



KEY PERFORMANCE INDICATORS AS INSTRUMENTS OF STRATEGIC CHANGE: EVIDENCE FROM THE ROMANIAN PUBLIC SECTOR¹

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Abstract. *This article explores the use of Key Performance Indicators (KPIs) as tools of strategic change in the Romanian public sector. Situated within the broader literature on public management reform, it examines how performance measurement instruments can be mobilized to enhance accountability and support organizational transformation. The study employs a mixed-methods design, combining semi-structured interviews, documentary analysis, and observational research, to investigate the introduction of a KPI-based appraisal system in the cadastral and urbanism departments of Piatra Neamț City Hall (2021-2023). By linking theoretical insights on change management with empirical evidence from a local government case, the article seeks to illuminate the conditions under which KPIs may contribute to institutional learning, performance improvement, and sustainable reform. In doing so, it advances both academic understanding and practical debates on the design and application of performance indicators in transitional administrative contexts.*

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1. Introduction

Contemporary public sector organizations operate in environments increasingly defined by volatility, complexity, and heightened demands for transparency, efficiency, and responsiveness. In such conditions, organizational change ceases to be a circumstantial response and instead becomes a structural imperative. This shift reflects a broader reality in which change has emerged as the defining feature of contemporary organizational life. As Kotter (2007, p. 35) observes, public institutions are under mounting pressure to evolve in order to remain capable of fulfilling their core mission: serving the public interest. In response to this pressure, change management has come to represent not merely a managerial tool, but a foundational pillar of administrative sustainability and long-term strategic adaptation (Burke, 2023, p. 20).

This imperative for transformation is further intensified by the acceleration of global dynamics such as technological advancement, demographic shifts, and the growing interdependence of policy systems (Oreg *et al.*, 2011, pp. 461-499). These converging forces have reshaped the operational environment of public institutions, compelling them to adopt more agile and evidence-informed approaches to ensure organizational resilience and responsiveness in the face of mounting complexity. The COVID-19 pandemic vividly illustrated this need: public institutions were compelled to reconfigure processes at unprecedented speed, deploy innovative solutions under pressure, and safeguard the continuity of essential public services amid far-reaching systemic disruption (Routledge, 2020, p. 120).

Against this backdrop of accelerated change and increasing performance expectations, one of the principal mechanisms that governments should adopt to navigate transformation is performance measurement, most notably, through the use of Key Performance Indicators (KPIs). As quantifiable metrics aligned with strategic objectives, KPIs provide a structured means to track institutional progress, benchmark performance, and guide results-oriented decision-making (Peters, 2018, p. 140).

Within the public sector, their utility extends beyond internal monitoring: KPIs serve as essential instruments for evaluating the effectiveness and quality of services, assessing the impact of public programs, and strengthening transparency and accountability toward citizens (Hood & Dixon, 2015, p. 55).

The practical utility of KPIs lies in their capacity to generate actionable insights across multiple dimensions of public administration. At a foundational level, they enable real-time monitoring

of institutional performance, allowing for the timely identification of operational inefficiencies and opportunities for continuous improvement (Pollitt & Bouckaert, 2009, p. 200). In parallel, KPIs enhance transparency and accountability by offering a structured framework through which public organizations can report on performance outcomes and communicate relevant data to citizens and stakeholders in a clear and accessible manner (Bass & Riggio, 2006, p. 110). Crucially, they also contribute to more effective resource allocation by exposing areas of inefficiency, streamlining administrative processes, and concentrating efforts on activities that yield the greatest public value (Denzin & Lincoln, 2005, p. 325).

However, the realization of these benefits is far from automatic. The successful implementation of KPIs in the public sector depends on a thorough understanding of the organizational context and its distinctive characteristics. Achieving this requires coordinated and sustained collaboration among departments and agencies to define indicators that are not only relevant and realistic, but also strategically aligned with institutional objectives (Fernandez & Rainey, 2006, p. 168). Equally important is the development of an organizational culture that actively promotes and maintains the continuous, systematic use of KPIs as instruments for performance enhancement and adaptive learning (Poister *et al.*, 2014, p. 89).

It is within this broader framework that the present article investigates the role of Key Performance Indicators (KPIs) in facilitating change management at the local government level, focusing on empirical research conducted within the cadastral and urban planning departments of the Piatra Neamț City Hall, Romania. The central hypothesis posits that implementing a KPI system can enhance operational efficiency by reducing response times by up to 30% within one year. To evaluate this, the study employs a mixed-methods research design, integrating document analysis, semi-structured interviews with both employees and service users, and direct observation of institutional processes.

To guide this inquiry, the article is structured into three main sections. The first offers a review of the relevant literature, outlining the theoretical foundations and empirical insights that inform the study. The second section presents the case study, detailing the research methodology, key findings, and their interpretation. Finally, the conclusion synthesizes the study's findings and discusses their implications for public sector performance and future reform initiatives.

2. Literature review

2.1. Theoretical Foundations of Change Management in the Public Sector

2.1.1. Theory of Organizational Change

Organizational change management refers to the systematic application of knowledge, tools, and resources aimed at guiding and sustaining transformation within institutions. In the context of public sector organizations, such processes typically entail significant transitions in how activities are carried out, how structures are configured, and how organizational culture is shaped. These transformations are not only designed to improve performance and ensure long-term adaptability, but are also driven by the imperative to respond effectively to evolving political, economic, technological, and social conditions. Given the dynamic environment in which public institutions operate, their capacity for adaptation becomes essential in maintaining both relevance and operational efficiency. Well-managed organizational change can enhance the quality and effectiveness of public services, thereby increasing citizen satisfaction. Moreover, it has the potential to strengthen transparency and accountability, reinforcing public trust. As Cameron & Green (2019, p. 45) emphasize, the ability to manage change effectively is vital for the long-term success of any organization, particularly in the public sector, where reform is not only frequent but also indispensable for meeting the changing expectations of citizens.

To ensure that such transformations yield sustainable outcomes, organizational change management must be grounded in several core principles that guide the process from inception to consolidation. The first of these is planning, which forms the strategic foundation of any change initiative. It entails the clear formulation of objectives, identification of necessary resources, anticipation of risks, and design of a structured action plan. As Cameron & Green (2019, p. 102) highlight, rigorous planning is essential to navigate the inherent complexity and uncertainty of organizational transformation.

Closely intertwined with planning is the principle of effective communication. Change cannot be successfully implemented without the clear and continuous transmission of information to all stakeholders. This includes articulating the rationale for change, clarifying expected outcomes, delineating procedural steps, and defining the responsibilities of individuals and teams. Transparent communication not only reduces ambiguity but also cultivates collective understanding and commitment. As the authors observe, “communication is key to ensuring that all members of the organization are aligned and motivated to actively participate” (Cameron and Green, 2019, p. 150).

Equally indispensable is employee involvement. Beyond passive compliance, meaningful change requires the active engagement of staff in shaping and executing reform efforts. Mechanisms such as consultations, working groups, and capacity-building activities contribute not only to improved implementation but also to a sense of ownership among those affected. As Cameron & Green (2019, p. 175) argue, “employee involvement is essential for building broad commitment and ensuring sustainability.”

Finally, no change process can be complete without a robust evaluation framework. Assessing outcomes through systematic monitoring, stakeholder feedback, and reflective analysis enables organizations to measure the effectiveness of change initiatives, identify lessons learned, and recalibrate strategies where necessary. This iterative process ensures continuous improvement and strengthens institutional learning. As the authors affirm, “constant evaluation and strategic adjustment are critical to ensuring that the change produces the desired benefits” (Cameron and Green, 2019, p. 200).

To elucidate and effectively govern the multifaceted processes of organizational transformation, the literature has produced several theoretical models that articulate structured approaches to managing institutional change. Among the most enduring is Kurt Lewin’s three-phase model, which views change as a linear progression through unfreezing, changing, and refreezing. The initial phase involves destabilizing the status quo and fostering awareness of the need for transformation. This is followed by the implementation of new behaviors, structures, or processes, and concludes with the institutionalization of these changes to ensure long-term stability and prevent regression (Hiatt & Creasey, 2012, pp. 45-55).

Expanding on this foundation, John Kotter’s eight-step model provides a more detailed roadmap tailored to the realities of organizational complexity. It begins by establishing a sense of urgency and mobilizing a strong guiding coalition, then moves to the articulation and communication of a clear vision for change. The model emphasizes empowering employees, removing barriers, securing short-term wins, and gradually embedding new practices into the organizational culture. Kotter’s approach highlights the importance of leadership, participation, and strategic communication in sustaining momentum and achieving lasting impact (Hiatt & Creasey, 2012, pp. 75-85).

Complementing these organization-level models, the ADKAR framework focuses on individual change as the building block of broader transformation. It outlines five key elements - Awareness, Desire, Knowledge, Ability, and Reinforcement - that must be present for change

to take root at the personal level. By addressing both the cognitive and emotional dimensions of change, the ADKAR model underscores the importance of employee engagement and behavioral alignment in realizing institutional reform (Hiatt & Creasey, 2012, pp. 95-100).

Taken together, these models yield complementary perspectives: while Lewin and Kotter offer strategic frameworks for navigating organizational and cultural transformation, the ADKAR model shifts focus to the individual level, highlighting the personal processes that underpin the adoption and consolidation of change. This layered understanding is particularly valuable in public administration, where successful reform depends not only on coherent planning at the institutional level but also on active engagement from individuals operating within complex bureaucratic systems.

2.1.2. Distinctive Characteristics of Change Management in the Public Sector

The process of managing change in the public sector is shaped by a set of distinctive constraints and institutional logics that fundamentally differentiate it from the practices observed in private organizations. These particularities, rooted in the political environment, bureaucratic structures, organizational culture, resource availability, and stakeholder complexity, necessitate a context-sensitive and strategically adaptive approach. Understanding these elements is critical not only for ensuring the success of public sector reforms but also for anticipating the factors that commonly hinder their implementation and sustainability.

One of the most significant variables influencing change in public administration is the political context in which institutions operate. Unlike private organizations, whose strategic direction is typically determined by market conditions or corporate governance, public institutions are directly affected by electoral cycles and shifting political agendas. These fluctuations frequently generate discontinuities in leadership and policy orientation, complicating the long-term planning and execution of reform initiatives. As Cristache and Vrabie (2022, p. 68) observe, “political influences can cause rapid changes of direction in public institutions, requiring increased adaptability in change management”. The volatile nature of political support, often contingent on partisan considerations, poses a structural vulnerability for reforms that require sustained commitment and institutional continuity.

Compounding these challenges is the bureaucratic configuration characteristic of many public organizations. These entities are typically structured around multilayered hierarchies, formalized procedures, and highly regulated decision-making processes. While such mechanisms are designed to ensure legal compliance and accountability, they can also impede

flexibility and innovation. The implementation of change frequently becomes entangled in procedural inertia, requiring extensive coordination and negotiation across administrative units. In this regard, Cristache and Vrabie (2022, p. 72) rightly argue that “bureaucracy and procedural rigidity are major challenges in implementing change in the public sector”. Reform efforts must therefore reconcile the tension between procedural standardization and the need for strategic responsiveness.

Equally consequential is the organizational culture prevalent in many public institutions - a culture often marked by conservatism, stability-seeking behavior, and adherence to precedent. In such environments, change is frequently perceived as a disruption rather than an opportunity, particularly when it entails modifications to long-standing routines or the introduction of performance-based evaluation systems. Employees may exhibit varying degrees of resistance, motivated by concerns over job security, the loss of professional autonomy, or fear of the unknown. As noted by Cristache and Vrabie (2022, p. 75), “resistance to change in the public sector is often fueled by a traditionalist organizational culture, which is difficult to change without significant employee involvement”. Consequently, successful change management requires not only institutional redesign but also deliberate strategies for engaging, informing, and motivating personnel across all levels of the organization.

Moreover, resource constraints, both financial and human, constitute a pervasive limitation in the public sector’s capacity to undertake complex reforms. Budgetary restrictions, limited access to advanced technologies, and the shortage of skilled personnel often curtail the scope and ambition of change initiatives. These limitations are particularly acute in contexts where administrative systems are underfunded or where reform competes with other pressing governance priorities. As Cristache and Vrabie (2022, p. 80) emphasize, “financial constraints and a lack of adequate human resources are common obstacles to change in the public sector”. Addressing such constraints necessitates careful resource planning, capacity-building programs, and often, external support.

Finally, the diversity of stakeholders in the public sector introduces a layer of complexity rarely encountered in private organizations. Public institutions must respond to a heterogeneous constellation of interests, including those of citizens, civil society, regulatory agencies, and political actors. The multiplicity of expectations and the imperative of public accountability demand a high degree of transparency, deliberation, and consensus-building. As such, change initiatives must be accompanied by robust communication strategies and participatory

mechanisms. In this vein, Cristache and Vrabie (2022, p. 85) underscore that “managing stakeholder diversity is essential for successful change in the public sector, requiring an inclusive and communicative approach”.

In sum, the management of change in the public sector is conditioned by a distinctive set of structural, cultural, political, and operational constraints. Unlike in the private sector, where efficiency and profitability often serve as guiding imperatives, public sector change is embedded in a more complex ecosystem of institutional mandates and democratic expectations. Effective reform, therefore, requires a holistic and strategically aligned approach, one that acknowledges these particularities, engages stakeholders meaningfully, and cultivates the internal capacities necessary for sustained organizational adaptation.

2.2. The Role of KPIs in Change Management

Key Performance Indicators (KPIs) occupy a pivotal position within the architecture of change management, providing organizations with systematic tools for both measurement and evaluation. At their core, KPIs establish an objective framework through which progress in reform initiatives can be tracked with precision and consistency. For instance, in the case of a public institution introducing a new information system to enhance operational efficiency, relevant indicators may include document processing times, error frequency, and user satisfaction rates - metrics that offer concrete evidence of the system’s effectiveness.

Beyond their evaluative capacity, KPIs function as early diagnostic instruments, enabling managers to detect procedural bottlenecks, operational shortcomings, and latent opportunities for improvement. An increase in citizen response times, for example, may reveal deficiencies in the implementation of new administrative procedures, thus signaling the need for corrective action (Lynn, 2000). In this sense, KPIs not only measure performance but also guide adaptive learning within organizations undergoing change.

The informational value generated by KPIs extends further, providing decision-makers with robust evidence to support both strategic and operational choices. By supplying reliable data, KPIs enhance resource allocation, facilitate plan adjustments, and aid in the prioritization of interventions, thereby reinforcing the likelihood of successful change implementation (Fung, 2006, p. 120). Their role is not limited to managerial decision-making, however, as regular KPI-based reporting fosters transparency by communicating the pace and direction of change to a wide range of stakeholders, including employees, citizens, and supervisory authorities. This continuous flow of information contributes to trust-building and helps secure sustained support

for reform initiatives (Bovaird & Löffler, 2023, p. 150). Equally significant is their motivational function: by offering employees objective and unambiguous feedback on their contributions, KPIs strengthen the perceived link between individual performance and organizational goals, cultivating professional accountability and a results-oriented ethos (Osborne & Gaebler, 1992, p. 132).

Building on these conceptual roles, the literature also emphasizes the methodological and practical dimensions of KPI deployment, particularly in the monitoring and evaluation of change. Their effective use requires careful alignment with the strategic objectives of the reform process. The initial stage involves defining KPIs according to the specific aims of change, ensuring compliance with the S.M.A.R.T. criteria - specific, measurable, attainable, relevant, and time-bound - and directly linking them to the organization's strategic priorities (Bryson, 2018, p. 210). Accuracy and consistency in data collection and analysis are equally critical, often necessitating the use of performance management technologies capable of real-time tracking. The systematic reporting of KPI results through periodic reports, structured presentations, or visualization platforms sustains transparency and reinforces accountability among stakeholders (Fung, 2006, p. 145).

As change initiatives evolve, KPIs must be revised and recalibrated to reflect shifting priorities and emerging realities, ensuring their continued relevance as evaluative and decision-making tools (Osborne & Gaebler, 1992, p. 150). Their practical utility is well illustrated by public sector digitalization projects, where indicators such as average online processing time, system error rates, and user satisfaction levels provide a multidimensional assessment of efficiency, technological reliability, and citizen trust. By integrating efficiency, quality, and user experience within a coherent monitoring framework, KPIs demonstrate their pivotal role in steering complex reforms toward measurable improvements in service delivery.

A particularly illustrative example of KPI-driven digital transformation in Romania is the development of the *Ghișeul.ro* platform, a central instrument in the modernization of public service delivery. Conceived as an e-government initiative, the platform enables citizens to access a wide range of administrative services online, including the submission of applications and the payment of taxes and fees, without the need for in-person visits to public offices. Services such as passport or driver's license renewals have been integrated into the system, accompanied by user-friendly features such as real-time status updates, institutional schedules, and detailed guidance on administrative procedures.

The introduction of *Ghișeul.ro* has had a measurable impact on administrative efficiency and citizen engagement. By reducing bureaucratic procedures and eliminating the necessity of physical presence, the platform has streamlined workflows and allowed public employees to redirect their efforts toward more complex tasks. At the same time, it has enhanced accessibility and convenience for citizens, who can now access services anytime and from any location. In this respect, *Ghișeul.ro* exemplifies the role of digital platforms in reinforcing accountability, improving service quality, and aligning public administration with contemporary expectations of efficiency and transparency (Hood & Heald, 2006, p. 110).

The creation of the *Ghișeul.ro* mobile application represents an additional step in extending the platform's functionality and accessibility. Through the app, citizens can make payments for both local and national obligations, such as property taxes or traffic fines, directly from their smartphones. The application further facilitates requests related to identity documents, including passports and driver's licenses, while providing notifications and reminders regarding upcoming deadlines. These features not only reduce the risk of penalties for late payments but also improve citizens' capacity to plan and manage their administrative obligations (Dwivedi *et al.*, 2013, p. 89).

The adoption of the mobile application has been particularly impactful for individuals in rural or remote areas, where physical access to administrative offices may be difficult. By enabling ubiquitous access to services, the app has reduced waiting times, enhanced convenience, and contributed to the efficiency of institutional processes. Overall, the case of *Ghișeul.ro* illustrates the broader potential of digital platforms to operationalize performance indicators such as efficiency, accessibility, and transparency, thereby demonstrating the transformative role of digitalization in public sector change management (Janssen & Helbig, 2018, p. 101).

3. Case Study: Implementing Key Performance Indicators (KPIs) in the Piatra Neamț City Hall

3.1. Context and Objectives

Between 2021 and 2023, the Municipality of Piatra Neamț initiated a targeted administrative reform aimed at improving the efficiency and quality of public service delivery through the introduction of a performance evaluation system based on Key Performance Indicators (KPIs). The reform concentrated on the cadastral and urban planning departments, which were affected by longstanding operational inefficiencies, namely extended processing times, procedural rigidity, and limited transparency, that collectively undermined service quality and public trust.

The strategic rationale underpinning the intervention stemmed from the need to develop an objective, measurable, and adaptive framework for performance evaluation. This framework was intended to identify institutional bottlenecks, support evidence-based managerial decision-making, and promote a results-oriented organizational culture. The KPI system was thus envisioned as a multidimensional instrument for monitoring employee performance, generating diagnostic insights for managerial action, and fostering a climate of professional accountability and continuous improvement.

The central hypothesis guiding the project posited that the implementation of a KPI-based performance management system would result in a 30% reduction in citizen request processing times within one year. This projected outcome was conceived not only as a quantitative benchmark but also as a symbolic articulation of the broader ambition to reposition the institution as a responsive and citizen-oriented administration.

Operationally, the reform was structured around four interdependent objectives:

- 1) to reduce request processing times and mitigate procedural delays;
- 2) to improve the accuracy, reliability, and overall quality of administrative outputs;
- 3) to strengthen institutional transparency and public accountability; and
- 4) to enhance employee motivation through performance-based recognition and incentive mechanisms.

Collectively, these objectives reflected a comprehensive and integrative vision of public sector modernization - one grounded in the principles of strategic performance management, organizational adaptability, and citizen-centric governance.

3.2. Research Design

To investigate the implementation and effects of the KPI-based performance management system, the study adopted a mixed-methods research design combining qualitative and documentary techniques. This triangulated approach integrated semi-structured interviews, documentary analysis, and structured observation to capture complementary perspectives on institutional performance, employee attitudes, and administrative workflows. The methodological design aimed to ensure empirical robustness and contextual depth while facilitating cross-validation of findings.

3.2.1. Semi-Structured Interviews

To investigate the institutional context, operational practices, and employee attitudes toward performance management reform, a series of semi-structured interviews were conducted with staff from the cadastral and urban planning departments of the Piatra Neamț City Hall. This qualitative method was selected for its ability to capture detailed, context-sensitive insights while allowing for both consistency across respondents and flexibility in probing individual perspectives.

The interview process spanned a one-year period, from February 2022 to March 2023, and was organized in quarterly rounds to allow for longitudinal observation of attitudes throughout the different phases of KPI system implementation. A total of 45 employees participated in the study, selected based on their direct involvement in administrative workflows and interactions with citizens.

The interviews were guided by a structured thematic framework designed to elicit information on several key dimensions: perceptions of workflow efficiency, views on the transparency and fairness of performance evaluation practices, familiarity with the concept of Key Performance Indicators (KPIs), anticipated challenges in implementation, and preferences regarding motivation and reward mechanisms. Open-ended questions were used to encourage elaboration, while consistent prompts ensured comparability across sessions.

All interviews were conducted in person, with prior informed consent obtained from participants. Notes were systematically recorded during and after each session. Where permitted, anonymized quotes were transcribed for subsequent thematic analysis. The data collected through this method served as an empirical basis for understanding internal perceptions and informing the design and calibration of the KPI framework.

3.2.2. Documentary Analysis

To complement the qualitative data collected through interviews and to establish a factual baseline for assessing departmental operations, a systematic documentary analysis was conducted. The aim of this method was to quantify the administrative workload and procedural structure within the cadastral and urban planning departments and to identify performance patterns prior to and following the implementation of the KPI system.

The analysis covered a two-year period, from March 2021 to March 2023, and involved the examination of internal institutional documents, including departmental activity reports, registries of incoming and outgoing correspondence, citizen request logs, and internal

performance evaluations. These documents were selected for their relevance to service delivery processes and their capacity to provide longitudinal data on operational volume and procedural consistency.

Data extraction focused on key variables such as the number and typology of citizen requests processed, average turnaround times, frequency of delays or resubmissions, and internal notations regarding workflow constraints. Special attention was paid to variations in monthly or quarterly performance trends and to any recorded discrepancies between planned and actual service delivery metrics.

A comparative review of pre- and post-implementation records was conducted to identify quantifiable shifts in operational output and administrative responsiveness attributable to the KPI reform.

3.2.3. Observational Research

To complement the insights gained from interviews and document analysis, a structured observational study was conducted with the aim of capturing the actual functioning of internal workflows, staff–citizen interactions, and operational bottlenecks within the cadastral and urban planning departments of Piatra Neamț City Hall. The observation was intended to provide context-sensitive, empirical grounding for the performance management reform, enabling the identification of latent inefficiencies that might not be readily apparent through self-reported or documentary data.

The observational research spanned twelve months (March 2022–March 2023) and employed a non-participant, overt observation strategy designed to preserve procedural integrity while ensuring ethical transparency. Observations were conducted at key procedural nodes, encompassing both front-office and back-office settings.

A structured observation protocol guided data collection, focusing on workflow sequencing and duration, document handling practices, staff allocation, communication modalities, and responsiveness to citizen inquiries. Informal interactions with staff were recorded when they provided relevant contextual clarification. This method offered empirical grounding for the identification of latent inefficiencies that were not readily captured through interviews or documentary review.

3.3. Findings

3.3.1. Improvements in Administrative Efficiency

One of the central aims of the KPI system was to reduce processing times and increase operational throughput. Documentary evidence indicates that, following implementation, the total number of citizen requests processed by the cadastral and urban planning departments increased by approximately 20%, rising from 4,500 in the period March 2021 - March 2022 to 5,400 in the subsequent year. This quantitative growth was interpreted as an indicator of enhanced administrative capacity and a sign of increasing citizen confidence in institutional responsiveness.

In parallel, the average turnaround time for processing requests was reduced by an estimated 20%. Although this figure fell short of the projected 30% reduction stipulated in the initial hypothesis, it nonetheless represented a measurable improvement and suggested partial success in addressing the procedural inefficiencies that had previously characterized both departments.

Interview data confirmed these developments. Staff members reported a perceived acceleration in workflows and attributed this to the clearer expectations introduced by the KPI framework. However, several respondents also pointed to the persistence of rigid approval chains and complex administrative routines that continued to delay service delivery.

These perceptions were echoed in the observational data, which documented modest improvements in task coordination and time management. At the same time, persistent bottlenecks were noted, particularly in relation to manual handling of requests and the absence of integrated digital systems to support streamlined document flow.

3.3.2. Advancements in Transparency and Performance Monitoring

Beyond efficiency, the reform initiative sought to promote greater institutional transparency through systematic performance monitoring. Prior to implementation, interviews revealed widespread dissatisfaction with existing performance evaluation mechanisms, which were characterized as opaque, inconsistent, and lacking objective criteria. This perceived arbitrariness undermined staff motivation and contributed to a broader climate of organizational distrust.

Following the introduction of the KPI framework, staff expressed cautious optimism about the shift toward more standardized evaluation procedures. Interview participants identified processing times, document accuracy, and citizen satisfaction as the most relevant performance indicators and emphasized the need for consistent application of these metrics.

Documentary analysis confirmed that, in the post-implementation period, initial efforts were made to institutionalize monitoring practices. Periodic performance reports were generated, marking a shift from previous informal or undocumented practices. However, the scale and frequency of reporting remained limited, suggesting that the transition toward a fully transparent evaluation culture was still in progress.

Observational data complemented these findings by highlighting ongoing challenges in citizen-facing services. In particular, the lack of real-time tracking systems continued to hamper communication between staff and citizens regarding request status. Nonetheless, incremental improvements were noted in internal messaging and expectation-setting, particularly in units where managerial alignment with performance targets was explicit.

3.3.3. Staff Motivation and Attitudes toward the KPI System

The implementation of performance indicators also had implications for employee motivation and workplace dynamics. Interview data revealed a nuanced set of attitudes: while many employees welcomed the conceptual rationale of linking performance to recognition, concerns were raised about increased work pressure, the fairness of indicator selection, and the risk of disproportionate focus on quantifiable outputs.

Preferences regarding motivational mechanisms varied. Several respondents emphasized the importance of recognition systems that combined public acknowledgment with financial incentives. At the same time, the absence of a formal rewards scheme during the initial stages of implementation appeared to limit the reform's impact on morale and engagement.

These findings were supported by observational research, which documented heterogeneous behavioural responses among staff. In some instances, increased attentiveness and task ownership were observed. In others, particularly in front-office roles, disengagement and indifference persisted. These attitudes were often linked to perceived deficits in institutional support and uncertainty regarding the long-term benefits of the new system.

3.3.4. Organizational Resistance and Cultural Constraints

Finally, the reform encountered various forms of resistance, both cultural and political, which shaped its implementation and reception. Interviews revealed that some employees viewed the KPI system with suspicion, fearing that it could be used for punitive or politicized purposes. Concerns about job security and performance surveillance contributed to defensive attitudes and, in some cases, passive resistance.

These dynamics were also visible during the observational phase of the research. While overt opposition was rare, minimal compliance behaviours and a reluctance to internalize reform objectives were frequently observed. Informal conversations with staff further confirmed a climate of uncertainty and hesitation, particularly in departments with limited prior exposure to performance-based evaluation.

Although documentary records did not explicitly reference resistance, indirect evidence, such as delays in tool deployment and inconsistent adoption of reporting procedures, suggested that full institutional alignment with the reform was not achieved.

Political considerations further complicated the reform context. According to interview accounts, apprehensions were expressed by political actors within the municipality, who feared that an objective evaluation system could undermine internal cohesion or expose inefficiencies that might carry reputational risks. These concerns acted as a barrier to broader institutional support and limited the scope of reform during the initial implementation phase.

3.4. Hypothesis Validation

The central hypothesis guiding the implementation of the KPI-based performance management system posited that:

“The introduction of a KPI system in the cadastral and urban planning departments of Piatra Neamț City Hall would reduce citizen request processing times by 30% within one year.”

This hypothesis reflected both an operational objective and a symbolic commitment to administrative modernization. Its validation required the alignment of observed performance outcomes with the predefined target benchmark.

Empirical findings derived from documentary analysis indicated that, over the course of the implementation period (March 2022 - March 2023), average processing times were reduced by approximately 20% compared to the preceding year. Although this figure signifies a meaningful improvement in administrative efficiency, it fell short of the projected 30% reduction.

Consequently, the hypothesis was partially validated. While the target threshold was not fully achieved, the measurable reduction in processing duration confirmed the reform’s capacity to improve institutional responsiveness within a relatively short timeframe.

Moreover, the observed performance gains were accompanied by a documented increase in overall request volume (from 4,500 to 5,400), suggesting that the institution was able to process

a higher number of cases more efficiently, even under increased demand. This contextual factor lends further empirical support to the hypothesis, albeit within moderated limits.

Importantly, interview data corroborated the existence of perceived improvements in operational speed and task prioritization, though respondents consistently noted the persistence of procedural rigidity and hierarchical approval chains. Observational findings confirmed these constraints, revealing that structural and cultural bottlenecks continued to limit the full realization of performance potential.

Taken together, the data support a qualified affirmation of the hypothesis: the KPI system demonstrably enhanced processing efficiency but did not fully meet the quantitative benchmark established at the outset. These findings underscore the need for further system refinement and sustained managerial investment in order to consolidate and extend initial performance gains.

3.5. Challenges Encountered

The implementation of the KPI-based performance management system in the cadastral and urban planning departments of Piatra Neamț City Hall faced a series of structural, political, and organizational challenges that significantly affected both the pace and the depth of the reform process. These constraints emerged throughout the various stages of design, deployment, and operationalization, limiting the institutional capacity to fully achieve the projected outcomes.

A primary obstacle was the presence of political resistance to change, particularly among actors concerned about the potential implications of increased administrative transparency and accountability. As reported in the interviews, apprehensions were expressed that a performance-based system might disrupt existing power dynamics or expose institutional inefficiencies, thereby undermining the authority of local leadership. This latent opposition, although not always explicit, contributed to a climate of caution and constrained the level of political backing required for full institutionalization of the reform.

In parallel, internal resistance among employees emerged as a significant impediment. Several staff members expressed skepticism toward the reform, driven by concerns over job security, workload intensification, and a perceived lack of clarity regarding the practical implications of performance evaluation. These attitudes translated into passive resistance and minimal compliance, particularly in the absence of a formal incentive structure or a clear communication strategy aimed at fostering engagement and trust. Interviews revealed that staff often interpreted the reform as a top-down imposition rather than a participatory process, which undermined the legitimacy of the initiative in its early stages.

Technical and infrastructural constraints also hindered the implementation process. The existing digital infrastructure lacked the robustness necessary to support efficient data collection, real-time tracking, and automated performance reporting. In several cases, manual processes had to be maintained due to system limitations, resulting in delays, inconsistencies, and added administrative burden. These technical deficiencies required additional support measures and prolonged the timeline for achieving full operational functionality.

Furthermore, resource constraints, both financial and human, posed difficulties for implementation. The departments involved were required to reallocate limited personnel and budgetary resources to support the design and execution of the KPI framework, without supplementary funding or external technical assistance. This placed strain on already overextended teams and limited the scope of support activities such as training, communication, and monitoring.

Despite these challenges, the project generated partial improvements in administrative responsiveness and transparency. Nevertheless, the combined effect of political caution, institutional inertia, and technical limitations prevented the reform from reaching its full transformative potential. The experience underscores the critical importance of securing strong political commitment, fostering a supportive organizational culture, and ensuring adequate technical and financial resources when pursuing performance-oriented reforms in the public sector.

4. Conclusions

This study contributes to a deeper understanding of the role and applicability of Key Performance Indicators (KPIs) in public administration, offering empirical insights into both the benefits and challenges of performance-based management within the specific institutional context of Piatra Neamț City Hall.

The findings demonstrate that the implementation of KPIs can significantly enhance the efficiency and quality of public service delivery, as evidenced by measurable improvements in processing times and document accuracy within the cadastral and urban planning departments. By enabling real-time monitoring and data-informed decision-making, the KPI framework supported a shift toward more responsive and accountable administrative practices.

Equally important, the project highlighted the role of KPIs in promoting institutional transparency and public accountability. The regular publication of performance data fostered a more open organizational climate and helped to restore citizens' trust in local governance

structures. These results underscore the potential of performance indicators to function not merely as managerial tools, but as mechanisms for democratic accountability.

However, the study also brings to light several political and organizational constraints that limited the full institutionalization of the reform. Political hesitation, motivated by concerns over reputational risks and institutional exposure, posed significant obstacles, as did resistance among employees concerned about job security and procedural change. These dynamics reaffirm the importance of securing sustained political support and fostering internal engagement when undertaking structural reforms in the public sector.

Based on the lessons drawn from this case, the study formulates a set of practical recommendations for effective KPI implementation. These include the need for an initial diagnostic analysis, the formulation of SMART indicators, clear and continuous communication, structured employee training, and ongoing system calibration through regular data review. Such measures are essential to ensuring both the technical soundness and institutional acceptability of performance systems.

Beyond its empirical findings, the study offers a dual contribution. Theoretically, it enriches existing literature on strategic performance management in the public sector by providing a context-specific case analysis. Practically, it serves as a blueprint for local administrations aiming to modernize their service delivery through evidence-based tools.

In sum, the experience of Piatra Neamț illustrates both the transformative potential and the institutional fragility of KPI-based reforms. By anchoring these reforms in organizational realities and coupling them with strong political will, other municipalities may draw inspiration from this initiative to foster more effective, transparent, and citizen-oriented public services.

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