance, psychological strain, and conflicts between teaching, research, and administrative expectations.

Furthermore, the concept of goal ambiguity identified in Theme 1 is particularly pronounced in public and higher education sectors, where multiple stakeholders with competing interests coexist (Oppi et al., 2022). Unlike private organizations with clear profit-driven objectives, these institutions operate within complex, multi-dimensional mandates. From a theoretical standpoint, this reinforces the limitation of Goal-Setting Theory in highly ambiguous contexts, where goal clarity is inherently constrained. Consequently, PMS in such environments must be adaptive and context-sensitive rather than rigidly standardized.

In summary, the findings demonstrate that the challenges of PMS implementation are not isolated issues but are interconnected through deeper theoretical mechanisms. The interaction between goal misalignment (Goal-Setting Theory), motivational breakdown (Expectancy Theory), institutional pressures (Institutional Theory), and contextual tensions (New Managerialism) collectively explains the persistent difficulties in achieving effective PMS implementation. This integrated perspective provides a more comprehensive understanding of PMS challenges and highlights the need for more adaptive, context-aware, and human-centric performance management approaches.

Current Research Direction

Current research on Performance Management Systems (PMS) is increasingly oriented toward the development of robust, adaptive, and context-sensitive systems, reflecting a significant methodological and operational shift as captured in Theme 3. This shift moves beyond the traditional emphasis on performance measurement (i.e., quantification) toward a broader conception of performance management that incorporates processes, communication, learning, and continuous development (Gao, 2015). From a theoretical perspective, this transition reflects a movement away from purely control-based approaches toward more integrative and human-centric models of performance management.

A key direction in contemporary PMS research involves the adoption of multi-dimensional measurement frameworks that capture organizational complexity across institutional, operational, and value-added dimensions (Noordiatmoko et al., 2023). This aligns with Institutional Theory, which emphasizes the need for PMS to be responsive to contextual pressures, regulatory environments, and organizational norms, rather than relying on uniform, standardized models. The recognition of cultural, leadership, and human capital factors within PMS design also reflects an increasing awareness that performance outcomes are shaped not only by systems and structures, but also by behavioural and social dynamics.

In parallel, there is a growing emphasis on the integration of qualitative and quantitative approaches through hybrid evaluation models. Researchers advocate combining established qualitative assurance frameworks (such as ESG and ISO 9001) with advanced quantitative and data-driven techniques to enhance both rigor and relevance (Nagy, 2025). Analytical tools such as Data Envelopment Analysis (DEA), Analytic Hierarchy Process (AHP), and Bayesian Modeling are increasingly being operationalized in PMS contexts to support efficiency benchmarking, decision prioritization, and predictive analysis. This development

reflects an extension of Goal-Setting Theory, where improved measurement precision enhances goal clarity, and supports more structured performance evaluation processes.

Furthermore, contemporary research highlights the strategic importance of High-Performance Work Practices (HPWPs) in strengthening the effectiveness of PMS (Nasurdin et al., 2018). From the lens of Expectancy Theory, HPWPs particularly those related to performance appraisal and compensation reinforce the critical linkage between effort, performance, and rewards. When effectively implemented, these practices enhance organizational commitment and reduce turnover intention, thereby restoring the motivational integrity of PMS. This indicates a shift toward viewing PMS not only as a control mechanism but also as a strategic tool for employee engagement and capability development.

Another emerging direction is the alignment of PMS with broader societal and sustainability agendas, particularly the Sustainable Development Goals (SDGs). This reflects the expanding role of PMS beyond internal organizational efficiency toward contributing to socio-economic and environmental outcomes (Shankar & Ramsaroop, 2024). From a theoretical standpoint, this development resonates with both Institutional Theory and New Managerialism, where organizations are increasingly influenced by external expectations related to sustainability, accountability, and social responsibility.

Overall, the current trajectory of PMS research indicates a paradigm shift toward more adaptive, integrative, and context-aware systems. The convergence of multi-dimensional measurement models, hybrid analytical approaches, human-centric practices, and sustainability considerations suggests that future PMS frameworks must balance technical rigor with contextual sensitivity. This reinforces the need for PMS to evolve from static evaluation systems into dynamic, strategically aligned mechanisms that support both organizational performance and broader societal impact.

Conclusion

This study confirms that, despite decades of reform, the effective implementation of Performance Management Systems (PMS) remains a persistent and unresolved challenge, particularly within public and not-for-profit organizations (Arnaboldi et al., 2015). The findings suggest that these challenges are not merely operational, but systemic in nature, arising from the inherent tension between bureaucratic rigidity and the complex, adaptive realities of contemporary organizational environments. When viewed through a theoretical lens, these issues reflect deeper misalignments related to goal clarity, motivational mechanisms, institutional pressures, and contextual compatibility.

This research identifies four key findings. Firstly, the central point of failure lies in the implementation process, where PMS frequently devolves into a procedural, compliance-driven exercise due to excessive bureaucracy, inconsistent application, and insufficient managerial capability in coaching and performance facilitation (Taylor, 2015; Zaballa-Luzon, 2024). From the perspective of Goal-Setting Theory, this reflects a breakdown in goal clarity and alignment, which undermines the ability of PMS to guide meaningful performance improvement.

Secondly, PMS often fails to achieve its intended motivational function due to weak or broken linkages between performance and rewards (Ohemeng et al., 2015). Employees frequently perceive the system as unfair, particularly when compensation and promotion are not meaningfully tied to actual performance outcomes (Taylor, 2015). This finding aligns with Expectancy Theory, where the disruption of the effort–performance–reward relationship results in reduced motivation, disengagement, and tolerance of underperformance.

Thirdly, in higher education contexts, standardized PMS models such as the Tenure Track System (TTS) are often misaligned with academic culture and disciplinary diversity (Khan & Jabeen, 2024). These systems tend to privilege quantifiable research outputs over teaching quality and broader academic contributions, thereby creating disciplinary bias and increasing psychological strain among academic staff (Sewpersad et al., 2019). This reflects the influence of Institutional Theory and New Managerialism, where externally imposed performance models are adopted without sufficient consideration of local contextual realities.

Fourthly, the literature indicates a clear shift away from narrow performance measurement toward the development of integrated, hybrid performance management systems (Nagy, 2025). These systems combine advanced analytical tool such as Data Envelopment Analysis (DEA), Analytic Hierarchy Process (AHP), and Bayesian modeling with human-centric practices, including High-Performance Work Practices (HPWPs), to enhance both objectivity and engagement (Nasurdin et al., 2018; Shankar & Ramsaroop, 2024). This shift highlights the need for PMS to evolve into adaptive systems that balance technical rigor with behavioural and contextual sensitivity.

Based on the limitations and unresolved issues identified in the literature, several directions for future research are proposed. First, future studies should focus on modelling contextual ambiguity by exploring how advanced quantitative techniques can be used to measure and manage goal ambiguity and role complexity, particularly in developing economies. Second, comparative research is needed to examine the relationship between HPWPs, contextual factors, and the achievement of Sustainable Development Goals (SDGs), to validate the strategic role of PMS in broader socio-economic outcomes. Third, further investigation into the role of informal systems is required, particularly through qualitative and mixed-method approaches, to understand how managerial coaching, communication, and interpersonal dynamics influence PMS effectiveness. Finally, future research should address disciplinary and contextual differences by developing flexible PMS frameworks that accommodate diverse evaluation criteria across academic and professional domains.

In conclusion, this study contributes to the literature by demonstrating that PMS challenges are fundamentally rooted in theoretical and contextual misalignments rather than purely technical deficiencies. Addressing these challenges requires a paradigm shift toward more adaptive, context-aware, and human-centric performance management systems that can align organizational objectives with individual motivation and institutional realities.

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