

CHAPTER 1

ORIENTATION AND PROBLEM STATEMENT

KEYWORDS: Condition of service, service benefits, employee performance, training, motivation, Gauteng Department of Education (GDE).

1.1 ORIENTATION AND PROBLEM STATEMENT

Gauteng Department of Education (GDE) is managed through a two-tier structure consisting of a Provincial Head Office and 15 District Offices that are aligned to the local government boundaries (GDE Report, 2010: 20).

GDE is an organization that currently employs a total of approximately 84461 employees who are entitled to enjoy the service benefits offered by the GDE. Conditions of service is an instrument to monitor and control employee services and their benefits with the purpose to administrate the payment of salaries, service conditions, and benefits of all staff (Mazibuko, 2009: 4-5).

Under Human Resource Administration the condition of service benefits within GDE, is classified as flexible benefits arrangement. The organization determines the total package cost to spend in employing employees at different levels of the organization. It "then compiles a list of types of benefits to offer an employee. From this menu of the benefits each employee can choose those benefits which best suit his or her individual needs" (Swanepoel et al, 1998: 554).

Employee Performance Management is a process for managers to establish a shared workforce understanding about what should be achieved in an organizational level. "[i]t is about aligning the organizational objectives with the employees' agreed measures, skills, competency requirements, development plans and the delivery of results" (Grobler and Wamich, 2006: 262).

White Paper on the New Employment Policy in the Public Service, 2nd Draft October 1997 laid the foundation for the framework for managing performance in the Public Service.

The Public Service Act, Proclamation No. 103 of 1994, Section 3(5) assigns powers and duties concerning the internal organisation of a department to its Executing Authority. This includes the career incidents of employees other than HOD's, such as performance management in a department.

The GDE is powered by the Public Service Regulations Government Notice No R441 of 25 May 2001 (as amended) chapter 1, Regulation VIII, Section A, that outlines the principles of managing performance stating that Departments shall manage performance in a consultative, supportive and non-discriminatory manner in order to enhance organizational efficiency and effectiveness, accountability for the use of resources and the achievement of results.

According to Branham (2005: 7), "sometimes employees have a feeling that it is not fair to receive the same pay increment as those who contribute far less to the organization and most importantly, people end up feeling completely neglected than and for this reason they start to reduce their working abilities, pace and feeling based on the fact that they are earning the same salary and are on the same notch as their counterparts," which is the case of GDE whereby some of the employees are not being given a chance to fully exercise their potential.

Furthermore, it is witnessed through personal observation and personalized interviews with some of the employees that supervisors and managers of the delegated units within the GDE does not take initiative to guide, inform and aware their subordinates regarding the availability of services benefits within the organization. It is furthermore related to the challenge regarding lack of training and informative sessions within the organization.

It has come to the foreground that employees have been in service of the GDE for a lengthy period of time however they do not belong to a medical

scheme. The ignorance of employees also contributes towards the official not applying for governmental service benefits and it will only be in the interest of the affected person that the immediate supervisor informs the person concerned thereof with the sole purpose to ensure that the employee comes to grip with the situation and apply (GDE Annual Report, 2010: 181).

The relationship and trust between employer and employees is negatively affected in cases whereby employers do not show an interest and take the wellbeing of employees into consideration. This ultimately has a negative effect on the entire working environment, productivity and performance of employees and organization as a whole (GDE Annual Report, 2010: 181).

The research aimed to explore the challenges regarding services benefits that have a significant impact on employee performance in Gauteng Department of Education.

1.2 HYPOTHESIS

The hypothesis for the study was formulated as:

The effective service benefits may improve employee performance at Gauteng Department of Education.

1.3 RESEARCH QUESTION

With reference to the problem statement, the study attempted to find answers to the following questions:

- What is meant by concepts service benefits and employee performance?
- What is the relationship between service benefits and employee performance at GDE?
- What is the impact of service benefits on employee performance at GDE?
- What recommendations can be offered to improve service benefits for employee performance at GDE?

1.4 RESEARCH OBJECTIVES

Flowing from problem statement and research question, the objectives of the research involves the following:

- To give a theoretical exposition of concepts service benefits and employee performance.
- To provide an overview of the relationship between service benefits and employee performance at GDE.
- To investigate the impact of service benefits for enhanced employee performance at GDE.
- To provide a set of recommendation for successful implementation of service benefits for enhanced employee performance at GDE.

1.5 RESEARCH METHODOLOGY

This section of the research proposal focused on the literature study that was conducted and the empirical research that was used to collect data.

1.5.1 Literature study

The literature study on service benefits and employee performance was conducted and the following sources were utilized, namely books, journals, internet, articles, legislative frameworks and periodicals and database of thesis and dissertation of South African tertiary institutions.

The information was further accessed through GDE website and related internet databases viz. publications of Public Service Commission, Gauteng Department of Education (Head Office) Book Database, speeches of MEC and HOD: GDE, and Annual reports of GDE.

1.5.2 Empirical Research and Design

The semi-structured interviews were conducted with respondents from senior management, employees and officials. This included qualitative

questionnaires to obtain their opinion on the impact of the service benefits for enhanced employee performance at GDE. The convenient sampling was utilized to approach target population in order to obtain responses. The following were interviewed.

- Managers: Senior Management level (4) to determine the implementation of service benefits at GDE.
- Supervisors: Condition of Service Directorate (2) in order to obtain information concerning the challenges regarding service benefits at GDE.
- Personnel: Human Resource Administration (8) in order to determine the impact of service benefits on employee performance at GDE.
- Personnel: Human Resource Development Management & Systems (5) to determine the level of awareness regarding service benefits at GDE.
- Personnel: GDE Directorates (8) to determine the level of employees' performance at GDE.

1.5.3 Research Ethics

In order to comply with the issues of ethics in research, the researcher communicated with the respondents and stated the purpose of the study. The respondents were assured to maintain their confidentiality. The researcher showed respect to the respondents and maintained the dignity of the research process by complying with the ethical norms required for the study.

1.6 CHAPTER LAYOUT

The following chapters were outlined for the research:

Chapter 1: Orientation and problem statement

The chapter explores the background of the research stating the challenges associated with service benefits at the Gauteng Department of Education. The hypothesis is formulated to proceed with the research with clearly stipulated research questions and research objectives. The chapter highlights the

research methods techniques utilized to receive significant responses and information related to the study.

Chapter 2: Theoretical exposition of the concept employee performance management

The chapter explains the meaning of concept employee performance management exploring on the aims and mechanisms of the implementation of performance management to review employees' performance at the workplace.

Chapter 3: Overview of service benefits in GDE

The chapter explores the understanding of the concept service benefits stating its implementation in the GDE as a case-study for the research. The chapter describes the policies relevant to the service benefits at the GDE exploring the challenges encountered in the level of implementation.

Chapter 4: Empirical Study: The impact of service benefits on employee performance at GDE

The chapter is based on the empirical study emphasizing the impact of service benefits on employee performance at GDE. The qualitative and quantitative research methods were utilized to receive information and responses relevant for the study. Questionnaire was distributed and interviews were conducted to obtain responses from the relevant respondents. The responses were analyzed to gain the insight regarding the issue of service benefits and its impact on employee performance using GDE as a case-study.

Chapter 5: Findings, summary and recommendations

The chapter summarizes the research stating the important findings of the research. The chapter offers significant recommendations for improvement. The chapter provides an area of further research exploring diverse dimensions of service benefits at the workplace.

The next chapter explores the meaning of the concept employee performance management in detail.

CHAPTER 2

THEORETICAL EXPOSITION OF CONCEPT EMPLOYEE PERFORMANCE MANAGEMENT

2.1 INTRODUCTION

According to Colenso (2000: 155), "the process of employee performance management does not side-step the issue of the organisation's need to deliver service but to ensure effective and efficient delivery of service to the client and should also focus on the interest of its employee".

Chapter 1 outlines the basis and objectives of this research. Chapter two pay more attention with literature review on employee performance management and performance management including the process of employee performance management.

The review of literature will focus on providing clear definition of employee performance management emphasizing on the aims and objective of employee performance management.

This chapter will furthermore provide legislation regarding the employee performance management that is currently being applied in the South African Public Service sector.

2.2 MEANING OF CONCEPT EMPLOYEE PERFORMANCE

Rogers (1994 in Mwita, 2010:81) states that the changes which has taken place in the public sector domain, have created considerable interest in the concept of performance, and as a consequence, the vocabulary of local government management has been filled with phrases beginning with that word performance, for example performance measurement, performance appraisal etc.

For the purposes of this research it is important that the discussion around performance management is contained and explained within the relevant context, thereby linking it to the understanding of employee performance thereof.

2.2.1 Understanding Performance and Performance Management

Rogers (1994: 21) defines performance as the measurement of outcomes work because it provides the strongest linkage to the strategic goals of the institution or organization, customer satisfaction and economic contribution.

Performance is a term that encompasses many different concepts. Performance means “the yield or results of activities carried out in relation to purposes being pursued” (Curristine, 127: 2005).

“The concept of performance is an old phenomenon in a working environment especially in the private sector. If one can’t define performance, one can’t measure or manage it” (Armstrong and Baron, 1998 in Mwita, 2002:82). The term “performance as process, which entails a number or series of behaviours, directed towards the achievement of some predetermined goal” (Armstrong and Baron, 1998 in Mwita, 2002:82).

According to Williams (2006:24), performance management is a strategic approach to management which equips leaders, managers, workers, and stakeholders at different levels with set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organization in terms of indicators and targets for efficiency, effectiveness and impact.

Salem (2003:2) defines performance management as an integrated, systematic approach to improve organizational performance in order to achieve corporate strategies and aims to promote its mission and values.

Performance Management System can also be classified into four main groups depending upon the variables that one wishes to measure, influence or control. The four classifications are the belief system which pertains to

issues of vision, boundary system, which surrounds issues of internal controls, the diagnostic control system, which looks at monitoring budgets and the interactive control systems which focus on project planning (Radnor and McGuire *in* Broad and Javadi, 2011: 4).

2.2.2 Understanding Employee Performance

Employee performance is “a conscious, objective assessment of the extent to which or employee is fulfilling or exceeding the requirement of their role and in execution of the task assigned to him or her to carry any work related to activities both in absolute and comparative terms” (Kearns, 2000: 28).

This assessment is “significant to assist employees regarding the standards of expectations required for enhanced performance” (Pieters, 2000: 264).

Motsomi (2002:30) states that without performance measurement there cannot be performance management. Thus, measures are needed in order to be able to manage. Measurement is an important concept in performance management. It is the basis for providing and generating and it identifies areas where things are going well to provide a basis for improving on that success.

The significance of performance management is therefore “to establish an organizational culture in which the individual employees and groups within the organization takes responsibility for the continuous improvement of their performance for the achievement of organizational goals. Hence the main purpose of appraising and coaching employees is to instil in them the desire for continuous improvement” (in Letsoalo, 2007:14).

According to Performance Management in the Public Sector Document (2010:3) effective performance management practiced across the entire organization in an integrated, iterative and sustained way can help public service and organizations overcome the challenges and deliver more with less.

Performance is an on-going process and should be continuous in practice to regularly review the achievements of set targets. It can be achieved through:

- linking the individual goals with the departmental goals and furthermore to the organizational goals;
- identifying the training needs of employees to upgrade their levels of expertise and enhance their required skills;
- guiding employees regarding the manner to achieve the set goals;
- identifying the employees for recognition and appreciation as a motivation for continuous progression; setting the career-paths for employees; and
- aligning the individual goals with performance rewards; etc.

These targets can be achieved through adequate employee performance appraisal procedures, discussed in the following section.

The improvement of performance should not merely be seen as a mechanistic process of converting input into output, but the whole question of performance should be managed in terms of a holistic approach. This means that the field of performance management encompasses a host of aspects that can contribute either to its overall success or to its ultimate failure (van der Walt, 2006:133).

In order to achieve the focuses of performance management, the South African Public Service Departments are obliged to implement the relevant mandates and legislation, stated in Appendix A.

2.3 PERFORMANCE APPRAISAL METHODS

An “employee performance appraisal is a process often combining both written and oral elements whereby management evaluates and provides feedback on employee job performance, including steps to improve or redirect activities as needed (Robbin, 2007: 337-338).

The significance of implementing performance management system is “to ensure that the organization and all of its subsystems (processes,

departments, teams, employees, etc.) are working together in an optimum fashion to achieve the results desired by the organization” (BP Consultancy, 2011: 1).

At the GDE, the performance appraisal includes the following elements for consideration:

2.3.1 The process of employee performance management

The meaning of term ‘performance’ should be discussed with employees in order for them to understand its significance and relevance at the workplace.

The understanding of the system of employee performance appraisal should be transferred to employees in order for them to understand the manner their individual goals are linked and aligned with the organizational goals. This understanding will assist them to concentrate on the Key Performance Area and Key Performance Indicators to achieve.

Employees should be guided to utilize the available resources to achieve their goals of efficient and effective delivery of services.

Employee performance management shall be a continuous process of managing (planning, leading, organising and controlling) the effort or activities of every official in order to ensure that performance (results or outcomes) is achieved (Gauteng Provincial Department of Education. 2009/10, 2010: 4), as reflected in figure 2.1 (Appendix B).

According to Armstrong and Murlis (1988: 157; Mmapulana, 2010: 11), “most organizations can benefit from a periodic review of this kind. However, in describing the outcomes of such a review a more prescriptive model of a performance management system is required”.

2.4 MOTIVATION THEORIES AND EMPLOYEE PERFORMANCE

“Employee motivation and productivity have been studied since the days of Aristotle, whose theories included delegation of authority, departmentalism

and leadership selection. Many management theories of employee motivation were developed in the 1940s and '50s and led to the management and employee theories of the '60s, '70s and '80s that are the basis of employee motivation today" (Cardenas, 2012: 1). "An understanding of motivation theories can help managers increase employee performance. Employees generally fall into two types: self-motivated, and those that require external motivation to stay motivated. Self-motivated employees tend to exhibit good performance even if they are never provided with much external motivation, but their performance increases still more if they are provided with that motivation" (Lots of Essays.com, 2012: 1). The motivation theories include the following:" Alders (ERG theory), Maslow (Need theory), Vrooms (Expectancy theory), Adams (Social equity theory), Taylor (productivity theory), Herzberg (Two factor theory), Mac Gregory (theory X and Y), Geogopalaus (path goal theory) and skinner (Reward theory)" (Ajang, 2012: 9).

The understanding of motivational theories assists managers to provide "a useful foundation to help understand:

- that employee motivation is individual and reflects the complex interplay of individual needs and individual views and decisions on what are the best actions to satisfy them;
- the needs that drive employees and influence their motivation and behaviour;
- how employees' expectations influence their motivation and behaviour;
- the opportunities to influence intrinsic motivation;
- the critical design elements of your organisation's extrinsic motivators (e.g. pay, rewards, goal setting, performance assessment processes etc) and 'hygiene factors'" (iWise2 eBusiness Limited, 2012: 1).

The "theorising of many an author and researcher over the years has resulted in the increased ability of organisations to transform these theories into

practical and effective measures to address a highly complicated aspect of organisational psychology, namely the motivation of human behaviour at work, and to ensure organisational success and profitability in the process” (Roos, 2005: 36) linking to motivation incentives and employee service benefits.

The need of incentives can be many: “to increase productivity; to drive or arouse a stimulus work; to enhance commitment in work performance; to psychologically satisfy a person which leads to job satisfaction; to shape the behaviour or outlook of subordinate towards work; to inculcate zeal and enthusiasm towards work; and to get the maximum of their capabilities so that they are exploited and utilized maximally” (managementstudyguide.com. 2012: 1).

According to Nel et al (2012: 22), state that “employees willingly enter into employment relationships, thereby participating in the productive processes of the organisation. They give their energy in the form of the mental and physical labour that is needed by organisation and hence is a need for some form of corporation. Continue to state that benefits are indirect forms of compensation which, like direct compensation, are intended to aid the achievement of the human resource objective of attracting, retaining and motivating employees to continue with their good performance in way that also benefits the employer in achieving the organisation primary objectives”.

“Benefits arranged usually for integral part of an overall compensation system. A wide variety of financial incentive plans are use in an effort to link employee payment closely to their performance in achieving the common goal of fostering increased performance or output, benefits or incentive plan utilize a variety of approaches in terms of the class of employees to be covered, the measure of performance utilized, the types of behavior or areas of performance to be encouraged, the institutional level of performance to be rewarded and the nature of rewards themselves” (Erasmus et al, 2009: 380).

2.5 CONCLUSION

This chapter focused mainly on the theoretical background and definitions of performance management to enable persons to become familiar with the working performances and responsibility of the concept Performance Management.

The chapter emphasized that training and informative sessions are required to guide employees regarding the implementation of employee performance system and employee performance appraisal system at the workplace.

Once the training needs and development gaps are identified, it is imperative for managers to “compile an individual plan. Development is informed by performance assessments done either on a quarterly basis or as part of annual appraisals (Hodges *in Maila*, 2006).

The employee appraisals should be linked to functional areas of employees and business strategy, thus training programme focuses on Return on Investment (ROI) and Return on Expectations (ROE) (Hodges *in Maila*, 2006).

The next chapter explores the service benefits available in Gauteng Department of Education.