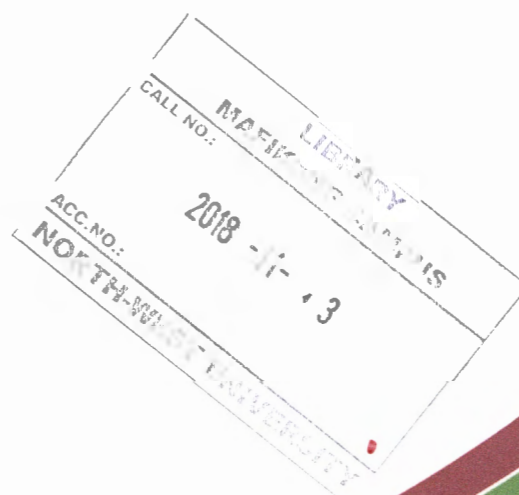


An Evaluation of Performance Management Systems in the
Directorate of Finance, Department of Health – Mmabatho
Provincial Office, North West Province.



J.M. NCHOE

Dissertation submitted in partial fulfilment of the requirements for
the degree of Master of Administration in Human Resource
Management at North-West University, Mafikeng Campus



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Date submitted: February 2017

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DECLARATION

I, John Modise Nchoe, declare that this study, The Evaluation of Performance Management System: A case of the Directorate of Finance in the Department of Health – Mmabatho Provincial Office, North West Province is my own work and has not been submitted to this or any other university for the purpose of a higher degree.

I further declare that all sources used in this report have been duly acknowledged by means of references.

.....

SIGNATURE

.....10/05/18.....

DATE

DEDICATION

This study is dedicated to my family.

ACKNOWLEDGEMENTS

Firstly, I thank the Almighty God for giving me the strength, commitment and endurance in undertaking and completing this study. Secondly, I express my appreciation for my local supervisor Mr. Joel Maubane, who continually encouraged and inspired me throughout my studies at the North-West University, Mafikeng Campus, especially in the research activities for this dissertation. His ready assistance and frequent encouragement made the completion of this task possible.

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TABLE OF CONTENTS

DECLARATION.....	i
DEDICATION.....	ii
ACKNOWLEDGEMENTS	iii
Table of Contents.....	iv
List of tables.....	xii
List of figures	xiii
List of acronyms	xv
List of appendices	xv
ABSTRACT.....	xvi
CHAPTER ONE.....	1
1.1 Introduction.....	1
1.1.1 Performance is influenced by the following factors:	3
1.1.2 Measuring performance.....	4
1.1.3 Performance management	4
1.2 Background to the study	5
1.3 Statement of the problem.....	5
1.3.1 Main problem	5
1.3.2 Sub-problems	5
1.3.3 Hypotheses	6
1.4 The objectives of the study	6
1.5 Significance of the study.....	7
1.6 Department of health as an organisation	7
1.7 Limitations of the study.....	8
1.8 Methods of research	8
1.9 Literature review.....	8
1.10 Interviews.....	8
1.11 Empirical investigation	8
1.12 Population	9
1.13 Data analysis	9
1.1 Summary	9
CHAPTER TWO	10
LITERATURE REVIEW.....	10
2.1 Introduction.....	10

2.2	Literature on performance management system.....	10
2.3	Definition of key concepts.....	11
2.4	Aims of performance management systems.....	15
2.4.1	Aims.....	16
2.4.2	Purposes	16
2.4.2.1	Strategic purpose	17
2.4.2.2	Administrative purpose	17
2.4.2.3	Development purpose.....	17
2.5	The benefits of performance management.....	18
2.5.1	For managers.....	18
2.5.2	For individual members.....	19
2.6	Performance management system.....	21
2.6.1	Performance management as a system for managing organisational performance.....	21
2.6.2	Performance management as a system for managing employee performance.....	22
2.6.3	Performance as a system for integrating the management of organisational and employee performance	23
2.6.4	Performance management as an integrating force	25
2.7	Nature and scope of performance management system	26
2.7.1	Features of performance management	26
2.7.1.1	Clear links with the organisation's objectives.	26
2.7.1.2	Clear links with the job description.....	26
2.7.1.3	Rigorous and objectives assessment process	27
2.7.1.4	Key activities involved in performance management	27
2.7.1.5	Setting direction and planning.....	27
2.7.1.6	Coaching and support	28
2.7.1.7	Reviewing.....	28
2.8	The stages of performance management process	28
2.8.1	Performance criteria	28
2.9	Performance management versus performance appraisal.....	29
2.9.1	Performance management	29
2.9.2	Total quality management.....	31
2.9.2.1	The core values of TQM include the following:.....	31
2.9.2.2	The evaluation of the quality approach	32
2.10	Performance management system cycle/process.....	32
2.10.1	Performance planning	32

2.10.2	Role clarification	33
2.11	Performance appraisal.....	34
2.11.1	Modern appraisal.....	35
2.11.1.1	Objectives of performance appraisal (PA).....	36
2.11.2	Performance appraisal methods and approaches to measuring performance	38
2.11.2.1	Comparative methods.....	38
2.11.2.2	Forced distribution.....	38
2.11.2.3	Paired comparison	39
2.11.2.4	Critical incidents	39
2.11.2.5	Essay method	39
2.11.2.6	Rating scales	40
2.12	Approaches to measuring performance	41
2.12.1	Comparative approach	41
2.12.2	Attributive approach	42
2.12.3	Behavioural approach.....	42
2.12.4	Results approach	43
2.13	Performance management criteria	44
2.13.1	Strategic congruency.....	44
2.13.2	Validity.....	45
2.13.3	Reliability.....	45
2.13.4	Acceptability	45
2.13.5	Specificity.....	46
2.14	Performance determinants.....	46
2.14.1	Ability- performance	46
2.14.2	Motivation – performance.....	46
2.14.3	Performance – intrinsic outcomes	46
2.15	Requirements for a successful performance appraisal system.....	49
2.16	Management by objectives.....	49
2.17	Steps in developing a successful performance management and performance appraisal system.....	51
2.17.1	Planning system	52
2.17.2	Developing the system	52
2.17.3	Implementing the system	52
2.17.4	Maintenance of the system	52
2.18	Varieties of appraisal techniques	53
2.18.1	Determine performance requirements	53

2.18.2	Choose an appropriate appraisal method	53
2.18.3	Training supervisors	53
2.19	The appraisal interview.....	54
2.19.1	Appraise according to job / work standards	54
2.19.2	Discuss appraisal with the employees	54
2.19.3	Determine future goals	55
2.19.4	Appraisal methods and instruments	55
2.19.5	Work standards	55
2.19.6	Rating scale	55
2.20	Dimensions and prerequisites of effective performance management	56
2.20.1	Areas in which the organisation needs to be successful	56
2.20.2	For managers to succeed they need	56
2.20.3	Employees should strive for	57
2.21	Application of performance management	57
2.21.1	Planning	58
2.21.1.1	Establishing team and individual objectives.....	58
2.21.1.2	Description of the individual's job	58
2.21.1.3	Objective setting	59
2.21.2	Managing performance.....	59
2.22	Factors that affect performance management	61
2.22.1	Organisational culture or climate	61
2.22.2	Flexibility	61
2.22.3	Responsibility	62
2.22.4	Standard	62
2.22.5	Rewards.....	62
2.22.6	Team commitment.....	62
2.22.7	Ranking system	63
2.22.8	Leadership	63
2.22.9	Transactional leadership	64
2.22.10	Market conditions.....	65
2.22.11	Technological developments	65
2.22.12	Organisational restructuring and change.....	65
2.22.13	Ensuring employees' readiness for training	66
2.23	The processes of performance management.....	67
2.23.1	Developing performance criteria	67

2.23.2	Performance observation	67
2.23.3	Performance feedback	68
2.23.4	Annual performance assessment	68
2.23.5	Performance outcome	68
2.24	The approaches and strategies for managing performance	69
2.24.1	Management of expectations	69
2.24.2	Conducting performance and development reviews	69
2.24.2.1	Review meetings	69
2.24.2.2	Who is involved	70
2.24.2.3	Strategies for managing performance	70
2.1	Summary	72
CHAPTER THREE		73
RESEARCH METHODOLOGY AND DESIGN		73
3.1	Introduction	73
3.2	Research methods / paradigms	73
3.3	Qualitative and quantitative research	74
3.3.1	Qualitative research	74
3.3.2	Quantitative research	75
3.4	Data gathering instruments and techniques	76
3.5	Research design	76
3.5.1	Description of the organisation	77
3.5.2	Description of the sampling techniques	78
3.5.3	Decisions on the sample to use	79
3.5.4	Problems experienced with sample selection	79
3.5.5	Types of samples	80
3.5.5.1	Probability samples	80
3.5.5.2	Non-probability samples	80
3.6	Types of probability samples	80
3.6.1	Simple random sample	80
3.6.2	Stratified random sample	81
3.6.3	Sample size	81
3.7	Methods of data collection	83
3.7.1	Interview	83
3.7.2	Protocol for the interview	84
3.7.3	Measuring instrument	85

3.7.3.1	Questionnaires	85
3.7.3.2	Reliability and validity.....	85
3.7.3.3	Advantages of a questionnaire as a research tool	86
3.7.3.4	Disadvantages of questionnaires	86
3.7.4	Questionnaire construction	87
3.7.5	Questionnaire design.....	88
3.8	Description of data collection procedures followed	89
3.8.1	Administrative procedure.....	89
3.8.2	Follow-ups.....	89
3.8.3	Confidentiality	89
3.8.4	Ethical consideration of data collection	90
3.9	Description of data analysis (statistical) techniques	90
3.10	Conclusion	90
3.1	Summary	91
CHAPTER FOUR		92
DATA ANALYSIS AND INTERPRETATION		92
4.1	Introduction.....	92
4.2	Research findings and data analysis	92
4.3	Review of subjects	93
4.4	Demographic data on respondents	93
4.4.1	Gender respondents	93
4.4.2	Designation of respondents.....	94
4.4.3	Age of respondents.....	95
4.1	Work experience.....	96
CHAPTER FIVE.....		129
RESULTS AND INTERPRETATION.....		129
5.1	Introduction.....	129
5.2	Presentation of results	129
5.2.1	A statistical data analysis is to establish the following:	129
5.2.2	The respondents' perceptions about performance management system.	130
5.3	Interpretation of results	131
5.1	Summary	132
CHAPTER SIX.....		133
DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS.....		133
6.1	Introduction.....	133

6.1.1	General discussions	133
6.2	Report on objectives of the study	134
6.2.1	Objective 1	134
6.2.2	Objective 2	134
6.2.3	Objective 3	134
6.2.4	Objective 4	135
6.2.5	Objective 5	135
6.2.6	Objective 6	135
6.2.7	Objective 7	136
6.2.8	Objective 8	136
6.2.9	Objective 9	136
6.2.10	Objective 10	136
6.2.11	Objective 11	137
6.2.12	Objective 12	137
6.2.13	Objective 13	137
6.2.14	Objective 14	138
6.2.15	Objective 15	138
6.2.16	Objective 16	138
6.2.17	Objective 17	138
6.2.18	Objective 18	138
6.2.19	Objective 19	139
6.2.20	Objective 20	139
6.2.21	Objective 21	139
6.2.22	Objective 22	140
6.2.23	Objective 23	140
6.3	Findings of the study	140
6.3.1	Understanding performance management system	140
6.3.2	Planning prior to implementation	140
6.3.3	Implementation challenges.	141
6.3.4	Employees' perceptions	141
6.4	Conclusion	141
6.5	Recommendations	142
6.6	Limitations of the study	143
	REFERENCES	144

List of tables

Table 3.1.Target population.....	72
Table 3.2. Stratified by position.....	75
Table 3.3. Stratified by gender.....	76
Table 4.1. PMS on manager-employee relationship and expectations	92
Table 4.2. PMS on manager-employee relationship in terms of feedback.....	93
Table4.3. PMS and what people do.....	94
Table 4.4. PMS and establishing objectives.....	114
Table 4.5. PMS and its importance in organisation.....	117

List of figures

Figure 4. 1 Gender group	93
Figure 4.2: Designation of respondents.	94
Figure 4.3 Age of respondents	95
Figure 4.4: Work Experience	96
Figure 4.5: Highest Qualifications	97
Figure 4.6: Marital Status	98
Figure 4.7: Management Information	99
Figure 4.8: Communication of standards so that each employee understands clearly what is expected of him/her.	100
Figure 4.9: The aims of performance management system	101
Figure 4.10: Performance management system enhances the manager-employee relationship by allowing frequent communication of expectations in terms of set objectives.	102
Figure 4.11: Performance management system is concerned with what people do (their work).	104
Figure 4.12: Performance management is concerned with the achievements of results.	104
Figure 4.13. There should be a link between performance management and the organisation's objectives.....	105
Figure 4.14. Have you ever received any workshop?.....	106
Figure 4. 15. Performance management system motivates performance by providing rewards for superior performance.	107
Figure 4. 16. Performance management system assists in improving performance.....	108
Figure 4. 17: Performance management system is geared towards staff development.	109
Figure 4.18: PMS is concerns everyone and not only managers.	110
Figure 4. 19: Only managers are accountable for the performance of their teams.....	111
Figure 4. 20: Responsibility for the PMS is shared between managers and team members.	112
Figure 4. 21. The performance management system creates a climate for general individual effectiveness.....	113

Figure 4. 22: The performance management system creates a climate for greater management effectiveness. 114

Figure 4. 23: The performance management system provides an opportunity to identify problems in advance. 115

Figure 4. 24: What do you think are the reasons for the introduction of the performance management system?..... 116

Figure 4. 25: What problems do you think are facing employees with regards to the introduction of the system? 117

Figure 4. 26: What should then be done about these problems? 118

Figure 4. 27: Have you ever received any workshop or training to assist you accept the introduction of the system..... 119

Figure 4. 28: Was pre-counselling conducted to prepare you psychologically for the implementation of the system? 120

Figure 4. 29: Would like to be trained/workshopped on the system 120

Figure 4. 30: What benefits do you think the system will bring to the organisation? 121

Figure 4. 31: In your view is the implementation of the performance management system a success (benefiting the organisation and its employees)?..... 122

Figure 4. 32: 123

Figure 4. 33 : The performance management system is establishing which skills are necessary to achieve objectives. 124

Figure 4. 34: Performance management is concerned with the achievement of results. 125

Figure 4. 35: Subordinates are involved in the process of setting goals or objectives for their own jobs..... 126

Figure 4. 36: How important is it to have a performance management system in your organisation?..... 127

List of acronyms

BARS:	Behaviourally Anchored Rating Scales
MBO:	Management by Objectives
PA:	Performance Appraisal
PAS:	Performance Appraisal System
PMS:	Performance Management Systems
PMDS:	Performance Management Development Systems
SPSS:	Statistical Package for Social Sciences
TQM:	Total Quality Management

List of appendices

- Appendix A: References
- Appendix B: Questionnaire and letter to respondents
- Appendix C: Permission letter to conduct research
- Appendix D: Certificate of Editing
- Appendix E: Turn-it-in report
- Appendix F: Ethical clearance

ABSTRACT

The study evaluated the performance management system of the Directorate of Finance in the Department of health, Mmabatho Provincial Office: North West Province. Management in institutions have the right to ensure that objectives, goals and standards in that particular institution are achieved. By this action management ensures that there is a proper implementation of the performance management system, if not effectively implemented i.e poorly planned , poorly evaluated and maintained , leads to failure in achieving objectives, goals and standard , and performance suffers as a result. The performance management system is ineffective due to improper implementation and application. The study explains the methodology employed and how the research was conducted.

This explains in broad terms the methodology and research methods used to conduct the research and finally the steps taken to ensure that the results were valid. With regards to the findings it became evident that there is a better understanding of the concept performance management system by management, little or lack of understanding of the concept performance management system by employees, a satisfactory level of the performance management processes within the organization.

Recommendations are such that , the management needs to initiate training regarding performance management system , bridging of the gap between managers and employees so that employees can view management in a different perspective and that management ensures that employees dispel their negative perception and attitudes towards performance management system. The Directorate of Finance in the Department of Health is situated in Mmabatho, North West Province and has three Directorates namely, Budgeting and Planning, Financial Management and Internal Control, Assets and Risk Management. A sample of 60 staff members of the Directorate of Finance was used.

CHAPTER ONE

1.1 Introduction

The term “performance management” is similar to the term “productivity.” However, performance is broader than the narrow meanings of productivity. Many sector applications emphasize only efficiency but a distinguished feature of public performance is the one that is guided and assessed by multiple, equally important standards of effectiveness, efficiency and equity ([http://performancemanagementguide .com/](http://performancemanagementguide.com/)). Performance management began around the 1950s, sixty years ago, as a source of income justification and was used to determine an employee’s wage based on their performance. The workplace performance management sought to drive behaviours from the employees designed to get specific outcomes. In practice, this worked well for certain employees who were solely driven by learning and developing their skills, but this system did not yield desired results.

The gap between justification of pay and the development of specific skills and knowledge became a huge problem in the use of Performance Management. This became evident in the 1980s; the realization was the need for a more comprehensive approach to manage and reward performance. This approach was developed in the United Kingdom and the United States much earlier than it was developed in Australia, not even mentioning when the system was introduced in South Africa. Many of the old performance appraisal methods have been absorbed into the concept of Performance Management, which aims to be a more extensive and comprehensive process of managing. Some of the developments that have shaped performance management in recent years are the differentiation of talent management, management by objectives and constant monitoring and review. Its development was accelerated by factors such as the introduction of human resource management as a strategic driver and integrated approach to management and development of employees.

The process and development implies that understanding Performance Management is carried out by line managers throughout the year. It is not a once off annual event coordinated by the Human Resource department. Prior to 1994, the South African was less concerned about the progress of public servants, but its focus was on the procedures and systems. There was no consultation and agreement between the employer and the employees to set objectives, norms, standards and rewards according to performance. Essentially, the achievement of tools used for performance appraisal focused on incidents, not on performance progress.

The practice of promotion was based on seniority of individual employees and not performance-based results of the employees. After 1994, new legislations were introduced to address the imbalances and the inequalities of the apartheid systems. The major focus was on Reconstruction and Development Programme (RDP) with the view to address the needs of the South African majority, geared towards the national mandate of “A Better Life for All” through quality, access and affordable services in all government departments (Chauke, 1998:1-3). Government introduced the Performance Management System (PMS) in April 2004 in order to render effective, efficient and economic service to the community. PMS is a tool that enables the employer to measure whether the pre-determined norms, set standards and desired goals are achieved and consequently contribute towards the strategic objectives of the department. The Public Service Act of 1994 as amended, as well as the new Public Service Regulation of 1 July 1999, makes it clear that all employees must enter into a memorandum of understanding (MoU), set out work plans and concede to a Performance Agreement (PA) with the organisation they are working for.

The former regime and its legacy made public servants lose initiative and commitment to become passive cogs in the process of service delivery. The present dispensation expects all public servants to be at the forefront and make a meaningful contribution towards the implementation of the strategic plans of their respective departments (Kotze, 1997:179). Performance management is a systematic process by which an agency involves its employees in improving the organisational effectiveness in the accomplishment of the agency’s mission and strategic goals. The performance management process is used to

communicate organisational goals and objectives, reinforce individual accountability for meeting those goals and track and evaluate individual and organisational performance results. It reflects a partnership in which managers share responsibility for developing their employees in such a way that enables employees to make productive contributions to the organisation. It is a clearly defined process for managing people that results in success for both the individual and the organisation (Kotze, 1997:179-180).

The concept of performance management has been one of the most important and positive developments in the sphere of management in recent years. It began to take shape in the 1980s growing out of the realization that a more continuous and integrated approach was needed to manage and reward performance. It has risen like a phoenix from the old-established but somewhat discredited systems of merit rating and management of objectives. Many of the more recent developments in performance appraisal have also been absorbed into the concept of performance management which aims to be a much wider, more comprehensive and more natural process of management (Armstrong, 1990:430-431).

1.1.1 Performance is influenced by the following factors:

- The person's characteristics which entails a persons' ability, skills and attitudes plus motivation.
- The person's input relates to the understanding of the need to perform, opportunities to perform and the necessary resources available to assist in the performance of functions.
- Consequences which refer to the incentives and rewards that are received from performing well.
- Feedback – the information employees receive while they are performing, concerning how well they meet specific objectives (Noe, et al., 2003:260).

1.1.2 Measuring performance

The measurement of performance helps determine how well organisations and employees are performing and it is also used by many managers to provide public accountability. The trend since World War 2 has been to make measurement more precise, encompassing and timely so that it can be used in fine-tuning and continuous improvement. Measurement is increasingly used to provide on-going information about public sector performance (<http://www.performancemanagementguide.com/measure.htm>).

According to Noe, Hollenbeck, Gerhart, and Wright (2003:337), the comparative approach to performance measurement requires that the rater compares individuals' performance to that of others. This approach usually uses some overall assessment of an individual's performance or worth and seeks to develop some ranking of the individuals within a work group. There are techniques that fall under the comparative approach and these are ranking, forced distribution and paired comparison.

1.1.3 Performance management

Performance management includes activities that ensure that goals are consistently met in an effective and efficient manner. Performance management could focus on performance of the organisation, a department, or a process in order to build a product or service, employees (<http://www.managementhelp.org/emp/perf/emp>). Performance management is a process of creating a work environment in which people are enabled to perform to the best of their abilities. Performance management entails planning employee performance, facilitating the achievement of work-related goals and reviewing performance as a way of motivating employees to achieve their full potential (Swanepoel, 2003:408).

Performance management is an integrated and continuous process that develops, communicates and enables the future direction, core competencies and values of the organisation and helps create a novel horizon of understanding (Beardwell & Holden, 1994:538). It is the whole work system that begins when a job is defined as needed and ends when an employee leaves the organisation. Many writers and consultants are using the term performance management as a substitution for the traditional appraisal system

(<http://humanresources.about.com/od/glosaarypg/performance>). However, it is the much broader concept of performance management that is used to ensure that employees' activities and outcomes are congruent with the organisation's objectives. It entails specifying those activities and outcomes that would result in the firm's successful implementation of its strategy (Noe et al., 2003:68).

1.2 Background to the study

Organisational performance is measured in many ways, whether to improve profitability and manage a changing market place, merging and right-sizing, and the way to achieve this is through a performance management system. To add to this background it is imperative to get employees to reach performance levels that the organisation considers desirable.

Managers ensure that employees are performing as well as they could in organizations through the formal means of assessing the work of employees by way of a systematic performance appraisal process (Robbins & De Cenzo, 2004:183).

1.3 Statement of the problem

Management in institutions have the right to ensure that objectives, goals and standards in that particular institution are achieved and met. By this action management ensures that there is a proper implementation of the performance management system. It is therefore clear that the performance management system, if not effectively implemented, leads to a failure to achieve objectives, goals and standards set for an organisation. Further, when the performance management system is not properly planned, implemented, evaluated and maintained, performance suffers.

1.3.1 Main problem

The performance management system in the Department of Health, Mmabatho, is ineffective due to its improper implementation and application.

1.3.2 Sub-problems

- a) Is there tangible involvement of employees in the planning, implementation and evaluation process of the performance management system?

- b) Are employees' job descriptions updated regularly?
- c) Is there any review of actual performance against expected performance?
- d) What reasons are supplied for good or poor performance?
- e) Is there respect for the individuals where people are treated merely as a means to an end?
- f) How effectively is performance appraisal handled in the Department of Health, Mmabatho?
- g) Is there evidence of procedural fairness in the implementation of the performance management system?
- h) How transparent is PMS and to what extent are people affected by the decisions taken during the performance management process?

1.3.3 Hypotheses

- a) The link between performance management and the Department of Health, Mmabatho, objectives is unclear.
- b) Management does not provide feedback on performance.
- c) Management does not reward good performance.
- d) Managers and subordinates do not meet to decide jointly on an action plan seeking to improve individual performance.
- e) Managers fail to meet with subordinates to set goals and discuss standards.
- f)

1.4 The objectives of the study

- To investigate whether the performance management system provides an opportunity to identify problems in advance.
- To investigate whether department's objectives are clear, measurable and agreed upon between the team, individuals and the managers.
- To establish whether subordinates participate in the planning, implementation and evaluation of the performance management system.
- To establish whether managers and subordinates meet to decide jointly on an action plan to achieve the individuals' goals.

- To investigate whether the performance management system manages performance by providing feedback and rewards.
- To determine the extent to which the performance management system establishes which skills are required to achieve organisational objectives.
- To establish the extent to which performance management system enhances manager-employee relationship.
- To establish whether the performance management system motivates performance by making provision for rewarding superior performance.

1.5 Significance of the study

The study seeks to provide recommendations to and advise management within the Directorate of Finance of the Department of Health on how to implement and apply the performance management system in their respective functional divisions and units. This is for the benefit of both the Directorate, Department and employees.

The study is important for the following reasons:

- The purpose of the study is to provide management with direction for implementing and applying the PMS in an effective way.
- The results of the study are anticipated to assist in forging a healthy relationship between the employer and the employees.
- It adds to the existing body of literature and knowledge on how the PMS should be planned, implemented and evaluated.
- The study introduces management to broader views of a performance management system.

1.6 Department of health as an organisation

Mondy (1998:7) defines an organisation as “two or more people working together in a co-ordinated manner to achieve group results”. According to Longman’s Dictionary of Contemporary English (1990), organisation is the act of organizing or the condition of being organized. The Provincial Office of the Department of Health - Directorate of Finance serves as the organisation of this study. Both employees and managers contributed

towards the study through their views and opinions, which were solicited through questionnaires.

1.7 Limitations of the study

The findings of the study are limited to the Directorate of Finance of the Department of Health. Therefore, the results cannot be generalized to other departments.

1.8 Methods of research

This section outlines the methodological approach to the study and the researcher will employ a quantitative approach.

1.9 Literature review

In a review of the literature, a thorough study of secondary and primary sources was undertaken with a view to gather information on Performance Management. Sabinet-search, Eric-search and Internet-search were conducted with the following key words: performance management systems, performance appraisals and performance management process.

1.10 Interviews

Semi-structured interviews were conducted with employees in the relevant sections. The aim of the interviews was to gather information from members in order to get a picture the planning, implementation and evaluation of performance management systems.

1.11 Empirical investigation

A questionnaire was developed and pre-tested, the aim being to gather information from staff members and to obtain their views with regards the PMS.

1.12 Population

The staff in the Directorate of Finance of the Department of Health consists of four administrative officers, four state accountants, nine accounts clerks, three assistant directors, two deputy directors and 16 who did not disclose their designations.

1.13 Data analysis

Data was collected and analysed, and presented in tables and graphs. Statistical results were relevant because they sought to establish and explain measures of perceptions with regards PMS in this particular directorate. Data was consequently summarized into tables and graphs.

1.1 Summary

Performance Management Systems have pros and cons, but without PMS, little can be accomplished. It is clear that a Performance Management System is a relevant system in organisations that aims to realize the broad goals and objectives of the organisation. It is imperative to recognize that the majority of employees' activities have a bearing on Performance Management System and vice versa. Therefore, employees must acquire skills by means of relevant training programmes to ensure proper implementation of the system. In the next chapter a literature survey on Performance Management System constitutes the essence of the chapter.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides an overview of Performance Management Systems research and issues in the Directorate of Finance of the Department of Health. The nature and scope of the evaluation of the performance management systems is also shown. A number of performance management systems methods are depicted and analysed. Finally literature is interrogated in as much as it depicts critical issues and challenges reflected in the implementation of PMS.

2.2 Literature on performance management system

According to Brynard and Hanekom (1997:54), literature review empowers readers with information and knowledge on a specified research topic and one has to integrate the viewpoints of various authors in order to come up with a new viewpoint. The same scholars further state that “a researcher should always try to follow the last mentioned action, as is the path to the creation of “new knowledge.”

Literature review concentrates on a search and study of current writings on the problems under investigation. For one to conceive the research topic in a manner that allows a clear problem and hypothesis formulation one needs some background information that is necessary in that regard (Bless, Higson -Smith & Sithole, 2013:49).

For that to be done one needs to read what has been published that relates to the research topic. According to Bless, Higson-Smith and Sithole (2013:49), the purpose of the literature review includes among others:

The sharpening and deepening of the theoretical framework of the research through an interrogation of different theories that relate to the topic.

- Getting the researcher familiarized with the latest developments in the area of research and related areas, and being acquainted with the problems, questions and hypotheses connected to the research problem.

- To enable the researcher identify the gaps in knowledge as well as weaknesses in the previous studies, with the view to determine what has been done and what needs to be improved.
- To discover connections, contradictions or other relations between different research results by comparing various investigations.
- To study the definitions used in previous works as well as the characteristics of the populations investigated, with the aim of adopting them for the new research.
- To study the advantages and disadvantages of the research methods used by other authors with the view to adopt or make improvements on them in one's current research.

2.3 Definition of key concepts

- The concept of performance management is defined by different authors thus:
Davis (1995) defines performance management as an ongoing communication process involving both the performance manager and the employee, a process that includes identifying and describing essential job functions and relating them to the mission and goals of the organisation, developing realistic and appropriate performance standards, giving and receiving feedback about performance, writing and communicating constructive performance opportunities to sustain, improve or build employee work performance.
- Performance management is a strategic and integrated approach to delivering sustained success to organisations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors.
- According to Robbins and De Cenzo (2001: 198), a performance management system is a process of establishing performance standards and evaluating performance in order to arrive at objective human resource decisions such as pay increase and training needs.

- Armstrong (2000:214) asserts that performance management is strategic in that it is concerned with the broader issues facing the business if it is to function effectively in its environment, and with the general direction which it intends to go towards achieving longer-term goals.
- Performance management is a process of establishing performance standards and evaluating performance in order to arrive at objective human resource decisions and to provide documentation to support personnel actions (Robbins & De Cenzo 2004:183).
- Performance management is defined as an integrating and continuous process that develops communication and enables the future direction, core-competencies and values of the organisation and helps create novel horizons of understanding (Beardwell & Holden 1994:538).
- Bacal (1993:3) defines performance management as an ongoing communication process undertaken in partnership between an employee and their immediate supervisor which involves the establishment of clear expectations and understanding about:



- The essential job functions that the employee is expected to perform;
- How the employee's job contributes to the goals and objectives of the organisation;
- How an employee and supervisor will work together to sustain, improve or build an existing employee performance; and
- How job performance is measured.

According to Harris (2002:210), performance management refers to those activities that measure job performance and the process involved is used for a variety of purposes including raising salaries, employee development and programme evaluation.

- Performance management has a wider meaning than just an annual programme of appraisal and targeting; it encompasses a cycle and a range of activities within this cycle including assessment of the performance of a job and linking this to reward systems (Croft, Herin, Norton and Whyte 2000:227).
- Performance management can further be defined as an attempt to

- Re-direct the whole organisation towards superior performance and is used by organisations to achieve strategic goals through better motivation, monitoring, evaluation and rewards for performance. It is fundamentally concerned with clarifying the organisation's needs for business performance and setting up a process to ensure delivery. PM is considered effective when the following conditions are met:
 - A vision of objectives is communicated to employees;
 - Departmental and individual performance targets are set within a wider range of objectives (Croft , Herin et al., , 2000:227);
 - Performance management is a process for strategy implementation, a vehicle for organisational culture and it provides input to other human resources systems such as development and remuneration (Nel, Gerber, van Dyk, Schulz, Sono & Werner 2001:516).

- According to Beardwell and Holden (1994:388), performance management can be conceptualized in the form of a cycle consisting of the following:
 - Setting performance objectives
 - Measuring outcomes
 - Feedback of results
 - Rewards linked to outcomes
 - Amendments to objectives and activities.

- Performance management is further understood as a process through which managers ensure that employees 'activities and outputs are congruent with the organisation's goals (Noe, Hollenbeck et al., 2003:327) and has the following as parts of performance management system:
 - Performance appraisal, a process through which an organisation gets information on how well an employee is doing his or her job
 - Performance feedback, a process of providing employees with information regarding their performance effectiveness. Performance feedback is

fulfilled through tying rewards to performance via the compensation system such as through merit bonuses.

- Performance management can, according to Hartley (1995:12), be defined as a process of establishing a shared understanding of what is to be achieved, and how this is to be done, and an approach to managing people which increases the probability of achieving job-related success.

Harley (1995) further elaborates on the definition by explaining the key words used in the definition as follows:

Performance management can be seen as a process not just a set of forms, which are routinely completed, or the annual appraisal ritual, or the bonus scheme. It refers to the everyday actions and behaviours which individuals take to manage and improve themselves and others. It cannot be divorced from the management process which pervades in the organisation in general. It refers to the establishment of a shared understanding of what is to be achieved and how this is to be achieved. To improve performance, individuals should have a common shared understanding about what constitutes performance and success in their job, whether it is a set of tasks, objectives, or results or a set of behaviours or a combination of both.

These objectives need to be defined clearly and by agreement with the job-holder so that people know what they are working towards. Performance management is an approach to managing people and its focus is on people. It is about how individuals and teams work together and support each other to achieve shared aims. In particular, it places the onus on managers to work effectively through coaching and motivation to those they are accountable. It increases the probability of achieving job-related success; it has a clear purpose, the achievement of success by individuals in the work place and in the organisation in which they work, and thereby facilitates achieving aims for everyone.

Bacal (1995:3) submits that performance management can thus be seen as an ongoing communication process undertaken in partnership between an employee and his or her immediate supervisor and involving clear expectations and understandings about the essential job functions expected from an employee. It could demonstrate how the

employee's job contributes to the goals of the organization, what it means to do the job well in concrete terms. Lastly, it indicates how employees and supervisor could sustain, improve or build on existing employee performance, how job performance is measured, and how barriers of performance are identified and removed. It involves a partnership between the individual and the manager purposefully set to identify and agree on performance objectives, discuss and implement a joint action plan to meet them, and also to monitor, review and record the individual's performance and result in order to guide future action (Naisby 2002:5).

2.4 Aims of performance management systems

During the 1980s many organisations underwent extensive restructuring in order to match the rapid changes in their environment, particularly those induced by technology and managerialism. All these programmes aimed furthering decentralization and an improved management of performance, and the following guiding principles underpinned the new performance management programme: facilitation of best management practices, remembering individuals work in teams, addressing performance in the current job, accommodation of local variations, accountability of managers.

Cronje, du Toit and Motlatla, (2000: 454) have this to say about the aims of performance management:

- Achievement of organisational goals, where employees' activities should be linked to organisational goals.
- Employee development, where the performance management system allows a manager to identify employees who are effective in their jobs and those who are not performing as they should.
- Maintenance of a happy work force, performance management especially the appraisal part of the system, helps to maintain a happy workforce by contributing to the following areas:
 - Recognition of individual performance
 - Retrenchment decisions
 - Remuneration decisions

- Promotions
- Disciplinary decisions (Cronje, du Toit & Molalla, 2000:454) and Hilgert (2007:399) asserts that tangible rewards will encourages outstanding performers to strive for excellence.

According to Lundy & Cowling (1996: 383), the performance management process as a whole was developed by taking into account the core business role which included job description, job skills, individual skills, business objectives and performance planning, performance development and performance measurement. Senior managers were to work on their own objectives, linking them to the business's strategic objectives, and the process was cascaded through to directors, general managers to heads of departments.

2.4.1 Aims

A performance management system aims at providing the means through which improved results can be obtained from the organisation, teams and individuals, by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements.

2.4.2 Purposes

PM serves multiple purposes and is important for the organisation to identify the strategies of why the system is being used. Among others, performance management systems facilitate employee development by assessing deficiencies in performance levels and skills and facilitates in determining appropriate rewards and compensation. Salary, promotion, retention, and bonus decisions are frequently based on data collected as part of the performance measurement (Mello 2002:298). It further enhances employee motivation, facilitates legal compliance and human resources planning processes.

According to Spangenberg (1994:248) the purpose of the performance management system is to ensure that the work performed by employees accomplishes the work of the agency, employees have an understanding of the quality and quantity of work expected from them, employees receive ongoing information about how effectively they are performing relative to expectation, awards and salary increases based on employee performance are distributed accordingly, opportunities for employees' development are identified, and employee performance that does not meet expectations is immediately addressed.

2.4.2.1 Strategic purpose

The PMS should link employee activities with the organisation's goals. One of the primary ways in which such strategies are implemented is through defining the results, behaviours and to some extent employee characteristics that are necessary for carrying out that strategy and feedback systems that maximize the extent to which an employee exhibits the characteristics. To achieve this strategic purpose, the system must be flexible because when goals and strategies change, the behaviours and employee characteristics usually need to change correspondingly. Performance management systems can also be useful for communicating corporate culture and values in companies whose business operations are becoming more global.

2.4.2.2 Administrative purpose

Organisations use performance management information in many administrative decisions such as salary administration, promotions, retention – termination and recognition of individual performance Spangenberg (1994:248).

2.4.2.3 Development purpose

According to Mello (2002:298) performance management is aimed to develop employees who are effective at their jobs. When employees are not performing as well as they should, performance management seeks to improve their performance and the feedback given during a performance evaluation process often pinpoints the employee's weaknesses. It identifies not only deficient aspects of the employee's performance but also the causes of these deficiencies for example a skill deficiency, a motivational problem or some obstacles

holding the employee back. In general, the process of an effective performance management system are to link employee activities with the organisation's strategic goals, furnish valid and useful information for administrative decisions about employees and give employees useful developmental feedback Cronje, du Toit et al (2000:254). Fulfilment of the three purposes is central to gaining competitive advantage through human resources. PM involves the development of processes for establishing shared understandings about what is to be achieved, and an approach to managing and developing people in a way that increases the probability that it will be achieved in the short and long term, to introduce objective and fair employee appraisal systems that would be useful Hartley (1995:12).

In order to ensure that organisations are result-oriented and enhance communication of the objectives and standards of the organisation, it is essential that these are communicated in a consultative manner so that each employee understands clearly what is expected on them. This attribute ensures that there is immediate remedy to poor performance and rewards for good performance. This also enhances the manager – employee relationship by allowing for frequent communication of expectations in terms of set objectives, accurate performance evaluation and feedback Bacal (1995:3). PM ensures rewarding of performance where it is due in as much as it ensures timeous corrective action where there is deviation in terms of expected performance and outcomes.

2.5 The benefits of performance management

According to Robbins & De Cenzo (2004:183) and Harris (2002:10) the benefits of performance management for managers and individual members include the following:

2.5.1 For managers

- Individuals linked to the teams
- Performance evaluated objectively.
- Development in current job encouraged.
- Rewards linked to performance.

2.5.2 For individual members

Individual members enjoy the following benefits:

- A clear understanding of the job.
- A basis for regular discussion of tasks.
- Agreement of development needs.
- Feedback given on performance.

A comprehensive survey of nine leading South African organisations undertaken by the University of Stellenbosch Business School recently revealed a bleak picture of the way employees' performance is managed and rewarded in South Africa. Major problems that were identified during the survey included the existence of a rather negative working culture, changes in corporate strategy not resulting in corresponding behaviour changes and insufficient line management support for performance management.

Regarding periodic and formal performance reviews, the following became apparent:

- Lack of follow-up of performance reviews,
- Over-emphasis on the appraisal aspect at the expense of development,
- Inadequate performance information and,
- Inadequately maintained objectivity (Gerber et al., 2002:206)

According to the survey an increasing number of companies have introduced performance management systems, where it was discovered from the survey that 97 % of organisations utilised such as a system. To retain the effectiveness of the system, it is important that the aims of the system are clear to everyone, be visibly owned and used as a management tool by all managers in their day-to-day activities. It must not be seen as an annual performance review cycle only, and above all, employees need to be clear about the benefits that accrue to them (Cornelius 2001: 142). The process therefore normally encourages continuous and regular informal and formal feedback to individuals, work teams and departments. The system also enables managers at all levels to identify the performance of work groups and individuals for which they have a direct responsibility, which in turn provides the potential for recognition of group and individual achievement as motivational and developmental, and improves relations between managers and staff at all levels (Cornelius 2001: 143).

Cornelius (2001:145) argues that some of the ideas underpinning performance management are grounded in very manipulative views of employees, where each employee is viewed as an instrument for economic purposes who can be motivated largely through the manipulation of rewards systems, where others are concerned that too many organisations have performance management systems which are out of touch with the reality. Secondly, systems can be used to manipulate employees in a negative sense, where power plays and the manipulation of appraisal and associated rewards are misused carrots and sticks to make employees do what the managers want them to do, with little attention paid to the views of employees.

The system operates as a loop with objectives and targets being distributed from corporate level to departments and people, where objectives and targets are structured to enable everyone in the organisation to contribute effectively towards the achievement of corporate objectives. Cornelius (2001: 143) suggests that the performance management process should not be a bolt – on – system, but an integral part of managing employees and producing more rounded management information systems. Performance management systems often contain a clear definition of what they aim to achieve, a shared understanding of how performance systems operate, supported by appropriate training for those involved. According to Armstrong (1998: 145), this concept emerged in the 1980's and was seen as a means of overcoming the weakness of traditional performance appraisals schemes.

The process incorporates performance appraisals or performance reviews, and the characteristics of a fully developed performance management process is that:

- It is concerned with the total performance of the organisation and how the efforts of teams and individuals contribute to that performance.
- It is seen as an integrating process by way of integrating corporate, functional, team and individual objectives and linked closely with other aspects of personnel management.
- It is based on the principle that the manager, their teams as a whole and the individuals in those teams are partners in the process – not something administered by bosses to their subordinates.

- It focuses on competencies requirements as well as the achievement of objectives (outputs and inputs).
- It attaches much more importance to the process of jointly forming agreements and managing performance throughout the year and monitoring and reviewing achievements.

2.6 Performance management system

According to Williams (1998) there are three perspectives according to which performance management could be defined and these perspectives are:

2.6.1 Performance management as a system for managing organisational performance.

According to this model, performance management is viewed as comprising three parts, namely, planning, improving and reviewing. These three parts operate from several levels of analysis one chooses, that is organisation wide, business unit, department, team or individual (Mabey & Salaman, 1995).

Bredup (1995) gives a schematic representation model that reveals more about organisational perspective. In this model performance is planning concerned with activities such as formulating the organisation's vision and strategy, and defining what is meant by performance, and the characteristics are that they are corporate systems which include the following processes:

- Context, which includes organisational characteristics and position characteristics.
- System characteristics, which deals with the implementation and performance appraisal policies.
- Performance appraisal elements, which include rater and rating process, performance appraisal instrument and performance appraisal system.
- Performance appraisal outcomes, which involve evaluation and motivation.

Wherein according to Mahajan (2015:131), asserts that performance appraisal is a process that assists in evaluating the employee's performance which involves determining and communicating how an employee is performing the job and establish where to improve. Performance improvement takes a process perspective, which includes such activities as business process re-engineering, continuous process improvement, and benchmarking and total quality management. Performance review embraces performance measurement and evaluation. What follows is a definition of Performance Management as a system for managing employee performance.

2.6.2 Performance management as a system for managing employee performance

According to Williams (1988), there are several variants of this model, with performance management commonly being presented as a cycle. Aisworth and Smith (1993) present a three-step cycle, namely planning, managing and appraising. Torrington and Hall (1995) likewise suggest three, namely; planning, supporting and reviewing performance, whilst Scheier (1997) in Williams (1998) suggests five elements: planning, managing, reviewing, rewarding and developing. Common to much of this writing is the recognition that manager and the managed should have shared views of what is expected of the employee. Employee involvement and participation of a direct kind are typically advocated as the means for arriving at this shared view.

Supporting performance is seen as a responsibility of the line manager, who also has a particular part to play in reviewing performance (Williams; 1998). Here again, this is an activity that is often presented as shared by manager and managed. The performance review is a joint activity in which the responsibility rests with the jobholder as much as with the manager. Moreover, review is seen as an ongoing activity rather than as something that happens once or twice a year only. There are several variants of this model with performance management commonly being represented as a cycle involving performance planning, assessment of performance and corrective and adaptive mutual action via mutual feedback discussions. What follows is the definition of performance management as a system for integrating the management of organisational and employee performance.

2.6.3 Performance as a system for integrating the management of organisational and employee performance

An intrinsic ingredient in all human resource strategies could be done by segmenting activities such as formal performance review, appraisal, staff development, team building and reward strategies from each other (Mabey, Salaman & Storey 1998:5). This model may be regarded as the combination of the previous two, namely managing organisational performance and managing employee performance, in that the first one puts emphasis on organisational as compared to employee performance, whilst the second model stresses firmly employee performance. Several of the particular models within that category recognize that the management of employee performance takes place within a framework or organisational goals, and assumes that the important corporate issues of mission and the setting of corporate goals have been addressed and resolved, including objectives for the sub sectors of the organisation.

Common too much of this writing is the idea that the manager and the managed should have a shared view of what is expected of the employee. Employee involvement and participation of a direct kind are typically advocated as the means of arriving at this shared view. Supporting performance is seen as a responsibility of the line manager, who also has a particular part to play in reviewing performance (Williams; 1998). Here again, this is an activity that is often presented as being shared by manager and managed. This performance review is a joint activity in which the responsibility rests with the jobholder as much as with the manager. Moreover, review is seen as an ongoing activity rather than as something that happens once or twice a year. There are several variants of this model with performance management commonly being represented as a cycle involving performance planning, assessment of performance and corrective and adaptive mutual action via mutual feedback discussions.

(a) Corporate Strategy

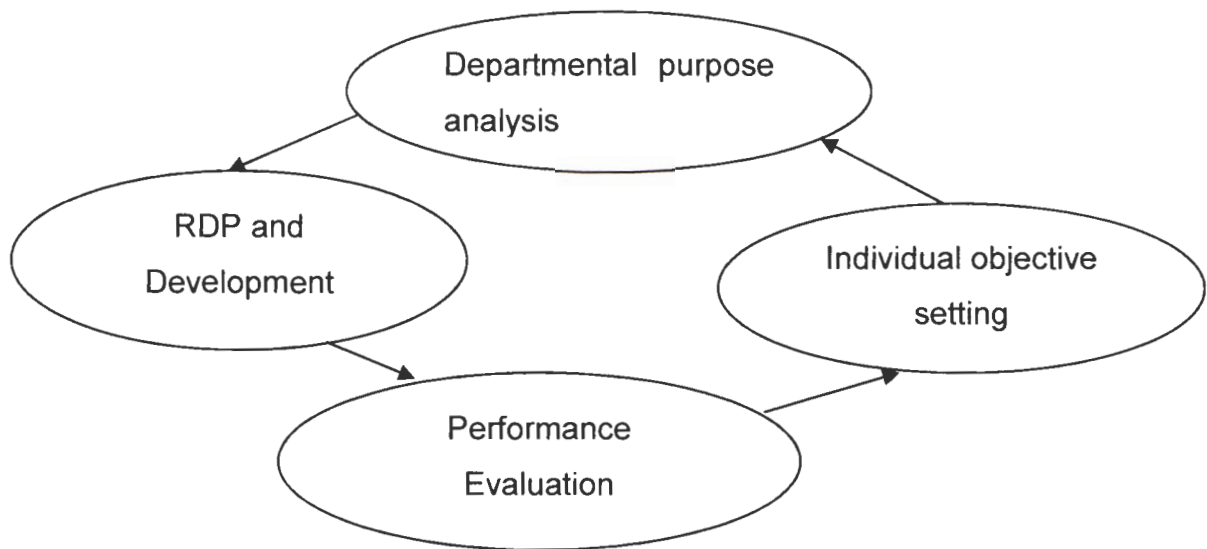


Figure 2.1: A corporate strategy. (Williams 1998)

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Organizational goals and Standards

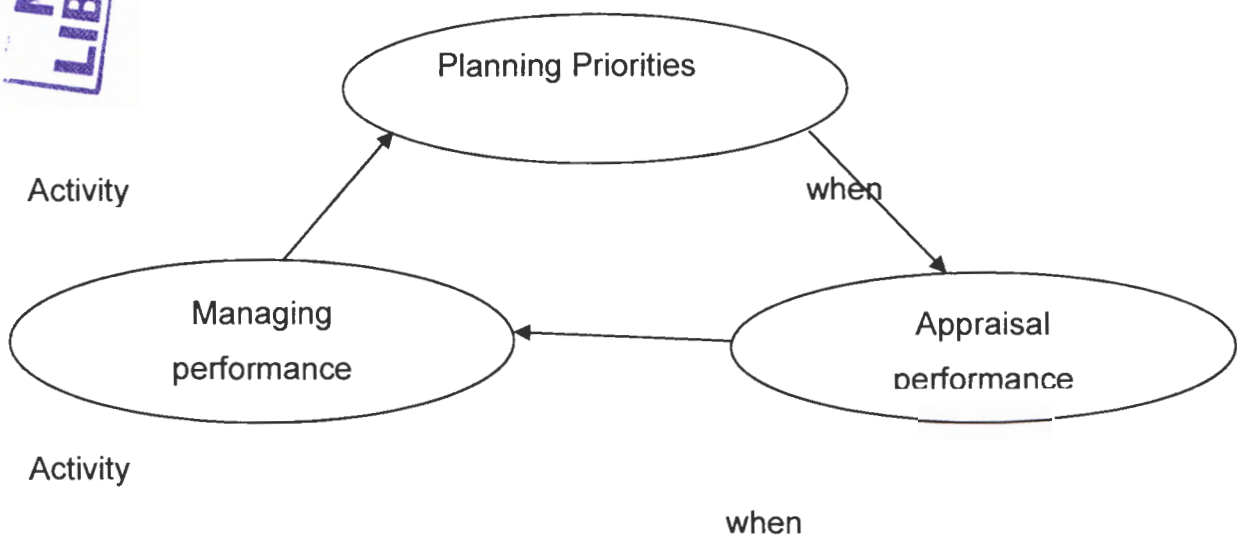


Figure 2. 2: Organisational goals and standards (Walters: 1995)

Key result areas suggest that the senior management group has identified where competitive advantage and value added dimensions of the business lie and further assumes that all of this has been communicated to and understood by those involved. Similarly, performance management is about directing and supporting employees in working as effectively and efficiently as possible in line with the needs of the organisation (Walters, 1995). Performance management is further an organization's overall business goal that links the work of an individual employee or manager to the overall mission of work unit (Costello 1994: 3).

2.6.4 Performance management as an integrating force

According to Hartle (2001), performance management should be integrated into the way the performance management of the business is managed, should link with other key processes such as business strategy, employee development and total quality management. Fernandes (2005:261) defines performance management as an integrated system designed to maximise performance of individuals and teams by motivating and developing employees, Beardwell and Holden (2001:538) concur and highlight that performance management is an integrated and continuous process that develops, communicates and enables future direction and values of the institution.

This integration can be achieved vertically with the business strategy and business plans and goals. Teams and individuals' objectives are agreed upon such that they should support the achievement of corporate goals. Steps need to be taken to ensure that goals are in alignment, where this can be achieved through a cascading process so that objectives flow down from the top, but should also be a bottom-up process where individuals and teams are given the opportunity to formulate their own goals within the framework provided by the overall purpose and values of the organisation. Objectives should be agreed upon and not just set, and this agreement should be reached through open dialogues that take place between managers and individuals throughout the year. These need to be seen as a partnership in which responsibility is shared and mutual expectations are defined. Horizontal integration means aligning performance management strategies with other human resources.

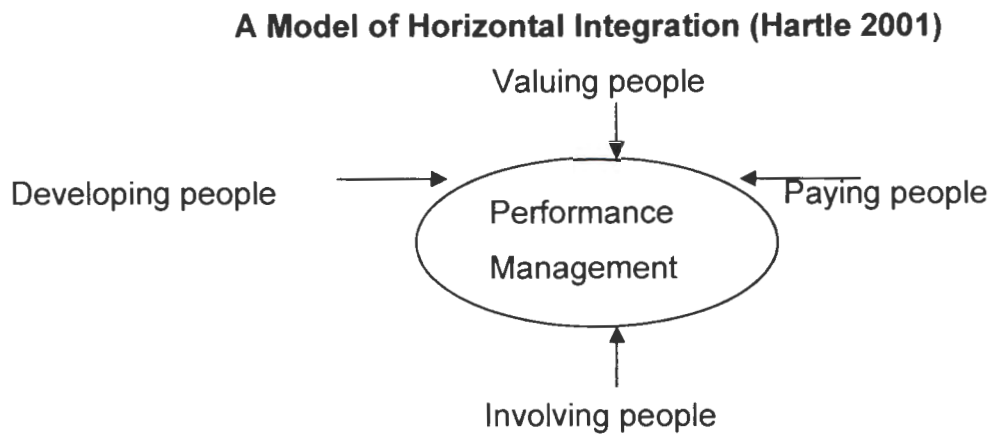


Figure 2. 3 A model of horizontal integration (Hartle 2001)

2.7 Nature and scope of performance management system

This is linked to the identification of the parameters of performance, setting of performance standards, planning in a participative manner, identification of competencies and competency gaps, recognising and promoting performance culture.

2.7.1 Features of performance management

2.7.1.1 Clear links with the organisation's objectives.

The objectives need to be clear and measurable and should be agreed upon between the team, individuals and the manager concerned. In this way the goals of the team and of the individuals are both clearly related to those of the organisation.

2.7.1.2 Clear links with the job description.

Individuals have job descriptions which they would have agreed upon and which are reviewed regularly as the job changes. In performance management the job descriptions are revised and are also agreed upon between the manager and the subordinate.

2.7.1.3 Rigorous and objectives assessment process

Individual objectives that are from the organisation's strategic objectives are jointly devised by the appraiser and the appraisee and ought to be clear, measurable and further job-related.

2.7.1.4 Key activities involved in performance management

The key activities involved in performance management help determine performance expectations by evaluating the job and its activities:

- Support performance by providing induction training and development activities.
- Review and appraise performance through an appraisal system.
- Manage performance standards by feedback and rewards.
- Beardwell and Holden (2001:539) argues that for performance to be effective the activities listed here should be carried out through the year as a normal part of the interaction between employees and manager and the said activities should involve joint problem-solving and joint acceptance of joint responsibility for action.

2.7.1.5 SETTING DIRECTION AND PLANNING

According to Hartle (1995) performance planning means formulating performance expectations and goals for individuals and encouraging them channel their efforts into achieving institutional objectives, while Spangenberg (1994:52) emphasises that performance planning has the following components namely setting of a mission, performance goals and plans, work related competencies and supportive behaviours. Bacal (1999:27), defines performance planning is the starting point for an employer and employee to begin the performance management process. In this regard business strategy and performance are identified, individual objectives developed as well as personal development plans outlined to address performance weaknesses, future roles and performance standards.

2.7.1.6 Coaching and support

This includes a continuous provision of feedback to motivate and improve performance, ensuring the provision of training and development opportunities and resources when needed, encouraging and supporting employees to monitor themselves and take responsibility for their learning.

2.7.1.7 Reviewing

Boninelli & Meyer (2004:222) asserts that communication plays a vital role to performance management as supervisors and subordinates share information about work progress, potential progress, and possible solutions and how supervisors can assist subordinates. Kirkpatrick (2006:166) concurs, stating that performance reviews are the cornerstones of the performance management process in that it is important for the ongoing development of employees. The reviewing process entails evaluation of actual performance against the expected performance, identifying reasons for good performance and bad performance, and the weaknesses of employees and managers, identification of training, development and support needed to improve performance.

2.8 The stages of performance management process

The initial stage entails the manager and subordinate meeting jointly to discuss how the organization's strategic goals must be adopted and adapted by the department and individuals. Manager and subordinate agree on specific times for formal checks to be made on progress towards the goals (Nel, Gerber et al., 2001: 519).

2.8.1 Performance criteria

The employees understanding of performance management is aligned to to the theory as stated by Wright (2006:124) where he argues that performance management is a process in which institutional goals and objectives are used to set objectives of divisions, teams and individuals. Grobler , Warinich,Carrell , Elbert & Hatfield (2004:260) concur by stating that performance management plays a vital role in helping institutions to achieve their goals, while Bacal(1993:3-4) underscores this by claiming that performance management

involves how the employee's job contributes to the goals of an institution. Performance criteria emanate from the control process which is a systematic attempt to set standards appropriate to the objectives of the organization to observe actual achievements, compare them with standards and to take corrective measures. This is done to ensure that all resources of the organization are used effectively for the purposes of accomplishing its mission and objectives (Cronje, Hugo, Neuland & van Reenen 1994:127).

The performance criteria are set out as follows: the establishment of standards, planning that includes the formulation of objectives, standards being realistic, attainable and measurable, observation of the actual performance, collection of information and reports on actual performance, evaluation of deviations, this step comprises of the evaluation of the disparities between the actual performance and the standards set, taking corrective action. This refers to steps taken to attain performance standards or to improve and ensure that deviations do not occur.

2.9 Performance management versus performance appraisal

2.9.1 Performance management

Performance management is a broader term than performance appraisal, and became popular in the 1980s as total quality management programmes began to emphasize the use of all the management tools, including the performance appraisal to ensure achievement of performance goals. Tools like reward systems, job design, leadership and training were also roped into performance appraisal as part of a comprehensive approach to performance management (Grobler, Warnich, et al., 2002:206).

Performance management is an idea far from new as it has long been recognized that performance needs to be managed, which is true whether the concern is with performance at the organisational level, individual level or any other level in between. Performance management system provides a means of getting improved results from the organisation, department, work teams and individuals by understanding and managing performance within an agreed overall framework.

It is a broader approach than staff appraisal in that it consists of a systematic approach to the achievement of organisational objectives by providing an interconnected set of goals which link organisation, department, team and individual levels (Cornelius, 2001:143).

Over the years we have seen many practices, techniques, tools, systems and philosophies which have as their aim the management of performance, a term which may be seen as yet another philosophy, and as such it came to particular prominence in the early 1990s. This involved:

- The organisation having a shared vision of its objectives or mission statement, which it communicates to all its employees.
- The organisation setting individual performance management targets which are related both to operating unit and wider organisational objectives.
- It conducts a regular, formal review of progress towards targets.
- Uses the review process to identify training and development and rewards outcomes, and
- Evaluation of the effectiveness of the whole process and its contribution to overall organisational performance to allow changes and improvements to be made (Lundy & Cowling, 1996:307).

Performance management is about managing the organisation, and is a natural process of management not a system or a technique (Fowler, 1970). It is also about managing within the context of the business (its internal and external environment), which affect how it operates, how it is developed and what it sets out to do. Performance management concerns everyone in the business – not just managers. It rejects the cultural assumption that only managers are accountable for the performance of their teams and replaces it with the belief that responsibility is shared between managers and team members and the process of performance management is a part of a holistic approach to managing performance which is the concern of everyone in the organisation (Armstrong, 2003:481). Performance management is used to ensure that employee activities and outcomes are congruent with the organisation's objectives. It entails specifying those activities and outcomes that ultimately result in the firm's successful implementing the designed strategy (Noe et al., 2003:68).

2.9.2 Total quality management

In relation to Performance Management System, the late W. Edwards Deming lists performance appraisal as one of the seven deadly diseases of management practices. He argued that PA should be abandoned. Total Quality Management advocates contend that the PA is actually a harmful device as it misdirects management or managerial attention. They argue that the PA systems are attempts by management to place blame for poor organizational performance on lower level. TQM was founded on the philosophy that quality products are a function of the system in which they are produced. TQM refers to a co-operative form of doing business that relies on the talents and capabilities of both labour and management to continually improve quality and productivity (Noe et al., 2003:26).

2.9.2.1 The core values of TQM include the following:

Methods and processes are designed to meet the needs of internal and external customers, every employee in the company receives training in quality, quality is designed into a product or service so that errors are prevented from occurring rather than being detected and corrected and manager's measure progress with feedback based on data. The fundamental characteristics of quality approach are a customer orientation and a prevention approach to errors. Improving customer satisfaction is the primary goal of quality approach.

This is a performance management system designed with a strong quality orientation that can be expected to: Emphasize on assessment of both person and the system factors in the measurement system, Emphasize that managers and employees work together to solve performance problems, involve both internal and external customers in setting standards and measuring performance (Noe et al., 2003:349). Advocates of the quality approach believe that most US companies' performance management systems are incompatible with quality philosophy for the following reasons namely:

Most of the existing systems measure performance in terms of quality and not quantity, Employees are held accountable for good or bad results to which they contribute but do not completely, Companies do not share financial rewards of success with employees according to how much they have contributed to them, Rewards are not connected to business results. Further advocates of quality approach suggest that the major focus of performance evaluations should be to provide employees with feedback about areas in which they can improve and these feedbacks are subjective for managers, peers and customers about the personal qualities of the employees and objective feedback based on work process itself using statistical quality control methods.

2.9.2.2 The evaluation of the quality approach

This approach relies on a combination of the attributes and results approaches to performance measurement, it adopts a systems-oriented focus, its advocate's evaluation of personal traits which are difficult to relate to job performance unless the company has been structured into work teams (Noe, et al., 2003:353).

2.10 Performance management system cycle/process

The stages of performance management involve the following and is based on plan – do – review – revise cycle , meaning prioritize needs to be done , ensure that proper systems are in place , understanding the impact of your actions , using of lessons learned from the review to change plans <https://www.slideshare.net/surabhi> 123 -01/09/2017

2.10.1 Performance planning

It is during this phase wherein the supervisors and subordinates are required to agree on relevant performance dimensions and key performance areas that should be delivered during the financial year. According to Walters (1995:69) subordinates should be actively involved in the setting of performance standards whilst Leonard & Hilgert (2007:375) argue that supervisor is responsible for the establishment of performance standards or targets that a subordinate is expected to deliver , and once an agreement has been reached on performance dimensions and key performance areas is then that both parties can sign a performance agreement.

It starts with the performance management cycle, and it plans for both performance and development that create a strong foundation for the entire process of Performance Management. The performance planning discussion facilitates communication and provides managers and employees with an opportunity to discuss together the vision, mission and strategic objectives of the unit/department. A process that involves the identification of the objectives and how they can be attained or accomplished. Objectives that are specific, requirements that describe results in quantifiable and measurable terms. There are specifications of how the organisation intends to achieve its strategic goals, by when and by whom.

2.10.2 Role clarification

The key role players in performance management are the manager and the employees. In order for the relationship between the manager and the employee to work out, trust is important. Performance management is an interactive process whereby supervisors and subordinates interact and exchange views on performance from the performance planning phase to the assessment phase (Fernandez 2005:261). Bacal (1999:3) supports this by arguing that performance management is an ongoing process that is undertaken in partnership between the supervisor and subordinates.

The manager needs to ask the following questions when planning for performance:

- What end results do I intend to achieve, what tasks must be completed, by whom, and when in order to achieve the end results, what other circumstances may affect the units performance, what resources, money, staff equipment and materials are needed and what is available.
- The employees also have the following points to consider: how can I best exchange ideas with my manager, on how to best achieve our objectives, do I possess the necessary knowledge, skills and attitude to perform my duties.

2.11 Performance appraisal

Noe, et al., (2003:388), defines performance appraisal as a process of measuring employee's performance. And Mahajan (2015:131) defines it as a systematic, periodic and impartial process of evaluating an employee's performance , which involves determining and communicating to an employee how he or she is performing the job and establish plans for improvements. This can be useful for employee's development under certain conditions. The appraisal system must tell employees specifically about their performance problems and how they can improve their performance. This includes providing understanding of the differences between current performance and the expected performance, identifying causes of the performance discrepancy and developing action plans to improve performance. Managers need to be trained on frequent performance feedback and need to monitor employee's progress in carrying out action plan.

Performance appraisal can be defined as a formal structured system that compares employee performance to the established standards. An assessment of job performance shared with employees being appraised through one of the several primary methods of appraisals. The history of performance appraisal roots in the early 20th century and can be traced to Taylor's pioneering Time and Motion studies. As a formal management procedure used in the evaluation of work performance, appraisal really dates from the time of the Second World War. In a broader sense the practice of appraisal is a very ancient art.

Dulwecs (1989) asserts that performance appraisal is a basic human tendency to make judgments about those ones working with as well as about oneself. The system began as a simple method of income justification i.e. appraisal was used to decide whether or not the salary or wage of an individual employee was justified and was firmly linked to material outcomes in that if an employee's performance was found to be less than ideal a cut in pay would follow and if better than expected a pay rise was in order. Elements in performance appraisals methods are tailored to the organisation's employees, jobs and structure. They include objectives criteria for measuring employee performance and ratings that summarise how well the employee is doing. Successful appraisal methods have clearly defined and explicitly communicated standards or expectations of employee performance on the job.

2.11.1 Modern appraisal

According to Mahajan (2015:139), modern performance appraisal methods assess categories such as behaviours , results , work and goals achieved. In this instance, performance appraisal may be defined as a structured formal interaction between a subordinate and supervisor that usually takes form of a periodic interview (annual or semi-annual) in which the work performance of the subordinate is examined and discussed with a view to identify weaknesses and strengths as well as opportunities for improvements and skills development (Noe, et al.(2003:388).

In many organizations but not all appraisal results are used either directly to help determine reward outcomes. By the same token appraisal results are used to identify the poorer performers who may require some form of counselling or in extreme cases demotion, dismissal or decreases in pay (<http://www.performance-appraisal.cm/intro.htm>).. Performance appraisals are essential for the effective management and evaluation of staff; they help develop individuals, improve organisational performance and feed into business planning. Formal performance appraisals are generally conducted annually for all staff in the organisation and each staff member is appraised by their line manager.

Annual performance appraisals enable the management and monitoring of standards, agreeing expectations and objectives and delegation of responsibilities and tasks. Staff performance appraisals also establish individual's performance against objectives and standards for trading year agreed at the previous appraisal meeting. Performance appraisals are important for staff motivation, attitude and behaviour development, communicating organisational aims and fostering positive relationships between management and staff (<http://www.businessballs.co/performance-appraisals.htm>).. Appraisal is an essential tool in the armouring of Human Resource Management, it has been traditionally associated with appraising the performance of individuals against set objectives in ensuring that they make contributions the organisation requires of them and in some cases linking assessment of performance to rewards such as pay.

This is increasingly seen as a way of systematically developing individuals to make sure their contribution is maximized, fulfilled in the job, have skills required to develop in the role and to aid retention. It is used interchangeably with performance assessment, performance evaluation, individual assessment, job appraisal and performance review (Cheatle, 2001:159).

2.11.1.1 Objectives of performance appraisal (PA)

According to Grobler et al.(2002:265) performance appraisals are element in the use and development of an organisation's most vital resources – its employees. Appraisals are used for a wide range of administrative purpose such as making decisions, pay, promotion and retention, and the two categories of objectives of PA are:

Evaluative Objectives: Employees concerns are that one of the primary purposes of performance appraisals are looking at the past performance. The most common decisions based on evaluative objectives concern compensation which includes merit increases, employee bonuses and other increase on pay.

Staff decisions constitute an evaluative objective of performance appraisal because managers and supervisors must take decisions concerning promotions, demotions, transfers and layoffs, by way of help making appropriate employment decisions (Mahajan, 2015:133)

Developmental Objectives: This encompasses developing employing skills and motivation for future performance. Developmental performance appraisal is mainly focused, on giving employees direction for future performance .Such feedback recognizes strengths and weakness in past performance and determines what direction employees should take to improve (Grobler, et al., 2002:265), and this according to Mahajan (2015:133) brings satisfaction to employees and improves their moral.

According to Noe,et al.,(2003:388) performance appraisals seek to meet specific objectives and they include, and (Goel , 2012:24) asserts that the concept performance appraisal is common to all situations be it problem solving, coaching and counselling , evaluation and development:

- Tell and sell - In this regard supervisor coaches by telling the employee the evaluation and then persuade the employee to follow recommendations that form the basis for coaching and counselling employee(Goel, 2012:24)
- According to Mensah (2013:137), this kind of appraisal is best suited for new employees , it reviews the employee's performance, wherein the reviewer convince the employee to perform better.
- Tell and listen - The supervisor coaches by telling the employee the evaluation and then listens to the employee's reactions to the evaluation in a non-judgmental manner,(Mensah, 2013:137) asserts that this appraisal provides an opportunity for the employee to explain reasons , excuses and defensive feeling about the performance and the supervisor would then counsel the employee on how to perform better to overcome these reactions.
- Problem –solving,according to Goel (2012:24) performance appraisal avails itself to all situations which include problem solving , counselling and coaching.
- This is developmental in nature and involves counselling, and It is used for employee development purposes. The supervisor does not offer evaluation but lets the employee decide his or her weak areas and works with the employee to develop an action plan for improvement , and further identifies problems that interfere with the employee performance , these problems will be discussed with the appraiser and appraise with a view to find a solution (Mensah , 2013 137)
- Goel (2012:24) asserts that the concept performance appraisal is common to all situations not leaving out coaching and counselling hence this statement that the mixed- model combined coaching and counselling.
- Performance appraisal is used for both evaluative and development and purposes (Goel (2012:24.The supervisor begins the appraisal with a problem-solving session and concludes with a more directive tell and sell approach.

2.11.2 Performance appraisal methods and approaches to measuring performance

The methods and instruments of appraisal used are critical in determining whether the organizations manage their performance successfully. Performance appraisal methods and instruments should signal the operational goals and objectives to the individuals, groups and the organisation at large (Gerber et al., 2002:269).

Performance appraisal methods traditionally were broken down into two categories namely:

- Comparative methods such as ranking or forced distribution referring to the rating of the overall performance of one employee directly against that of other employees.
- Absolute standards methods, such as rating scales or management by objectives (MBO) that rates the employee against some objectives, selected goals.

2.11.2.1 Comparative methods

Ranking of employees from the most effective to the least effective, this method of ranking is comparative in the sense that supervisors or other ratters judge employee's performance in relation to each other instead of against an absolute standard resulting in as many different rankings as there are departments or areas within the organisation (Noe et al 2008). The advantage of ranking is that it is fast and easy to complete, and the disadvantage is that it is seldom developmental because employees do not receive feedback about performance strengths and weaknesses or any future direction.

2.11.2.2 Forced distribution

This method of appraisal requires that supervisors spread their employee evaluation in a prescribed distribution. Supervisors place employee in classifications ranging from poor to excellent (Noe et al 2008). Mahajan, (2015:135) defines forced distribution as a method that is used to evaluate employee according to a predetermined distribution scale.

2.11.2.3 Paired comparison

In this instance, the raters pair employees and choose one as superior in overall job performance resulting in each employee being given a positive comparison total and a certain percentage of the total positive evaluation and each member is compared with all others in the working group with one member at a time.(Mahajan,2015:135).

2.11.2.4 Critical incidents

This method of performance appraisal uses specific examples of job behaviour that has been collected from supervisors or employees or both. Several supervisors and employees compile a list of actual job experiences involving extraordinarily good or bad employee performance. Outstandingly good or bad performance separates the better employee from the average employee and the poor employees from the average employees (Noe et al 2008). A method in which the supervisor keeps records for each subordinate of uncommonly good and undesirable work related behaviour (Mahajan, 2015;139).

2.11.2.5 Essay method

The essay method is a performance appraisal created for employee development, where the supervisor or appraiser writes an essay in a narrative style describing the employee's performance by specifying examples of strengths and weaknesses. The essay method forces the supervisor to discuss specific examples of performance; this minimizes supervisory bias and halo effect. Further in this approach the appraiser prepares a written statement of the employee being appraised. The statement usually concentrates on describing specific strengths and weaknesses in job performance. It also suggests courses of action to remedy the identified problem areas. This may be written and edited by the appraiser alone or be composed in collaboration with the appraisee.

Advantages of Essay Method

This method is far less structured and confirming than the rating scale-method. It allows the appraiser to examine any relevant issue or attribute of performance.

Disadvantages of Essay Method

The method is time-consuming and difficult to administer

The process is subjective and in consequence difficult to compare and contrast the results of individual reviews or draw any broad conclusions about organizational needs.(<http://www.performanceappraisal.com/ratings.htm>).

2.11.2.6 Rating scales

According to Erasmus, Swanepoel , Schenk , van der Westhuizen & Wessels (2005:278) , absolute rating provides a rater with a list of descriptions of job behaviours which are marked if they are descriptive of the individual being rated ,and Clark(1988:288) claims that absolute rating assess a person's quality and quantity of work as well as a variety of personality traits such as reliability and co-operation. Rating scales are considered the method that offers a high degree of structure for appraisals. Each employee's trait or characteristic is rated on a scale that usually has several points ranging from "poor to excellent." The traits assessed on these scales include employee's attributes such as co-operation, communication, ability, initiative, punctuality and technical work skills competence (<http://www.performance-appraisal.com/ratings.htm>). It concentrates on specific employee behaviour or characteristics as they relate to work performance and contains a number of employee's qualities and characteristics to be evaluated by the appraiser (Mahajan, 2015:135).

Advantages of rating scales

Rating scales are structured and standardized thus allowing ratings to be easily compared and contrasted even for the entire workforce.

- Each employee is subjected to the same basic appraisal process and rating criteria with the same range of responses - thus encouraging equality in treatment for all appraises. Such rating scales impose standard measures of performance across organisation.

This method is easy to use and is understandable.

Disadvantages of Rating Scales

- Trait relevance - there are certain traits that have a greater relevance in some jobs than in others, for example the trait "initiative" might not be very important in a

job that is highly defined and rigidly structured-therefore a low appraisal rating for initiative may not mean that an employee lacks initiative.

- Perceptual errors - this includes various well-known problems of selective perception such as the horns and halos effects as well as problems of perceived meaning.
- Selective perception is a human tendency to make private and highly subjective assessments of what a person is “really like” and seek evidence to support that might contradict it (<http://www.performanceappraisal.com/ratings.htm>)

2.12 Approaches to measuring performance

Noe et al., (2003: 336), asserts that performance can be managed by focusing on employee’s attributes, behaviour or results.

2.12.1 Comparative approach

According to Noe et al, (2003:336) this approach of measuring performance requires that the rater compare an individual’s performance with that of others. This entails usually using some overall assessment of an individual’s performance and seeks to develop some ranking of the individuals within a work group, and the following fall under this approach i.e. ranking, forced distribution, and paired comparison (Mathis, Jackson , Valentine and Meglich, 2016:385)

- Ranking requires managers to rank employees within their Departments from the highest performer to the poorest performer.
- Forced distribution, uses a ranking format where employees are ranked in groups (Martocchio , 2011)
- Paired comparison, requires managers to compare every employee with every other employee in the work group, giving an employee a score of 1 every time he or she is considered the highest performer, and computing the number of times each employee received the favourable decision, and this becomes the employee’s performance score (Noe et al , 2003:336).

2.12.2 Attributive approach

This approach focuses on the extent to which individuals have certain attributes (characteristics or traits), believed desirable for the company's success. Such attributes are presented through graphic rating scales, the appraisal consisting of supervisors' rating subordinates on a number of work, quantity of work, job knowledge, and co-operation.

Mixed – standard scales provide a definition of the relevant performance dimensions and the development of statements representing good, average and poor performance along each dimension (Shaout & Yuosif 2014).

2.12.3 Behavioural approach

According to (Bohlander & Snell 2010) the approach attempts to define the behaviour an employee must exhibit in order to be considered effective in the job. Techniques define those behaviours and require managers to assess the extent to which employees exhibit them. Critical incidents require managers to keep a record of specific examples of effective performance on the part of each employee. The critical incidents give specific feedback to employees about what they do well and what they do poorly.

Behaviourally anchored rating scales (BARS) are designed to define performance dimensions by developing behavioural anchors associated with different levels of performance. This is developed by gathering a large number of critical incidents that represent effective and ineffective performance on the job. Critical incidents are classified into performance dimensions and those experts agree clearly on what represents a particular level of performance and they are used as behavioural examples to guide the other. Organisational behaviour modification entails managing the behaviour of employees through a formal system of behavioural feedback and reinforcement. The system builds on the behaviourist view of motivation which holds that individuals' future behaviour is determined by past behaviours that have been positively reinforced and have four components, namely:

- The definition of a set of key behaviours necessary for job performance.
- Use of a measurement system to assess whether these behaviours are exhibited.
- Managers informing employees of those behaviours.

- Feedback and reinforcement are provided to employees.

2.12.4 Results approach

Gomes and Romao (2014) assert that with the results approach the focus is among the objectives, measurable results of a job or work Management by Objectives (MBO). This is popular in both private and public organisations, and it consists of having all the subordinates and managers writing a letter to their supervisors detailing what their performance goals were for the coming year and how they planned to achieve them. In this system, the top management, who then define the goals, must set what is achievable for the company to reach its goals. This goal-setting process cascades down the organisation so that each employee helps the company achieve its goals. These goals are used as the standards by which an individual's performance is evaluated.

Productivity measurement and evaluation system (*pro mess*), a means of measuring and feeding back productivity information to personnel, and its main goal is to motivate employees to higher levels of productivity.

The steps involved include:

- People in an organisation identifying the products, or the set of activities or objectives that an organisation expects to accomplish.
- Staff defining indicators of the products, which are measures of how well the products are being generated by the organisations.
- Staff establishing the contingencies between the amount of the indicators and the level of evaluation associated with that amount.
- A feedback system is developed that provides employees and work group with information about their specific level of performance on each of the indicators.

2.13 Performance management criteria

Measuring performance helps determine how well organizations and employees are performing and it is also used by many managers to provide public accountability. The trend since World War 2 has been to make measurement more precise and this encompasses timely feedback that can be used on continuous improvement. Measurement is increasingly used to provide on-going information about public sector performance <http://www.performncemanagementguide.com/measure.htm>. It involves decisions on levels of performance criteria tasks and roles definitions and is a highly participative process between the supervisor and the employee.

The comparative approach to performance measurement requires that the rater compares individuals' performance with that of others. The approach usually uses some overall assessment of an individual's performance or worth and seeks to develop some ranking of the individuals within a work group. There are techniques that fall under the comparative approach and they are ranking, forced distribution and paired comparison. According to Noe, Hollenbeck et al., (2003:331), a vital step in performance management is to develop the measures by which performance is evaluated and come up with strategic congruency, validity, reliability, acceptability and specificity as the criteria to use to evaluation performance management systems.

2.13.1 Strategic congruency

This refers to the extent to which a performance management system elicits its job performance that is congruent with the organisations' strategy, goals and culture. For example, if a company emphasises on customer service, the performance management system should assess how well its employees are serving the company's customers. This performance measurement criteria emphasises the need for the performance management system to guide employees in contributing to the success of the organisation and this requires systems flexible enough to adapt to the changes in the company's strategic posture. Syed and Bartram 2012:191, advocates for four criteria which in so far as they concerned are important as they encompass important areas including strategic congruence.

2.13.2 Validity

This is the degree to which a performance measure assesses all the relevant aspects of performance, which is often referred to as content validity. (Syed and Bartram 2012) assert that validity refers to the fact that people are being measured on areas that are truly important to the firm's objectives and the extent to which a performance measure assesses all the relevant aspects of the job .For a performance measure to be valid it must not be deficient or contaminated, a measure which is concerned with maximizing the overlap between the actual job performance and the measure of job performance.

2.13.3 Reliability

According to Syed & Bartman 2012:191), define reliability as the uniformity, and most importantly to the level of consistency amongst the supervisors who appraise employees. Reliability means consistency of a performance measure, the degree to which a performance measure is free from random error and further refers to the uniformity of performance and most importantly to the level of consistency amongst the supervisors who appraise the employees.

2.13.4 Acceptability

Acceptability refers to the extent to which a performance measure is deemed to be satisfactory or adequate by those who use it. This is affected by the extent to which employees believe the performance management system is fair.

The appraisal would be perceived fair, when feedback is accurate and received timeously from the appraiser (Syed & Bartman 2012:191).

2.13.5 Specificity

Specificity refers to the extent to which a performance measure tells the employees what is expected of them and how they can meet these expectations. This concept is relevant to both the strategic and developmental purposes of performance management.

2.14 Performance determinants

2.14.1 Ability- performance

This can be influenced by performance appraisal in this manner: The decision of desired performance criteria aids in defining the kinds of abilities needed for effective performance. The assessment of performance aids in identifying the needs for change in the ability levels of personnel and evaluating the effectiveness of organisational efforts directed at each change.

2.14.2 Motivation – performance

Fernandez(2005:261) defines performance management as an integrated system designed to maximise performance of individuals and teams by motivating and developing employees, and this is supported by Beardwell & Holden (2001:538) by stating that performance management is an integrated and continuous process that develops , communicates and enables future direction , core competencies and values of the the institution. High levels of motivation can be either functional or dysfunctional for organisational goal accomplishment. The way performance goals are specified and levels of these goals determine high intensity of motivation associated with achieving these. Performance goals also direct motivation and behaviour, and this directional function of the appraisal system holds the following: the choice which employees make between on-the-job goals and the choice between work and leisure activities.

2.14.3 Performance – intrinsic outcomes

This is an appraisal system that takes a developmental perspective and has a major impact on the link between performance and intrinsic outcomes.

Part of the process involves:

- Establishment of meaningful goals usually through participation by performer.
- Building of the opportunity for evaluative feedback directly into the performance of the task.

These two conditions have been found to make performance intrinsically rewarding to some performers, whilst developmental performance appraisal and review can tighten the linkage between performing the task. An intrinsically positive outcome to an employee is a personal matter. The measurement or appraisal of performance rightfully deserves a central position in any Human Resources management programme in that it is the performance of individual employees which primarily determines the attainment of the goals and objectives of an organisation (Swanepoel, Erasmus, van Wyk & Schenk 2003:374).

Performance appraisal (often referred to as performance evaluation, merit rating, staff assessment, and performance review) is also a human resources function criticised by many practitioners and whose systems carry the greatest risk of either failing, falling into disuse or degenerating towards meaningless paperwork exercise. The concept of total quality management has led to a shift in emphasis from performance appraisal to performance management. Mondy, Noe and Premeaux (1999:100) described performance as a process which significantly affects organisational success by having managers and employees work together to set expectations, review results and reward performance. It is also a process through which an organisation gets information on how well an employee is doing his or her job (Noe, Hollenbeck, Gerhart & Wright 2003:328). As such, performance management can be regarded as an ongoing process that involves the planning, managing, reviewing, rewarding and development of performance.

While performance appraisal systems are often no more than a system of measurement (that is a specific form together with certain written rules and procedures controlling its use), the concept of performance management signifies an attempt to entrench performance appraisal as a legitimate and integral part of a manager's job in getting subordinates to effectively achieve the results and goals expected of them. Marshall (2000:184), expresses this idea as follows:

“The concept of performance management is a more broadly framed and integrative view of performance appraisal, where performance ratings are de-emphasised relative to the planning, reviewing, allocating of resources, and problem-solving aspects of that process.”

In performance management, appraisal is acknowledged as one of several planning and accountability systems in an organization. Many of the outcomes of appraisal feedback within performance management are critical to ongoing strategic planning as well as departmental business and objectives setting.

Other models include performance capabilities model proposed by Kesler which consisted of a continuum of six value-added roles, and those roles are as follows:

- Capitalistic influence
- Diagnostic assessment
- Innovating business structures and process
- Assuring standards
- Administration and services
- Problem-solving

Where roles one to three exert more leverage in that partnership between HR and line people creates benefits to the line organization whilst roles four to six are more transactional in nature and add less value.

The value of the various roles can only be determined in the context of a given company and its roles and for it to be successful, a business strategy must be supported more directly by the partnership-oriented performance capabilities (roles 1-3)

Partnering-roles have the following characteristics:

- Enable others
- They are knowledge based
- They are performance based
- They enhance business performance

2.15 Requirements for a successful performance appraisal system

The following are the specific requirements for an appraisal system as a criterion for judging the work performance of individuals (Swanepoel, et al., 2003:376):

- Relevance, this requirement refers to question: What is really important for success in this job and this organisation. The appraisal system must therefore be directly related to the objectives of the job and goals of the organisation.
- Relevance is ensured by: Establishing clear links between the performance standards of all jobs and organisational goals. Regular maintenance and updating of jobs descriptions, performance standards and appraisal systems.
- Reliability, the system must produce evaluations or ratings that are consistent and repeatable.
- Discriminability – the system should be able to distinguish between good performers and poor performers.
- Freedom from contamination, the system should be able to measure individual performance without being contaminated by factors that are outside the employee's control.
- Practicability, this implies that an appraisal system should be easy to understand and to use by managers and subordinates alike.
- Legal compliance, work performance data is used for management decisions on promotional, dismissals, employment equity and rewards, the system should therefore be tested for compliance with the requirements of relevant labour legislation.

2.16 Management by objectives

In relation to Performance Management System this is one of the most widely used performance appraisal methods and was first advocated in the 1954's by the noted management theorist Peter Drucker in his 1954 book: *The Practice of Management* (Drucker, 2006). (Erasmus et al 2005:279) defines management by objectives as management philosophy that focuses on the motivation of individual performance but, due to its process, can also evaluate performance, it entails supervisor and subordinates mutually establishing and discussing specific goals and formulating action plans,

supervisors helping their subordinates to reach their set goals. Robbins (1999:301) states that MBO evaluates employees on how well they accomplished a specific set of objectives that have been determined to be critical in the successful completion of their job. Goel (2012:24). A comprehensive management approach adopted for performance appraisal as well as organizational development which involves the subordinate and supervisor in jointly determining the goals.(Grobler , Warnich , Carrell et al 2006:275). These methods of performance appraisals are result-oriented that is they seek to measure employee performance by examining the extent to which predetermined work objectives have been met. Usually the objectives are established jointly by the supervisor and subordinate once the objectives are agreed, the employee is usually expected to self-audit that is to identify the skills needed to achieve the objectives .They do not rely on others to locate and specify their strengths and weaknesses, they are expected to monitor their own development and progress.

This appraisal method contains the following elements:

- Goal setting, this lies at the heart of the MBO and the process thereof starts with the formation of long-range objectives and cascades through the organisational objectives, departmental goals and finally individual goals which are mutually set by the employee and his or her manager.

MBO concentrates on setting measurable goals as opposed to vague or subjective goals. In terms MBO characteristics of good goals include: description of what is to be accomplished and how, targets dates for goals accomplishment, amount of resources to be used in accomplishing goals (Grobler , Warnich ,et al 2006:275) action planning, goals should specify what is to be achieved, how that should be achieved, in essence action plan constitutes a road map for accomplishing the goals and is important because it provides direction as well as a mechanism for measuring goals, self-control, MBO assumes that employees will accomplish their goals of given management and organizational support, periodic review , most MBO systems include a mechanism for periodically measuring progress towards goals. This review is an imperative process in that it discusses problems that an employee may be experiencing in reaching goals (Noe et al, 2003:353)

Advantages of MBO

- The supervisors and employees participate in the appraisal process (Grobler et al 2006:269) , goals and objectives are determined before the appraisal periods begins, the focus is on specific goals and not on broad personality traits such as dependability or co-operation.
- Its approach overcomes some problems that arise as a result of assuming that the employee traits needed for job success can be reliably identified and measured.
- Employees are judged according to real outcomes and not on their potential for success.
- The guiding principle of MBO approach is that direct results can be observed.
- MBO recognizes the fact that it is difficult to neatly dissect all the complex and varied elements that go to make up employee performance.
- MBO advocates claim that the performance of employees cannot be broken up into so many constituent parts as one might take apart an engine to study it.

Disadvantages of MBO

- MBO methods of performance appraisal can give employees a satisfying sense of autonomy and achievement but on the downside, they can lead to unrealistic expectations about what can and cannot be reasonably accomplished.
- The procedure is time effort that must be spent by both the supervisor and the subordinate in the appraisal process advocate's evaluation of personal traits which are difficult to relate to job performance unless the company has been structured into work teams (Noe et al., 2003:353).

2.17 Steps in developing a successful performance management and performance appraisal system.

According to Goel 2015:25 the design and implementation of appraisal system is based on, what to assess/appraise, who should assess/appraise and which techniques to employ.

2.17.1 Planning system

an effective performance management system should enable and empower line management to implement the strategy and objectives of the organisation successfully and pertinent questions to be addressed during the planning phase relate to and outlines the activities that the manager is expected to undertake during the specified periods (Goel. 2015:16):

- Who will be involved in the appraisals?
- How will the results be used?
- Should evaluation be individual or group based?

2.17.2 Developing the system

In this phase, appropriate solutions need to be found to designing questions such as:

- What is to be appraised?
- How is it to be appraised?
- How often must it happen?

2.17.3 Implementing the system

This refers to procedures that relate to the implementation phase and focus on various training sessions and introductory exercises.

- A training format which allows for the active involvement of rates in the training process
- Thorough familiarization with the measurement, instrument and scales
- Encourage the recording of specific examples of behaviour
- Developing rater consensus regarding the interpretation of performance standards.

2.17.4 Maintenance of the system

This entails activities such as:

- Monitoring the consistent application of performance ratings
- Devising and arranging training and development interventions indicated by results
- Auditing and evaluating the effectiveness of the programme on an annual basis.

2.18 Varieties of appraisal techniques

There are varieties of appraisal techniques available to measure employee's performance in creating and implementing an appraisal system. Initially, administrators must first determine what Performance Appraisal Systems also known as performance evaluations, performance reviews or employee appraisal refer to any method used by a manager will be used and then decide which process should be used.

2.18.1 Determine performance requirements

In this regard, administrators must determine what skills, outputs and accomplishments will be evaluated during each appraisal. This requirement could be obtained from job descriptions and in this instance policy makers must determine the areas at which performances are going to be reviewed and how the areas relate to the goals of the organisation.

2.18.2 Choose an appropriate appraisal method

various methods may be used to appraise performance and no one method is best for all organisations and as a result the manner in which a supervisor conducts the Performance Appraisal is determined by the method, and within an organization different methods may be used for different groups such as production, sales and administrative employees.

2.18.3 Training supervisors

According to Mensah, 2013:132, it is important that the supervisors responsible for appraisals are well trained to handle the appraisal process as this will enable them to prepare well and be fair and accurate in rating the employee performance. This is a critical step in the process of Performance Appraisal because supervisors should prepare a fair and accurate appraisal and effectively communicate the evaluation to the employees. An unfair rating may result in charges of discrimination, loss of employee morale and productivity or inaccurate appraisals may lead to poor compensation or staffing decisions.

2.19 The appraisal interview

Mensah (2013:138), asserts that for the appraisal interview to be effective the following guidelines should be in place, schedule appraisal time, inform the employee timeously, select a comfortable location, relaxed atmosphere to encourage frank conversation, and ensure that the appraisal session is to improve performance and not that is to discipline.m According to Mathis, Jackson, Valentine and Meglick (2016:393), appraisal interview presents both opportunity and challenge as it can be an emotional experience for the manager and the employee in that the manager must communicate both praise as well as constructive criticism. Before the appraisal interview, the supervisor should discuss with the employees methods that are to be used. The decisions should focus on areas of performance to be evaluated, how often, how the evaluation takes place and its significance to the employees should be highlighted.

2.19.1 Appraise according to job / work standards

The PA should evaluate the employee's work according to pre-determined work requirements. Comparison with specific requirements indicates what the employee has or has not done well and the supervisor's feeling about the employee should not affect the appraisal. Mensah 2013:132 is of the view that it is important to appraise the employees based on the agreed and pre-determined job requirements and that the supervisor should focus on the work-related standards that have been set.

2.19.2 Discuss appraisal with the employees

Some organisations have tendencies of omitting to discuss appraisal whenever specific evaluative objectives for merit, raises or promotions have been met. The general trend is that supervisors should ensure that they discuss the appraisal with the employees, allowing them to discuss areas of agreement and disagreement and supervisors should emphasise positive work performance (Mensah, 2013:132).

2.19.3 Determine future goals

According to Mensah (2013:132) , it is important that the supervisor and the employee being appraised both agree on the future goals and the way forward , which gives employee the direction to follow in order to meet future expectations. A critical aspect of PA is the use of goal-setting; that is how specifically or rigidly these goals are to be pursued is determined by the appraisal method used.

2.19.4 Appraisal methods and instruments

The methods and instruments employed to implement these are critical in determining whether or not the organisation manages its performance successfully. PA methods and instruments should signal the operational goals and objectives to the individuals, group and the organisation at large.

2.19.5 Work standards

They are used to measure the performance of clerical and manufacturing employees whose jobs are production. Work standards establish the normal or average production output for employees on the job. Standards are set according to the production per hour or time spent per unit processed or set.

2.19.6 Rating scale

- Graphic rating scale rates employee on some standards or attribute of work. The rating is often done on some 1-3 or 1-5 Likert-type scale with 1 representing unsatisfactory and 5 representing excellent.
- Non-graphic rating is usually more valid than a graphic scale because the former contains a brief description of each point on a scale rather than simply low and high points of a scale. The rater can give a more accurate description of the employees' behaviour on a particular attribute because a description clarifies each level of rating scale.

2.20 Dimensions and prerequisites of effective performance management

Bacal (1999) asserts that an effective performance management system helps organisations, managers and employees to succeed. Since performance management is a tool for success it is necessary to consider what an organisation, a manager and an employee need to do in order to succeed. Bacal (1999:18) elaborates on the three components of performance management, namely the organisation, manager and employee and Goel (2015:5) asserts that it involves thinking in line with identifying critical dimensions of performance planning, reviewing and developing.

2.20.1 Areas in which the organisation needs to be successful

- Organisation having some way to co-ordinate the work of their units so that they are all aimed at achieving the same goals and purpose.
- Organisation requires mechanisms for identifying barriers as they arise and preventative action taken.
- Organisation must conform to legal requirements regarding employment so that individuals are protected.
- A way of gathering information to make important human resources decisions, for example promotions and training.
- Developing of work force on a continuous basis so as to make the organisation more competitive.

2.20.2 For managers to succeed they need

According to Lauby (2015), the role of the manager or supervisor is mainly planning, wherein the goals and performance standards are defined, provides coaching and support.

- To be informed of what is happening in the organisation regarding programmes and projects.
- To help staff improve, a manager requires information about how well each employee is performing.

- To direct employees towards achieving the same goals and coordinating their efforts in order to achieve these goals.
- Managers require a method of encouraging employees so that they feel motivated and valued (recognition of good performance and support systems to encourage everyone to succeed are vital).

2.20.3 Employees should strive for

Employees have a pivotal role to play to make the performance management system succeed wherein their roles include commitment through participation during the planning and implementation processes , and further that they be willing to accept feedback and where there are gaps identified corrective action through training should be taken (Paile , 2012).

- Employees need to be aware of the manager's expectations, otherwise the employee is unlikely succeed.
- Employees require regular and specific feedback on job performance (they need recognition, indications of where to improve).
- An understanding of how their work fits in with the work of others, the goals of particular work units and the overall mission and purpose of the company.
- Be given the opportunity to develop skills and to grow.
- Play an active role in defining and re-defining their jobs.
- Be aware of their level of authority, knowing what decisions to make, what decisions need to involve other, which one are managerial.

2.21 Application of performance management

The application of performance management is described by adopting the integrated model on effective performance management provided by Hartle (1995). He suggests that performance management comprises of four phases that include, planning, managing, reviewing and rewarding performance.

2.21.1 Planning

The planning of performance management means setting performance expectations and goals for groups and individuals to encourage them to channel or direct efforts into achieving organisational objectives (Hartle 1995). This phase is characterized by the manager and the employee meeting to set up objectives and it aims at identifying the desired performance and to gain employees' commitment to perform according to these expectations. Spangenberg (1994:52) concurs and emphasizes that performance planning comprises setting a mission, performance goals and plans, work related competencies and supportive behaviour.

Nickolo (2000) asserts that an employee must have a clear picture of any end or goal he or she is to achieve, and be able to engage in whatever behaviour is necessary to achieve that goal. According to Hartle (1995), in planning, the ends to be achieved and the means to achieve the defined ends are defined by describing the short and the long term results. The core part of good performance management is to ensure that the manager and subordinates develop the clearest possible picture of the key priorities among a multitude of tasks that face them every-day. Hartle (1995) describes the three key processes within the planning as follows:

2.21.1.1 Establishing team and individual objectives

This is an important element in performance management, which is the responsibility of the manager in consultation with subordinates to add clarity.

2.21.1.2 Description of the individual's job

This is the key to sound performance planning, where the manager, the team or individuals can define job roles themselves but it is an essential prerequisite to the performance-planning phase wherein there is formulation of performance expectations and goals for individuals (Hartle 1995).

2.21.1.3 Objective setting

A key component of performance management is the setting and consensus of the team or individual objectives. They highlight for both the team and the individual the clarity of understanding of their jobs and provide a focus for their actions and behaviour in the projected period.

Williams (1980) defines the setting of objectives as the management processes which ensure that every individual employee knows his or her role, and the results that must be achieved to maximize his or her contribution to the business as a whole, and suggests that objectives should be:

- Jointly agreed upon by the manager and the individual and those objectives should be realistic and challenging.
- Appropriate to improve the performance of the individual concerned.
- Supportive of the overall business strategy of the company.
- Subject to on – going monitoring as well as end of year assessment.

2.21.2 Managing performance

The process of managing performance is a natural process of management and not a system of performance appraisal or performance management imposed on managers and team leaders by top management but a system central to the relationship between managers and employees, which can be a key element of good communication and foster the growth of trust and personal development (Acas Publications)

- It is about raising performance and not rating performance, a continuous process and not an annual event.
- It should encourage dialogue – a relative conversation about performance and development.
- It should not be seen as an end in itself but simply as one of the dimensions that could be used to improve the performance of the organisation, address the needs of both the organisation and individuals.
- It should take the direction of moving from a controlling process to an enabling process (Armstrong 1988:141)

Hartle (1995) defines managing performance as an ongoing process of working towards the performance expectations established in the planning phase where the manager and employee review the employee's performance on a periodic basis. It involves developing strategies with the employee to determine appropriate action plans.

Three main activities are involved:

Coaching: According to Kirwan-Taylor (2000), coaching comes from the reporting and rectification of skills and knowledge for the people who want to improve their game in an industry, where the key methods are discipline and practice.

Mentoring: Mentoring involves preparation for the future changes and is about challenge and probing. The ingredients essential for good mentoring are, it should be a learning process, and not a teaching process. The individual is responsible for planning and achieving the task, supported, counselled and monitored through the learning process, and monitored through the learning process by a manager.

Feedback, which should be specific, timely and focused must centre on positive achievements as well as on the need to improve some aspects of performance.

Counselling: According to Kirwan-Taylor (2000), counselling helps an employee to define and achieve performance goals and objectives. Whilst Hartle (1995), contends that effective counselling is an important part of managing performance, and not a disciplinary measure but a mechanism meant to be positive and helpful. For it to be successful it should be:

- Timely, that is should occur soon after the problems arise, and counselling should not be delayed.
- Planned in advance, to take place in an undisturbed and comfortable environment.
- A two-way dialogue, which will encourage and demonstrate openness.

Always end with agreement on specific action plan that both parties are committed to follow and bring about improved performance.

According to Hartle (1995), a counselling session involves two processes namely, ongoing progress reviews and self-monitoring by the individual employee.

2.22 Factors that affect performance management

Performance management can be affected by factors such as organisational culture or climate, ranking and leadership.

2.22.1 Organisational culture or climate

Kotter and Heskett (1992) assert that all firms have a corporate culture which can exert a powerful effect on an individual and on performance, especially in a competitive environment. Lineberry and Carleton (2000:336) contend that corporate culture has been clearly established as a major driver of organisational performance and results, and of individual performance in the organisations. According to Hartle (1995:129), organisational culture can best be described as a feeling about the work situation shared consistently by a number of people. Brown (1995:8) also asserts that organisational culture refers to the pattern of feelings, values and learned ways or coping with the experience that have developed during the course of an organisation's history which tend to be manifested in its material arrangement and in the behaviours of its members.

O'Reilly (1997) refers to culture as a control system in which common agreement exists about what constitutes appropriate attitudes and behaviours between an employee and a manager. Therefore Ivancevich and Matteson (1993) are certainly on point in asserting that since organisational culture involves shared expectations, values and attitudes, it exerts influence on individual, group and organisational processes. And according to Hartle (1995) this impacts on performance management as outlined hereunder:

2.22.2 Flexibility

This refers to the extent to which unnecessary procedures, policies and formalities are minimised and the extent to which individuals feel encouraged to develop new ideas and approaches.

2.22.3 Responsibility

The degree to which an individual in the work unit feels free to make independent decisions about how he or she will do the job and individuals are encouraged to take the responsibility of what they do Houldsworth and Jirasinghe (2006:159).

2.22.4 Standard

According to Houldsworth & Jirasinghe (2006:159), attention should be paid to the setting and agreeing to standards of contribution and encouraging employees to exceed challenging goals. The extent to which an individual perceives the way management sets high standards and challenging goals and encourages people to improve their performance.

2.22.5 Rewards

There are certain factors that motivate performance and others do not..at the lowest levels of hierarchy money is seen as a motivator. Leonard & Hilgert (2007:39) claim that tangible rewards will encourage outstanding performers to strive for excellence. Wright(2006:126) concurs , asserting that employees should be paid for developing their skills and expertise because they use them to improve their performance, which enhances the institution's effectiveness. According to Erasmus et al (2005:290), non-financial rewards (increased autonomy) can also be used to motivate employees. This refers to the extent to which the allocation of rewards is perceived to be based on excellent performance and the extent to which recognition and praise outweigh threats and criticisms and performance management is concerned with linking individual contribution directly to reward and recognition (Houldsworth and Jirasinghe 2006:159).

2.22.6 Team commitment

Team commitments refers to the degree to which employees like and trust one another, co-operate, share information and resources and help one another to get the job done. The extent to which employees will provide extra effort when required and the extent to which they feel proud to belong to the work unit or organisation.

2.22.7 Ranking system

Ranking is the method where the evaluator is asked to rank employees from the best to the worst in terms of an overall criterion (Gerber, Nel & van Dyk 1992:448).

Bacal (1999), asserts that performance management is affected by the ranking system in the following ways:

- Whereby the ranking themselves are only as good as the criteria applied and can be extremely deceptive, making it appear that there is a valid and objective evaluation process going on when in fact there is not.
- As a form of feedback, ranking is virtually useless in that if the goal is to develop people, specific concrete feedback must be provided.
- It can be devastating to the morale and trust of an organisation, as it is difficult to rank objectively, employees will always disagree with a ranking that places them anywhere, employees often perceive the process as unfair and arbitrary.

2.22.8 Leadership

In this regard a leader refers to a manager whose functions include all managerial activities that are performed and translated to the required planned activities into a structure of tasks and authority. Effective performance management involves the manager in close, day-to-day contact with individuals and group. The manager needs to understand the unique needs, aspirations and personalities of employees in order to somehow direct them towards a common purpose. Bass (1995) defines leadership as a process of transforming a follower, a creation of a vision of the goals that may be attained, and articulating the ways of attaining those goals.

Similarly, Ivancevich and Matterson (1993) contend that leadership refers to an attempt to influence the activities to followers through the communication process towards the attainment of some goals or goals. This definition implies that leadership involves the use of influence and that all relationships can involve leadership. The performance of individual employee may be affected by the style of leadership (Bass, 1985), and according to him, transactional leader clarifies the followers responsibilities, the expectations the

leader has, the tasks that must be accomplished and the benefits if compliance for the follower.

2.22.9 Transactional leadership

Transactional leadership is based on an exchange process in which leader provides rewards in return for the subordinates effort and effort and performance.

The elements of Bass and Avolio (1993) are:

- Transactional leadership model include contingent reward (follower and leader have a positively reinforcing interaction).
- Management-by-exception (the leader intervenes only when things go wrong).
- Laissez – faire (leadership I absent or is zero), whilst a transformational leadership is based on an exchange process in which the leader provides rewards in return for the subordinates' efforts and performance, and the elements of the transformational leadership model according to Bass and Avolio (1993) include charisma or idealized influence (followers trust in and identify emotionally with the leader, inspirational motivation (followers are provided with the symbols and emotional appeals directed at goal achievement). Intellectual stimulation (followers are encouraged to question their own way of doing things or to break with the past), and individualized consideration (assignments are delegated to followers to provide learning opportunities).

According to Ivancevich and Matteson (1993), management may control effective performance by undertaking to assure that actual outcomes are consistent with the planned outcomes, and the three basic conditions must exist to undertake control and they are, standards, information and corrective action.

2.22.10 Market conditions

The increasingly competitive environment of the 1980's which continued throughout the reversionary early 1990's and remains a dominant factor today, which has been identified by many commentators such as Connock (1991), and Storey and Sission (1993) as a major influence leading to increased concern for performance improvement. Many business have become global and as a result success requires much higher levels of performance in three areas namely, the quality of goods and services produced, the cost at which they are produced and the speed of which the producers innovate and get new products and services to the market.

2.22.11 Technological developments

This is part of performance management, one of the tools that is for managing performance in particular information technology which in many cases was a solution to performance problem which lead to business gaining competitive advantage.

2.22.12 Organisational restructuring and change

Like technology, organisational restructuring may be seen as part of performance management, where much restructuring seems to have been a response to the prevailing economic conditions and we have seen many different manifestations, delayering, downsizing, flexibility (Storey & Sission 1993: 80), are many of the terms which illustrate the different forms of restructuring. Delayering might be seen as facilitating performance management in that places more power to determine organisational performance in the hands of individual managers (Institute of Personnel Management 1992:82).

Noe and Hollenbeck et al., (2003:254) also made a contribution in regards to factors that affect and influence performance and learning, needs assessments, which refer to a process, used to determine if training is necessary. It involves organisational analysis which is a process for determining the business appropriateness of training, person analysis, a process for determining whether employees need training, who needs training and whether employees are ready for training, task analysis, a process of identifying the tasks, knowledge, skills, and behaviours that need to be emphasized in training. This then shows

who needs training to perform as expected, what trainees need to learn, including tasks in which they need to be trained plus knowledge, skills and job requirements.

2.22.13 Ensuring employees' readiness for training

Readiness for training refers to whether:

- Employees have personal characteristics (ability, attitudes, beliefs and motivation), necessary to learn program content and apply it on the job,
- The work environment will facilitate learning and not interfere with performance.
- Although managers are often not trainers, they play an important role in influencing employees' readiness for training. The components embodied in the employees' readiness for training include motivation to learn. Managers need to ensure that employees' motivation to learn is high, which can be done by ensuring employees' self – efficacy, that employees can successfully learn the content of training programme, understand the benefits of training which is a more efficient way to perform a process or procedure, awareness of training needs i.e. making employees aware of their skill strengths and weaknesses, and the linkage between the training programme and improvement of their weaknesses. This can be accomplished by sharing performance appraisal information with employees, understanding work environments, what characteristics, in that employees, understanding work environments, what characteristics, in that employees' perceptions of two characteristics work environment, namely situational constraints and social support which are critical determinants of motivation to learn.
- Situational constraints include lack of proper tools and equipment, materials and supplies, budgetary support and time, while social support refers to managers and peers willing to provide feedback and reinforcement.

2.23 The processes of performance management

This emanates from the policy specific procedures to be followed in order to manage performance wherein the company shall adopt performance management practices that are consistent with the company policy. The performance management focuses on developing a continuous and flexible process that involves managers and those who they manage acting as partners within the framework.

According to Armstrong (2000:216) performance management:

- Is part of a holistic approach to managing for performance which is the concern of everyone in the organization.
- Should set out how they can best work together to achieve the required results, it focuses on future performance planning and improvement rather than on retrospective performance appraisal.
- Provides the basis for regular and frequent dialogues between managers and individuals or teams about performance and developmental needs.
- Is process of measuring outputs in the shape of delivered performance compared to expectations expressed as objectives where in this respect it focuses on targets, standards and performance measures or indicators?

2.23.1 Developing performance criteria

The employee's performance will be assessed in terms of the set standards as outlined in the work plan. The performance standards applied with regards to the responsibilities shall be negotiated and agreed up-front. The performance shall be based only on performance criteria agreed upon during the regular meetings held between employee and manager.

2.23.2 Performance observation

Supervisor must monitor the manner in which the employees utilize their competencies (knowledge, skills and attributes) in the performance of their tasks and they must also record the strong and weak points as well as specific training and development needs of employees.

2.23.3 Performance feedback

A one-to-one communication session must take place between the supervisors and employees about the progress towards the achievement of the objectives agreed upon. This provides feedback and creates an opportunity for the employees to raise particular concerns and or suggestions. The feedback session can be both formal – in writing after a discussion between an employee and a supervisor, and informal – verbally during a discussion between an employee and a supervisor.

2.23.4 Annual performance assessment

Formal performance appraisals are conducted to identify the overall level of performance of employees during a particular year or level of performance cycle. This is the ultimate determination of whether the performance of the employees has been up to the set standards.

The supervisor and employees meet to determine agreements regarding the results on the overall performance for competencies and criteria agreed upon. This should be based on work-plans during quarterly reviews.

2.23.5 Performance outcome

The outcome of the performance management process will be used to decide on confirmation of probation, rewards, promotions and development of the employees. This is asserted by Hilgert (2007:399) who claims that tangible rewards will encourage outstanding performers to strive for excellence.

The following outcomes may be linked to the completion of a performance assessment:

- Performance improvement mechanisms to address further training and development.
- Reward / incentives
- Corrective action.

2.24 The approaches and strategies for managing performance

According to Armstrong (1998:14) approaches to managing performance can be summarized as follows: Remember that every time you agree with people that something needs to be done, review with them how they have done it, and if necessary discuss how they can do it better in the future. In that sense performance is managed as a continuing dialogue between you, your team and individual team members. Regard yourself and your team as partners working within a framework, which sets out how you can best cooperate to achieve the required results. Make use of the plan – act – measure – review model as framework for managing performance; be careful not to apply it too rigidly.

2.24.1 Management of expectations

Management of expectations takes place where supervisors shall meet with their employees, establish expectations regarding their employees' performance, specify how employees actual performance will be measured, their success determined and imparting to them an understanding of how meeting that shall contribute to the achievement of the organisation's mission ([https://www.slideshare.net/surabhi\(20/09/2017\)](https://www.slideshare.net/surabhi(20/09/2017))) and by reaching agreement on the objectives to be achieved and the capabilities or competencies required to attain them. The objectives describe things which have to be accomplished either as a point to be aimed at (target), a plan or a project to be implemented or completed, a standard of performance to be achieved, or values to be maintained.

2.24.2 Conducting performance and development reviews

2.24.2.1 Review meetings

This refers to the continuous monitoring which includes conducting ongoing reviews where employees' performance is quantitatively measured against the set standards to identify how well the employees are meeting the set goals. Review meetings do not have to be a formal annual event where you parade subordinates in front of you in turns, telling them what you think of them, defining or re-defining their objectives, rating them. Performance reviews should be held as and when necessary and can almost be completely informal.

2.24.2.2 Who is involved

One-to-one meeting, the most typical situation is a meeting between the manager or team leaders and the individual, this is a joint affair, there is an act of partnership with the members of your team to promote your interests. In this situation of one-to-one meeting review, the individual analyse their own performance and achievements/developments needs and you will provide feedback, it should be ensured that the meeting is run as a dialogue to which you both contribute without either party dominating. The individual review meeting should include an opportunity for individuals to comment on how they perceive them being managed by you. The feedback should aim at identifying things, which you can do which will improve their performance, a delicate process that depends on the creation of mutual trust and willingness on individual part to accept criticism, and on their part to be constructive and to base their views on actual experiences rather than on emotional reactions.

It should be noted that upward assessment or appraisal does not work and their subordinates are cowed, where the relationship is flawed that performance improvement will only be achieved by grudging submission rather than willing agreement. This takes place when fellow team members or colleagues assess one another for their contribution to the team effort and their performance as team workers – collaborating well with others, communicating well and working flexibly. Internal customers for service providers can also carry out peer assessment (Armstrong 1998: 160).

2.24.2.3 Strategies for managing performance

The aim of the strategies for managing performance is to achieve increased organisational effectiveness, better results for individuals and teams, and higher levels of skill, competence, commitment and motivation. Performance Management strategies focus on what is involved in managing the organisation, it is a natural process of management, not a system, it is also about managing within the context of the business that is its internal and external environments.

These strategies concern everyone in the business and not just managers; it rejects the cultural assumption that only managers are accountable for the performance of their teams and replaces that with the belief that responsibility is shared between the managers and team members. In this regard managers need to view the people who report to them as customers for the managerial contribution and services they can provide, managers and their teams are jointly accountable for the results and jointly accountable for the results and jointly involved in agreeing to what should be done, and how that should be done, monitoring performance and taking action. (Armstrong 2000:216)

Performance management strategy concerns everyone in the business and not just managers; it rejects the cultural assumption that only managers are accountable for the performance of their teams and replaces that with the belief that responsibility is shared between managers and team members. These strategies are concerned with how the business should be managed to achieve its goals, and will refer to performance measures such as the balanced score – card which direct attention to questions such as:

- How do customers use us?
- What must we excel at?
- Can we continue to improve? (Armstrong 2000:213).

Performance management strategies are further concerned with satisfying the needs and expectations of all the organisation's stakeholders, owners, management, employees, customers, suppliers and general public. Further, these strategies are concerned with performance improvement in order to achieve organizational, team and individual effectiveness, and are secondly concerned with employee – development. And finally concerned with communication and involvement, it aims at creating a climate in which a continuing dialogue between managers and the members of their teams take place to define expectations and share information on the organisation's mission, values and objectives (Armstrong 2002:215). These strategies should respect the needs of individuals and teams as well as those of the organisation, although this must be recognised that they will not always coincide, and should further recognize that in circumstances of lean production, employees increasingly come to possess knowledge, skills that management lacks.

2.1 Summary

A manager who follows the advice, procedures and manner of managing performance and its systems stands to reap the fruits of success for himself or herself, leading to the ultimate development of his or her subordinates and success of the organisations. A manager has a right and is obliged to demand from the employees the meeting of standards set and achievement of objectives which lead to great result. The chapter has discussed the nature and scope of performance management system, the definition of performance management, the benefits thereof, the purpose, the objectives, aims and the process.

CHAPTER THREE

RESEARCH METHODOLOGY AND DESIGN

3.1 Introduction

The previous chapter focused on the nature and scope of the Performance Management System. In this chapter, the researcher outlines the empirical method of research used in the study. In other words, the chapter explains the rationale behind the methodology employed and how the research was conducted and finally the steps taken to ensure that the results were valid. The objective of the study discussed in Chapter 1 served as a yardstick in this investigation and further provided a description of the research design of this evaluation as well as the discussion of data and techniques. Issues related to quality and relevance of research results, their reliability and validity of the measurement process are also discussed in this chapter.

According to Howe and Eisenhart (cited in Mahomed, 1998: 74) quantitative research is based on a rationalist paradigm. It relies on objective data that can be tested using experimental methods (Morton 1997: 17-19). According to Leedy (1993), quantitative researchers start with hypothesis to be tested; while qualitative researchers on the other hand start with more general questions, collect extensive verbal data from a small number of participants and present their findings through descriptions that are intended to accurately reflect the situations under study.

3.2 Research methods / paradigms

Research is conducted by making use of a particular approach depending on what the research problems is. There are two approaches available for research; namely qualitative and quantitative. The reasons for choosing any of the two or both depend on the research question; whether data is quantifiable or not; as well as the overall purpose of the research (Morton, 1996:107 – 109; Crosley & Vulliamy, 1997:1-5; Locke, Silverman & Spirduso, 1988: 120).

3.3 Qualitative and quantitative research

Research literature, especially in social sciences, presents some perceptions around quantitative and qualitative research paradigms.

3.3.1 Qualitative research

According to Weinberg (2001), qualitative research focuses on understanding through contextualized data collection, interpretation and planning for action. It refers to research that produces descriptions of how and why people do certain things (Weinberg 2001).

Qualitative research offers the following benefits (Weinberg 2001):

- It is inductive rather than deductive because researchers develop their understanding in the course of the research process.
- It is more than a set of data gathering techniques but rather closely linked to the critical research paradigms and humanistic approach to people being researched.

It is holistic in that it looks at people in their contexts which include the past as well as current situations. Qualitative researchers acknowledge their own beliefs, perspectives and predictions but set aside their biases when doing research (Patton, 1987:7). Qualitative methods consist of three kinds of data collection namely, open-ended interviews, direct observation and written documents including such sources as open-ended written items on questionnaires, personal diaries and records.

According to Denzin & Lincoln (2003:5), qualitative study/research is an umbrella phrase covering an array of interpretive techniques which seeks to describe, decode, translate and come to terms with the meaning of naturally occurring phenomena in the social world.

Mason (2002:1), claims that qualitative research explores a wide range of dimensions in the social world, including the texture and weave of everyday life, understandings, experiences and imaginations of study participants, ways that social processes, institutions, discourses and the significant meanings they generate, argues that the task of qualitative research is to provide an interpretation of events in terms of the participants' understanding. This is particularly applicable to the present research due to the fact that the ultimate intention is to come up with a Programme on Performance System where employees address their needs.

In essence qualitative research methods are oriented towards exploration, discovery and inductive logic. It is necessary therefore that the present research adopt a flexible approach such as qualitative research that would enable the researcher to collect as much information as possible, and also afford the researcher an opportunity to obtain information from participants' own perspective. Thus researchers in the qualitative paradigm argue that a systematic investigation in a natural environment more readily leads to truthful results (Silverman; 1993:23).

3.3.2 Quantitative research

Creswell (2009) defines quantitative study as an inquiry into social and human problems based on testing a theory composed of variables, measured in terms of members analysed with statistical procedures in order to determine whether or not the predictive generalizations of the theory hold true. The quantitative research in particular has been built on research traditions that were developed in the physical and biological sciences.

In summary, perceptions of the quantitative versus qualitative research paradigms range from assertions that the two are incompatible and in direct conflict (Lincoln & Guba 1985: 26), to the fact that each is best suited to certain research questions. Mc Millan and Schumacher (1993:14), argue that quantitative and qualitative research paradigms are based on different assumptions about the world, the research purpose, research methods, prototypical studies and the importance of context in the study.

According to Mc Millan and Schumacher (1993:15); the difference between qualitative and quantitative is clearer with respect to the role of the researcher where a quantitative researcher emphasizes objectivity and control over bias; whilst a qualitative researcher becomes a part of the phenomenon studied as they collect data in person or by use of other human beings. Both qualitative and quantitative research methods were found to be appropriate for this research. Since Performance Management System is governed by policies and rules in the organisation, a qualitative methodology was found to be suitable for the study. It involves holistic inquiry carried out in a natural setting (Mc Millan & Schumacher, 1993:15; Marshall & Rossman, 1995: 25-26).

It further involves a field research in which the researcher attempts to collect information about all elements in the setting in which the inquiry occurs. For the reason that the study intended to evaluate the Performance Management System, this suggests that numerical data be used hence the quantitative methodology was also found to be a useful tool.

3.4 Data gathering instruments and techniques

Leedy and Omrod (2010) contend that qualitative researchers often use multiple forms of data in any single study. This entails the use of observations, interviews, written documents, audio-visual materials, objects and anything else that assists to answer the research questions. Following from the explanation of qualitative, quantitative research and techniques by Leedy (1997) both techniques were found to be proper for use in the topic under study, since Performance Management System is a policy and rule governed system. Numerical data is also needed to evaluate its implementation where both records and questionnaires were used.

The other objective of this research was to evaluate the perceptions of employees about the Performance Management System. According to Neuman (2003), survey techniques are written questionnaires, mailed or handed to people, or during an interview. The answers to questions are summarized in percentages, tables or graphs. The author further states that surveys give the researcher a picture of what people think or report.

3.5 Research design

Mouton (2001:55), states that a research design is a plan according to which research participants are identified to collect information from them. The following discussion focuses on the research design for this study which represents a scheme that facilitates inquiry (Borg & Gall; 1989: 324); Le Compte & Preissle, 1993:55). As Borg and Gall (1989: 324) argue, the fundamental purpose of educational research is to develop knowledge about educational phenomena where a researcher needs to have some plan of procedures that research involves “putting things together, bringing to the note book as many aspects as possible of the researchers’ planning and preparation for enquiry.”

3.5.1 Description of the organisation

The Directorate of Finance in the Department of Health is situated in Mmabatho, North West Province and has three Directorates namely, Budgeting and Planning; Financial Management and Internal Control; Assets and Risk Management. The Directorate is under the control of a Chief Financial Controller assisted by a Chief Director, Deputy Director and Secretary. West (1999:64) explains the type of respondents to be sampled in a research exercise is determined largely by the information that is to be collected and the characteristics of the employer or employees.

Responses are required from those who are qualified and appropriate to provide the data required. This Directorate is under the control of a Chief Financial Officer assisted by a Chief Director; Deputy Director and a Secretary. In addition it has three directorates namely Directorate: Budget Planning and Revenue; Directorate: Internal Control and Directorate: Financial Management and these directorates have sub-directorates:

- Directorate: Budgeting Planning and Revenue composes of a Director and a Secretary; and has the following sub-directorates
- Budget Planning staffed by one deputy director; three assistant directors, senior state accountant and two accounts clerks.
- Revenue Collection staffed by a deputy director; two assistant directors and an accounts clerk.
- Directorate: Financial Management manned by a Director and a Secretary; and has the following sub-directorates namely:
- Financial accounting with the following personnel Deputy Director; two assistant Directors; a senior State Accountant; three State Accountants; a Chief Accounts clerk and three Accounts Clerks.
- Salaries with the following; deputy director, assistant director; two accountants; two chief accounts clerks; and five accounts clerks.
- Directorate: Internal Control, Asset management and Risk management manned by directorate and a secretary; with the following sub-directorate namely:

- Internal Control; under the control of a Deputy Director; three assistant directors; three Senior State Accountants; one chief accounts clerk and three accounts clerks.
- Asset Management and Loss Control, manned by a Deputy Director, and divided into two divisions namely Asset Management and Warehouse and Loss Control manned by assistant director; three Administrative Officers; five administrative clerks; and Loss Control division under the control of an assistant director.

Table 3. 1 Target population

Directorates	N	PERCENTAGE
Budgeting and Planning	13	22
Financial Management	24	40
Internal Control, Assets & Risk Management	23	38
TOTAL	60	100

3.5.2 Description of the sampling techniques

Sampling refers to the act of extracting or selecting a smaller group from a larger group with a view of representing a larger group adequately (Le Compte & Preissle, 1993:60). Several techniques could be employed to select participants for research. For the present study, purposeful sampling was used, and Marshal and Rossman (1995:55) have this to say about purposeful sampling: the sampling strategy began as a research for information-rich cases in order to study individuals who manifested the phenomenon intensely.

According to Shaughnessy and Zechmeister (2000), the representativeness of a sample is often increased by using stratified random sampling; where the population is divided into sub-populations called strata and random samples are drawn from each of these strata. This sampling technique was adopted in the process of selecting a sample, especially since the intention was to determine the perception of the entire staff.

According to Miles and Huberman (1994:27), qualitative sampling has the following features: Qualitative researcher usually works with small samples of people vested in their context; and Qualitative samples are purposive, rather than random. The use of a sample requires that the sample be statistically representative and structured to reflect the various types of individuals and units that make up the organisation.

To achieve this requires that the sample be drawn in such a way that it automatically represents the organisation. It should be noted that with the exception of random sampling, all techniques require knowledge of the environment other than that derived from the sample itself in order to ensure that the results are accurate (West, 1999:63).

3.5.3 Decisions on the sample to use

Prior to proceeding with the identification of the sample, the number of people in each category should be known. This sample should be drawn so that it is made up of the same proportions of the different categories as in the population from which it is drawn (Proctor, 1982:34).

3.5.4 Problems experienced with sample selection

According to Proctor (1982), there are three problems associated with sample selection

- Every element in the sample can seldom be identified or counted.
- Every element in the population seldom has a known probability of selection.
- The rate of responses of elements selected for the sample is seldom one hundred percent.

3.5.5 Types of samples

There are two types of samples, namely:

3.5.5.1 Probability samples

These are samples in which each individual has a known chance of becoming part of the sample probability samples; however these are oft expensive and laborious (Proctor 1982:33). According to Rubin & Babbie (2016:204), this is the use of random procedures to select a sample that can allow the researcher to estimate the expected degree of sampling error in a study.

3.5.5.2 Non-probability samples

These are samples where there is no way of estimating the probability that each element is included in the sample. Non-probability samples have the advantage of being convenient and economic (Proctor 1982:33).

3.6 Types of probability samples

There are two types of probability samples

3.6.1 Simple random sample

An example might be if the names of each and every South African employee could be written on separate pieces on paper which were then put into a big and revolving drum, then the probability of any employee's name being drawn out of the drum at random would be equal (Proctor 1982). This, according to Proctor (1982:37) involves selecting every element on the list, starting with one element.

3.6.2 Stratified random sample

According to Sekaran (2003:265), the population is the study object and consists of individuals, groups, institutions, human products and events or the conditions to which they are exposed. It is that method of sampling where the population is divided into a number of homogeneous, non-overlapping groups called strata, and is used to address the problem of non-homogeneous population with the view to represent the population much more precisely (Cresswell, Ebersohn, Eloff, Ferreira, Ivankova, Jansen, Nieuwenhuis, Pietersen & Plano Clark :2016:195).

In this regard the population is categorized into groups that are distinctively different from each other on relevant variables; for example if propensity to purchase a specific brand was considered to be related to different demographic characteristics such as age, sex and income the sample would reflect these factors in its construction (Proctor, 1982). Restricted sampling methods such as this divide the population into groups called strata. The elements within a particular group are the same with respect to the relevant population parameters (Proctor; 1982:38).

3.6.3 Sample size

A research problem has effects on some or other population and it is practically and economically not possible to involve all members of the population in a research project because the population size needs to be taken into consideration and as a result researchers obtain data from a sample of the population (Huysamen 1997:37). The prime determinants of the size of the sample required are the homogeneity of the population and the level of detail and accuracy required in the final analysis. Sample members are also affected by the characteristics of the products being surveyed (West 1999). West (1999) explains that where statistical samples are used, the size of the sample is determined by the margin of error that is permissible and the level of confidence that must not be exceeded in the results. Broadly, the size of the sample increases as the permitted margin of error reduces and the level of confidence increases (West, 1999). Proctor (1982:43), advises that the best sample size is that which minimizes the standard error of the estimate; assuming that accuracy is the prime criterion in research.

He asserts that the cost of information is the major determinant of the quality of research that can be conducted. Accuracy can usually be achieved by the sample. However; it should be noted that there will come a point when the marginal increase in accuracy obtained in this way is not worth the additional expense of acquiring that accuracy. Sample sizes are generally determined by a variety of techniques not all of which have much to do with statistical theory.

These include:

Judgment - the size of the sample that feels right and will be judged by management as being capable of delivering accurate results. Such samples often end up being that necessary because management finds it difficult to accept that small numbers will produce accurate results.

Budget - the maximum number of interviews that the budget for the survey will permit.

Statistical methods - the use of statistical theory to determine the size of the sample that will yield results within a quantifiable statistical error (West 1999). Sample of 60 Staff Members of the Directorate of Finance - Department of Health

Table 3. 2: Stratified by positions

Positions	Population	
	N	% of Population
Director	3	5
Deputy Directors	6	10
Assistant Directors	13	22
Accounts Clerks	28	47
Admin Officers	10	16
Total	60	100

Total sample of 60 staff members of the Directorate of Finance – Department of Health

Table 3. 3: Stratified by Gender

Positions	Population	
	N	% of Population
Male	22	58
Female	16	42
Total	38	100

3.7 Methods of data collection

In order to address the question of the present study, data will be collected by making use of two methods of qualitative research namely interviews. The investigation will be conducted in the Department of Health, the Directorate of Finance, North West Province – Mmabatho Provincial Office, and data will be collected in a questionnaire format whereby the respondents will be required to complete the questionnaire. The questionnaire will be distributed with the view that each employee has an opportunity of being selected thus representing the Directorate.

3.7.1 Interview

Interview as a data collection technique or method is defined as a direct verbal interaction of conversation between individuals (Cohen & Manion 1994: 307). A direct method of obtaining information in a face to face situation, it is used in research; personnel selection and in the initial stages of a project in an effort to obtain greater clarity as to the problems involved (Behn; 1998: 151). Hitchcock and Hughes (1989) asserts that it is a method which tends to be most favoured by educational researchers as it allows depths to be achieved by allowing the researchers to probe and expand the interviewees' responses. It reduced non-responses to a minimum however the main advantage of this technique of data collection is that it remains a costly exercise in terms of money and time (Best & Kahn 1993).

Advantage of the interview

- Helps clarify concepts and problems; and allows for the establishment of a list of possible answers or solutions.

- Allowance for the discovery of new aspects of the problem by exploring in detail the explanation supplied by respondents.
- Aims at determining the frequency of various answers and to find the relationships between answers to different questions.
- Helps overcome misunderstandings and misinterpretations of words or question.
- Ensures that all items on the questionnaires have been considered and that respondents did not omit difficult questions (Bless & Higson - Smith; 2000:108).

Pitfalls in interviewing

Much time is spend with each participant by analyst or researcher; can affect the relationship and free flow of conversation between interviewer and interviewee. Some participants may not respond to questions carefully because they feel on the spot during the interview. Erroneous information can be obtained easily in this way. Information obtained from the interviewer need to be refined and complemented by observations and questionnaires (Gerber, Nel & van Dyk 1992: 162).

Presence of an interviewer can be perceived as a handicap as far as anonymity and respect for private life of the interviewees are concerned (Bless & Higson-Smith 2000:108). When conducting an interview, the interviewer has to establish a rapport with the interviewee and the respondent should feel at home so that he/she may feel that he or she possesses the information needed for research and which no one else can give. In addition the interviewer must be a good listener; he/she should avoid irrelevance by giving hints by facial expressions; on use of implied questions; which suggest the answer he/she would prefer to be given.

3.7.2 Protocol for the interview

The interviewer/researcher will thank participants for being available and encourage them to participate. The purpose of the study will be explained at each case and a guarantee of confidentiality will be given as well as status of the interviewer. Respondents will be allowed to give as much information as possible.

3.7.3 Measuring instrument

Both open –ended and close – ended questions will be asked , and according to Maree (2007:161) , where open – ended questions are asked a space is provided for comments , while in case of close – ended questions there will be a provision for a set of responses from which the respondents have to choose one or more than one response.

3.7.3.1 Questionnaires

In terms of the quantitative data collection a questionnaire will be used. A questionnaire refers to a set of questions with fixed wording and sequence of presentation; as well as more or less precise indications of how to answer each question (Bless & Higson-Smith; 2000:107). A questionnaire can further be defined as a devise which enables subjects or respondents to answer questions; and a data collecting instrument that is mostly used in survey. The empirical investigation of this study employed questionnaire as a tool for data collection; and was selected as such because it is one method a researcher uses to gain access to what is inside a person's head (Tuckman; 1994:196). It therefore makes it possible to measure a person's knowledge; values; preferences, attitudes and beliefs.

A questionnaire method provides a greater assurance of anonymity to respondents; and this anonymity can lead to frankness on the part of the respondents because there is no fear of identification; particularly on private and sensitive is one as well as economical in terms of time and money. It can be used without direct personal contact with respondents and can be done by distributing; collecting after being filled or by mailing them and requesting respondents to return them (Bless & Higson-Smith, 1995:108).

3.7.3.2 Reliability and validity

The questionnaire has been adapted from the studies previously conducted to suit the present study and is aligned with the problem statement and will be evaluated by the Ethic Committee to ensure it meets the ethical standards. This measuring instrument comply with the minimum standards of the sample size, therefore the outcomes will be reliable .The participants will be asked not to write their names on the questionnaire so as to remain anonymous and guaranteed confidentiality .The participants will be given enough time to

complete the questionnaire to ensure their comfort and ease answering . The questionnaire will be distributed and collected by the researcher in case the participants have questions or clarity on the questionnaire itself.

3.7.3.3 Advantages of a questionnaire as a research tool

The use of a questionnaire is based on the following advantages (Chadwick et al., 1984:137).

- Respondents may consult with others; review records; think about a question before answering and interrupt the process of completing the instrument if necessary.
- A questionnaire survey is considered economical as the process itself yields maximum number of facts or bits of data.
- For ease of processing questionnaire should follow guidelines such as the researcher taking into the needs; interests and problems of respondents.
- Questionnaires should be carefully structured and pre-coded.

3.7.3.4 Disadvantages of questionnaires

Chadwick (1984:137-138); identifies the follows as the disadvantages of questionnaires:

- The questionnaires are brief and precise to minimize the high non-response rate.
- The response rate for questionnaire tend to be low in that respondents may never have received the questionnaires due to poor mail services in rural areas or women married and changed their names and residences.
- Participants lacking interest, misplacing questionnaires or not bothering to fill them in, too busy to do that or has no stamp to mail them back(Bless & Higson –Smith; 1995: 112).
- Unreturned questionnaire amount to or add to the high number of incorrectly filled out ones must be discarded.
- Respondents of self-administered questionnaires commonly skip difficult or embarrassing questions thus spoiling the whole questionnaire

3.7.4 Questionnaire construction

The questionnaire will be designed taking into account the objectives of the study which is the “The evaluation of the Performance Management Systems”, questions such as how important is the performance management systems in your Organization? What do you understand by performance management system? What benefits do you think the system will bring to the organization? What problems do you think employees might face when the PMS is introduced. These type of questions will assist in identifying whether the PMS is effective and has an impact on employees and the Organization. This should be clear how the questionnaire is linked to the research objectives, the problem under investigation.

Thus in designing a questionnaire the following should be kept in mind:

- The aim of the research
- The size of the sample
- The method of data collection
- The analysis of data

According to Borg and Gall (1989: 430-431); some of the rules for constructing a questionnaire are:

- Clarity i.e. items should mean the same to all respondents. Short items are preferable
- Negative items should be avoided and biased questions are to be avoided.
- The measuring instrument has the general influence on the reliability of the collected data; hence great care should be taken in the construction of the questionnaire.
- A well designed questionnaire boosts the reliability and validity of the data to acceptable levels of tolerance (Cooper & Schetter: 1988:44).

Bless and Higson-Smith (2000) provide the following guidelines in constructing questionnaires.

- Always take into account the needs; interests; and problems of respondents i.e. design a respondent-centred questionnaire or interview.
- Researcher should give great attention to the wording of questions, should be simple and short; complex questions should be broken up into several simple ones.

- Questions should be unambiguous; words that are too general, too vague or which could yield different interpretation should be avoided and replaced with more specific ones.
- Questions should be comprehensive and technical expression and sophisticated language should be avoided.
- Questions should not be double-barrelled i.e. containing two questions in one.
- Avoid leading questions, as they tend to favour one type of question over another or associate a particular response with an important personality.

3.7.5 Questionnaire design

The questionnaire will be designed as shown:

- Section A , will consist of the biographical information of the employees
- Section B , in this section open – ended and close – ended questions will be asked and will consist of various research questions for the employees .
- A Likert scale will be used for the close ended questions because it usually compels the respondents to make a decision. Open – ended questions will be asked as well with the view to get a better understanding and to add a personal value from the respondents.

The rationale for using this approach or technique is:

- An in depth information can be gathered from or for using both open-ended and close – ended questions
- Easy accessibility.
- Time efficient and cost effectiveness
- Less time spent in the field, as the questionnaire will be self – administered.
- Respondents can remain anonymous

3.8 Description of data collection procedures followed

Only a questionnaire was developed and compiled to measure the perception of the employees and evaluation of the Performance Management Systems of the Directorate of Finance – Department of Health – North West Province. Employees were requested to complete questionnaires as soon as it was possible and convenient. This questionnaire was thoroughly explained to each individual employee to ensure that it served the intended purpose. The questionnaires were collected as soon as they were completed.

3.8.1 Administrative procedure

Permission for access to information and the office was first obtained from the Directorate of Finance in the Department of Health and Social Welfare - Provincial Office. The names of the officials for this research are obtained from offices and 51 appointments for interviews set and obtained. The researcher requested Head of Department to co-ordinate bookings for appointments.

3.8.2 Follow-ups

According to Dane (1990:45), follow-up sessions are the ideal time to complete the learning experience that began with agreement to participate. De Vos (2005:73) lists the following as a summary of the follow-up process. Follow-up sessions offer subjects the opportunity to work through their experience and its aftermath and assist the research to minimize possible harm that may have been done despite precaution taken. The researcher must rectify any misperceptions that may have arisen in the minds of participants after the completion of the project.

3.8.3 Confidentiality

Dane (1990: 51); believes that confidentiality implies that the researcher should be aware of the identity of participants; and should have a commitment with regards to confidentiality. De Vos (2005:69); emphasizes that the more sensitive the information or the more concealed the manner in which the information was gathered the greater the responsibility of the researcher and all concerned to treat the information with the strictest

confidentiality it deserved. Anderson (1989:168); also maintains that all information should be kept confidentially in the sense that it cannot be tracked back to an individual i.e. anonymity must be guaranteed to achieve frankness.

3.8.4 Ethical consideration of data collection

According to Welman, Kruger & Mitchell (2005:201), the researcher should pay attention to four ethical considerations, namely, informed consent, right to privacy, protection from harm and involvement of the researcher. Dane (1990: 39); insists that participants must be legally and psychologically competent to give consent and that they would be at liberty to withdraw from the investigation at any time. However emphasis must be placed on accurate and complete information so that subjects wilfully comprehend the investigation and consequently be able to make the voluntary, thoroughly reasoned decision about their possible participation (De Vos; 2005:65).

3.9 Description of data analysis (statistical) techniques

The Descriptive statistical methods were used to reduce data sets to make interpretation easier. According to Burley and Moreland (1998); the inferential statistical tests such as those mentioned above are applied under the following: Contingency table analysis assists the researcher in determining whether an observed distribution is significant. Contingency tables can be used to help with the processing of questionnaire; collecting data in tabular form. Correlations can be used if it is suspected that there may be a relationship between two or more variables within a group. A Low correlation co-efficient indicates difference between variables.

3.10 Conclusion

Both qualitative and quantitative research methods were used due to the nature of data that is required to evaluate the Performance Management Systems. The numerical data was collected to evaluate the process/implementation of Performance Management System. A questionnaire was used to determine the perception of employees with regards to Performance Management System. A stratified random sampling technique was used to

ensure that a required representative sample was drawn. This technique was also used to avoid subjectivity in the process of sampling.

3.1 Summary

The fourth chapter deals with presentation and analysis of data. The presentation of data is such that it is easily read and understood. The statistical techniques referred to above are used to analyse data, and this analysis and interpretation were linked to the research hypothesis and objectives to ensure that its purpose was achieved.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

After data has been analysed and the findings stated on the basis of qualitative and quantitative analysis, these findings must be thoroughly and critically reviewed to detect any errors of measurement, bias and mistakes which could distort aspects of reality under study (Bless & Higson-Smith, 1995:143). This chapter provides reports on the results of empirical investigation conducted to get the views and perceptions of the employees in the Directorate of Finance of the Department of Health, North West Provincial Office. Both qualitative and quantitative data were collected, discussed and summarized in this chapter. The original data sheets together with the completed statistical analysis were checked thoroughly. Tables and charts drawn from responses obtained from the questionnaires are presented in this chapter. The chapter further deals with the implementation of research instruments (see Chapter 3) and the findings of the research process. The findings of the study suggest there are shortcomings when the PMS is implemented and planned.

4.2 Research findings and data analysis

Bowden (1997:14) is of the view that the outcomes of research are not just a list of categories of description obtained from a group of people. A particular category of description is always developed in terms its relation to other categories of description. After data collection, questionnaires were rigorously analysed and this involved re-reading of all questionnaires. Such categories serve as a tool to capture and communicate the features of concepts emerging in research (Bruce, 1995:5).

4.3 Review of subjects

A total number of 38 questionnaires were returned. This is reflected by the demographic data. The tables and graphs were analysed and interpreted. The variables included in the analysis and interpretations are from those who actually responded to the questionnaires.

4.4 Demographic data on respondents

This information is of utmost importance in that it familiarizes the researcher with the type of respondents who had the opportunity to respond to the questionnaires. This kind of data assists to find the age, educational qualifications, and work experience of employees in the Directorate of Finance. The findings are based upon research instruments (Chapter 3) and the literature review (see Chapter 2).

4.4.1 Gender respondents

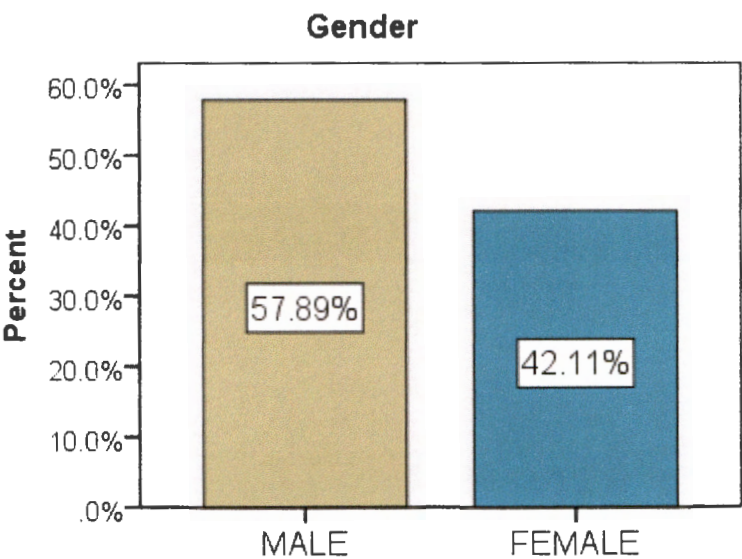


Figure 4. 1 Gender group

Summary: Fig 4.1 shows that out of a total of 38 respondents (22) 55% were males while (16) 45% were females. This is a clear indication that men are in majority not only in the Directorate of Finance but across the board. This shows that they should not be left behind on issues of concern.

4.4.2 Designation of respondents

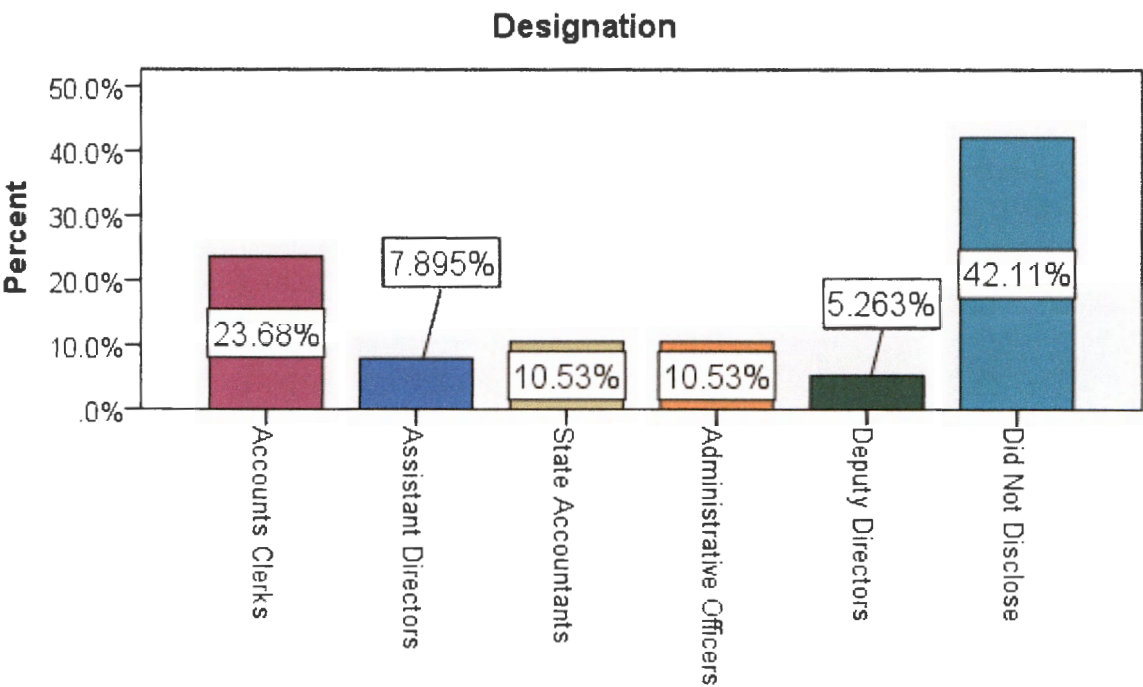


Figure 4.2: Designation of respondents.

Summary: In figure 4.2, the designation of respondents shows five designation groups were supplied and respondents had to select the category in which they fitted the figure indicates that (9) 23,7% were accounts clerks, (3) 7,9% were assistant directors, (4) 10,5% were state accountants, (4) 10,5% were administrative officers, (2) 5,3% were deputy directors and (16)42,1% did not disclose their designations. With regards the low percentages of designations, this raises the question on upward mobility being compromised and signalling the ineffectiveness of the performance management system with regards rewarding of good performance, training of staff on the benefits and importance of the PA system.

4.4.3 Age of respondents

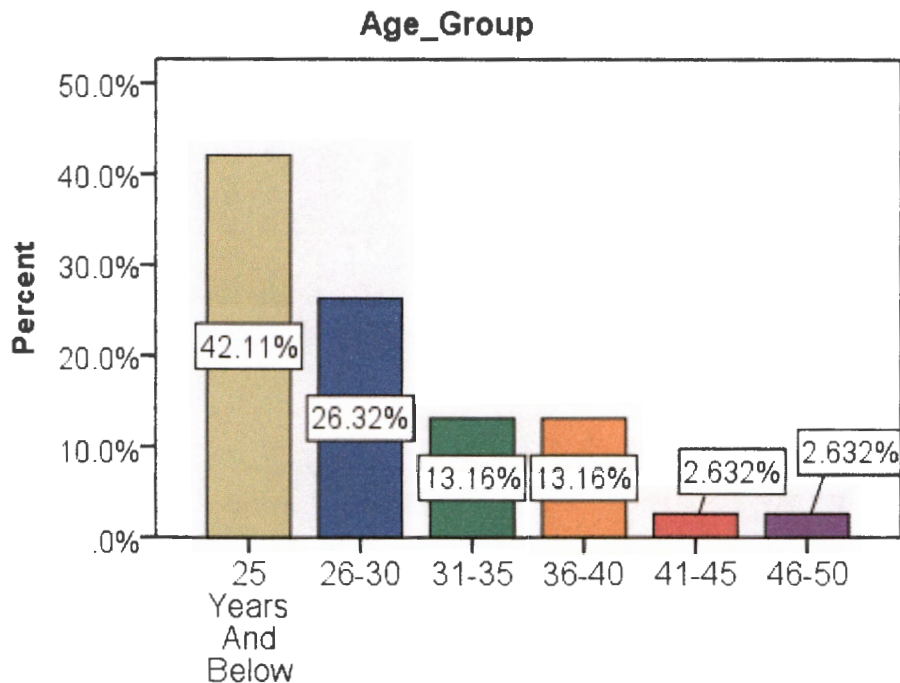


Figure 4.3 Age of respondents

Summary: In Figure 4.3 seven age groups were supplied and respondents were required to choose the category they fall under. Fig 4.3 reflects that (16) 42, 1% were 25 years and below. (10) 26,3% were between the ages of 26 and 30 years, (5)13,2% were between the ages of 31 and 35 years, (5)13,2% were between the ages of 36 and 40 years, (1)2,6% were between the ages of 41 and 45 years and (1)2,6% were between the ages of 46 and 50 years. More than 80% of the respondents are below the age of 51 which implies that the employees still have a chance of staying longer in the institution since their ages provide room for furthering their studies and making use of the Performance Management System. The ages here also reflected and convey a sense of maturity.

4.1 Work experience

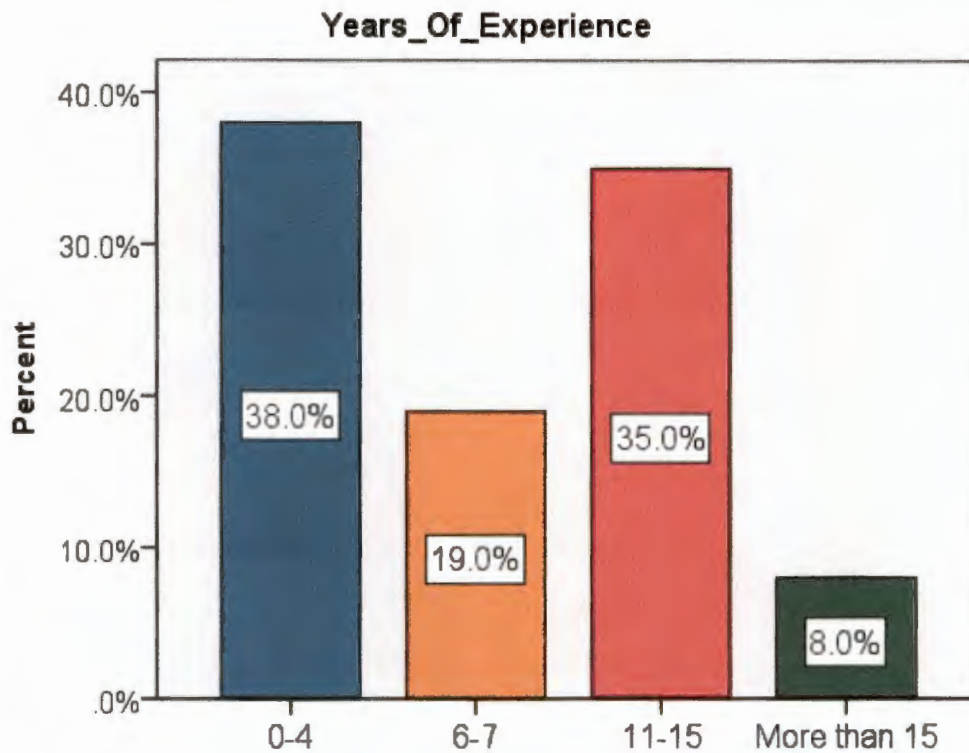


Figure 4.4: Work Experience

Summary: In Figure 4.4 a question of experience was posed with a view to establish the work experience of respondents. The respondents had to indicate their experience by choosing between four options given namely 0 – 4 years, 6 – 7 years, 11 – 15 years and more than 15 years.

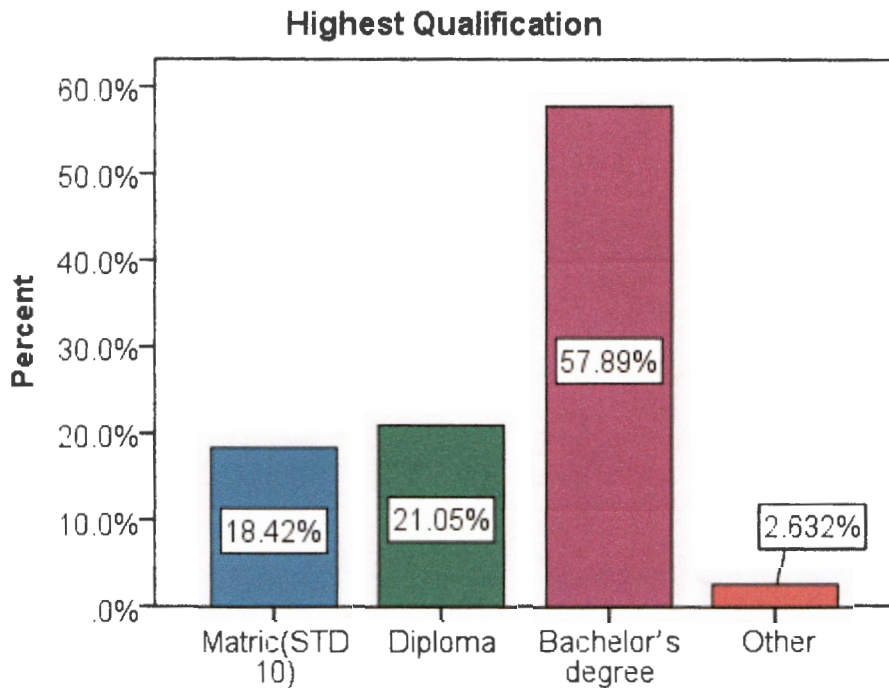


Figure 4.5: Highest Qualifications

Summary: In Figure 4.5 respondents were requested to state their highest qualifications and Figure 5 reflects that (7)18, 4% are holders of Matric (STD 10) as a qualification, (8) 21, 1% hold Diplomas, (22)57, 9% hold Bachelor's degrees and (1)2, 6% comprises others who do not fall within the stipulated categories. Nevertheless this information tells that we are dealing with respondents who are predominately qualified, who may have the capacity pertaining to issues and challenges they may come across The fact that this data reflects that (7)18,4% respondents hold Matric (Standard 10) poses a challenge with regards the furthering of respondents' studies. The levels of literacy and experience may play a role in ensuring that advises by respondents are provided where discrepancies are visible in the system.

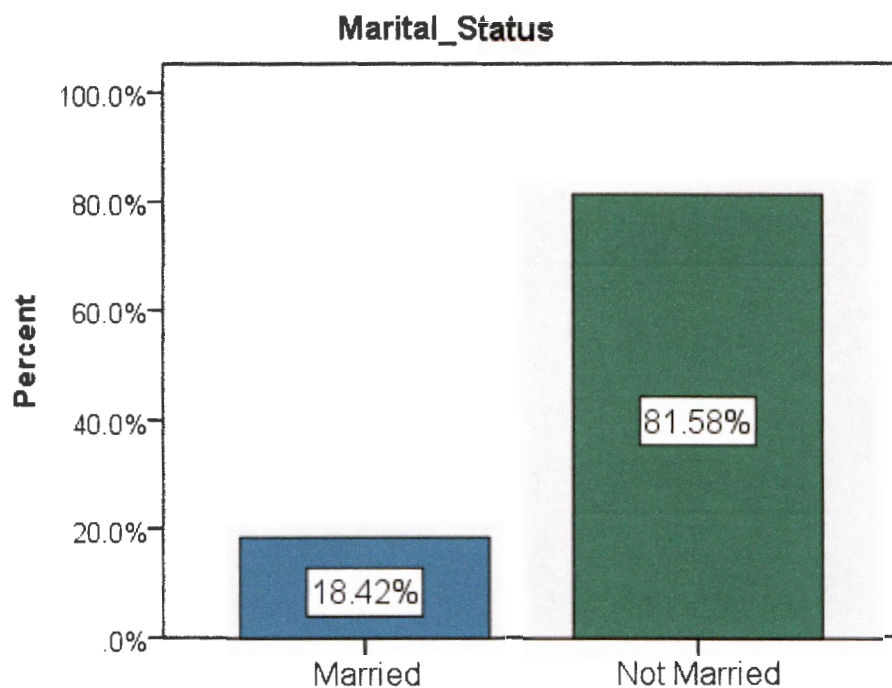
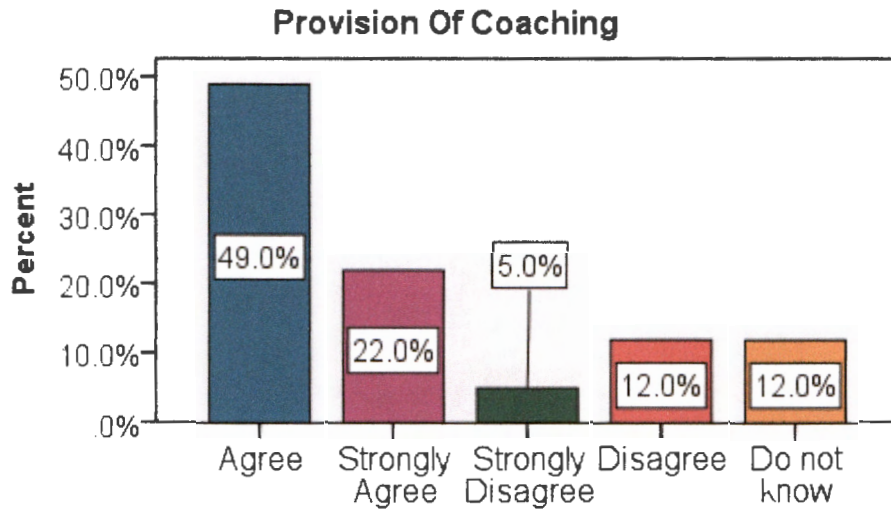


Figure 4.6: Marital Status

Summary: In Figure 4.6 respondents were requested to state their marital status, and Figure 4.6 reflects that (7)18, 4% were married and (31)81, 6% were unmarried. This information however may not necessarily impact negatively on the results.



Managers are providing coaching as a tool to help employees achieve their goals/objectives.

Figure 4.7 Management Information

Summary: In Figure 4.7, 49% of the employees agree that managers are providing coaching as a tool to help employees achieve their goals/objectives, 22% of the employees strongly agree that managers are providing coaching to help employees to achieve their goals/objectives, while 5% of the employees strongly disagree that managers are providing coaching as a tool to help employees to achieve their goals/objectives, and an equal percentage (12%) of the employees disagree and those who do not know whether managers are providing coaching as a tool to help employees achieve their goals / objectives.

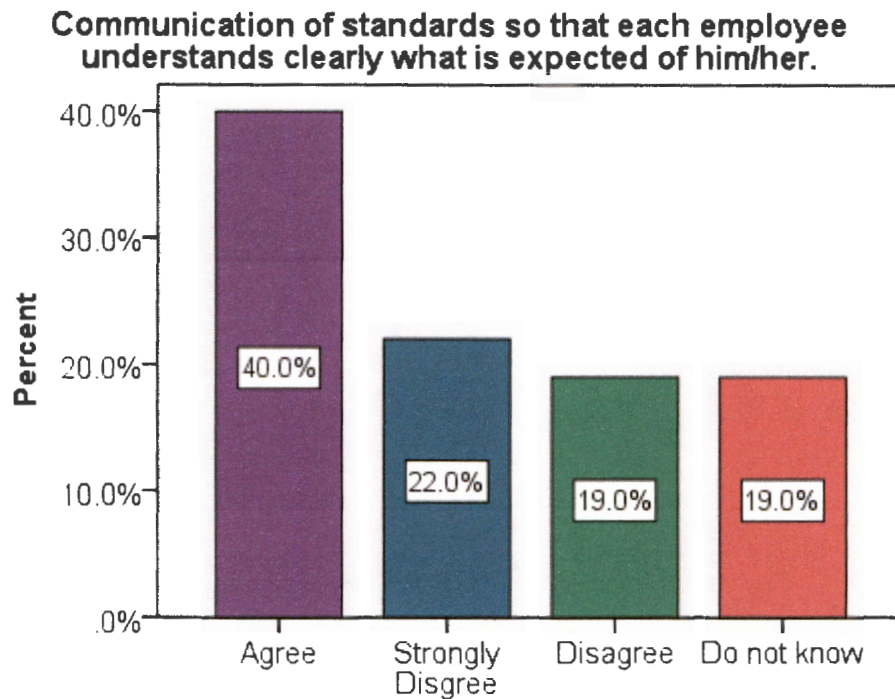


Figure 4.8: Communication of standards so that each employee understands clearly what is expected of him/her.

Summary: In Figure 4.8, 40% of the employees are of the view that standards are communicated to them so that they understand what is expected of them, 22% strongly disagree that standards are communicated to employees and an equal percentage (19%) is observed for those who disagree and those who do not know whether standards are communicated to each employee with the view to making them understand what is expected of them.

Table 4.1: PMS enhances the manager – employee relationship by allowing frequent communication of expectations in terms of set objectives

theperformancemanagement system enhances the manager-employee relationship by allowing frequent communication of expectations in terms of set objectives		
	Frequency	Percent
strongly disagree	1	2.6
disagree	4	10.5
do not know/undecided	7	18.4
agree	21	55.3
strongly agree	5	13.2
Total	38	100.0

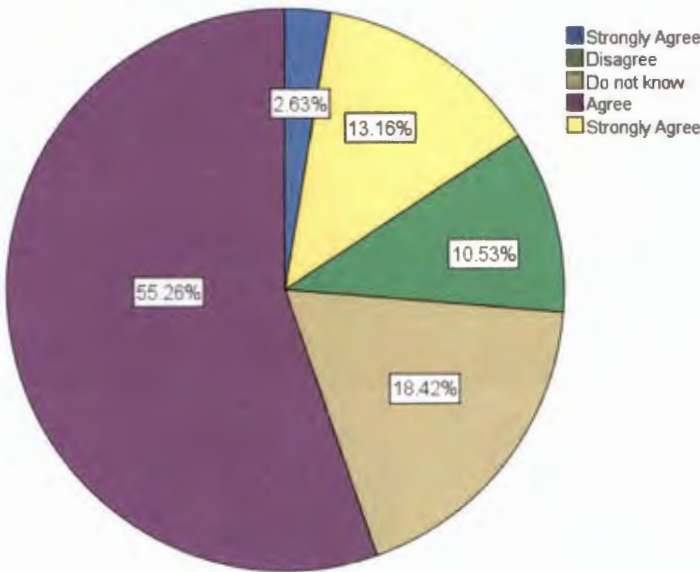


Figure 4.9: The aims of performance management system

Summary: In Table 4.1 and Figure 4.9, 44,7 % of employees agree that the aims of performance management system are to reward good performance , 28,9% strongly agree that performance management system aims at rewarding good performance, 21,1% do not know that performance management aims at rewarding good performance and 5,3% disagree with the view that performance management aims at rewarding good performance.

Table 4. 2 PMS improves the manager – employee relationship by allowing communication of expectations in terms of feedback

**performance management improves
the manager-employee relationship by allowing
communication of expectations in terms of feedback**

	Frequency	Percent
strongly disagree	1	2.6
disagree	3	7.9
do not know / undecided	6	15.8
agree	23	60.5
strongly agree	5	13.2
Total	38	100.0

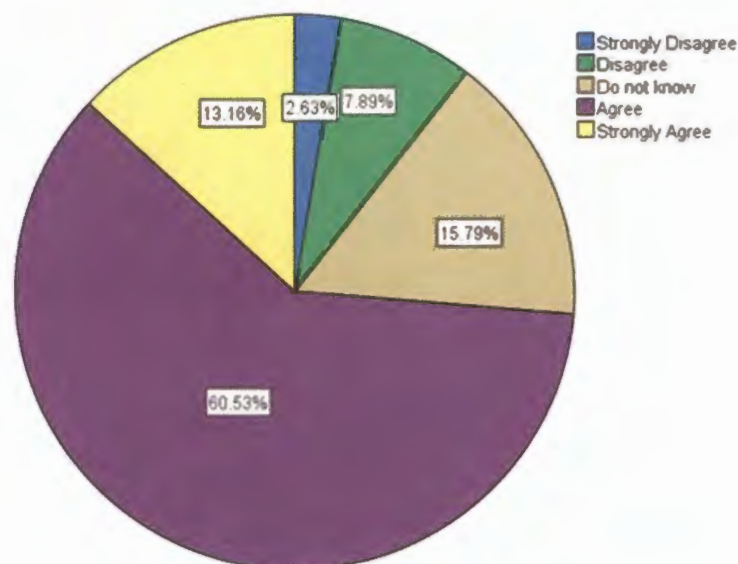


Figure 4.10: Performance management system enhances the manager-employee relationship by allowing frequent communication of expectations in terms of set objectives.

Summary: In Table 4.2 and Figure 4.10, 60.53% of employees agree that performance management system enhances the relationship between manager and employee with regards allowing frequent communication on set objectives.

Table 4. 3 PMS is concerned with what people do (their work)

the performance management system is concerned with what people do (their work)		
	Frequency	Percent
disagree	4	10.5
do not know / undecided	6	15.8
agree	18	47.4
strongly agree	10	26.3
Total	38	100.0

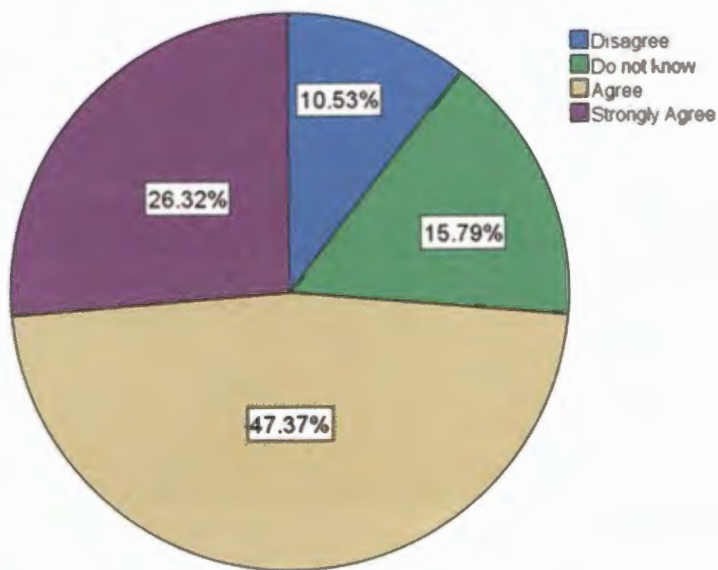


Figure 4.11: Performance management system is concerned with what people do (their work).

Summary: In Table 4.3 and Figure 4.11, 47,4% of the employees agree that performance management system is concerned with what people do, 26,3% strongly agree that performance management system is concerned with what people do, 10,5% disagree that performance management system is concerned with what people do, and 15,8% of the employees do not know that performance management system is concerned with what people do.

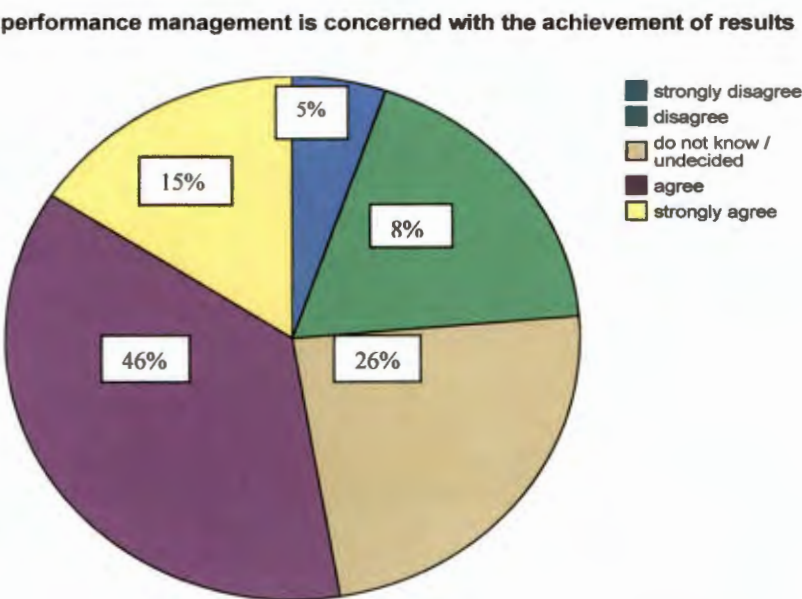


Figure 4.12: Performance management is concerned with the achievements of results.

Summary: In Figure 4.12, 46% of the participants agree that performance management is concerned with the achievement of results, 26% of the participants strongly agree that performance management is concerned with the achievement of results, 15% disagree that performance management is concerned with the achievement of results, 5% strongly disagree that performance management is concerned with the achievement of results and

8% strongly agree that performance management is concerned with the achievement of results.

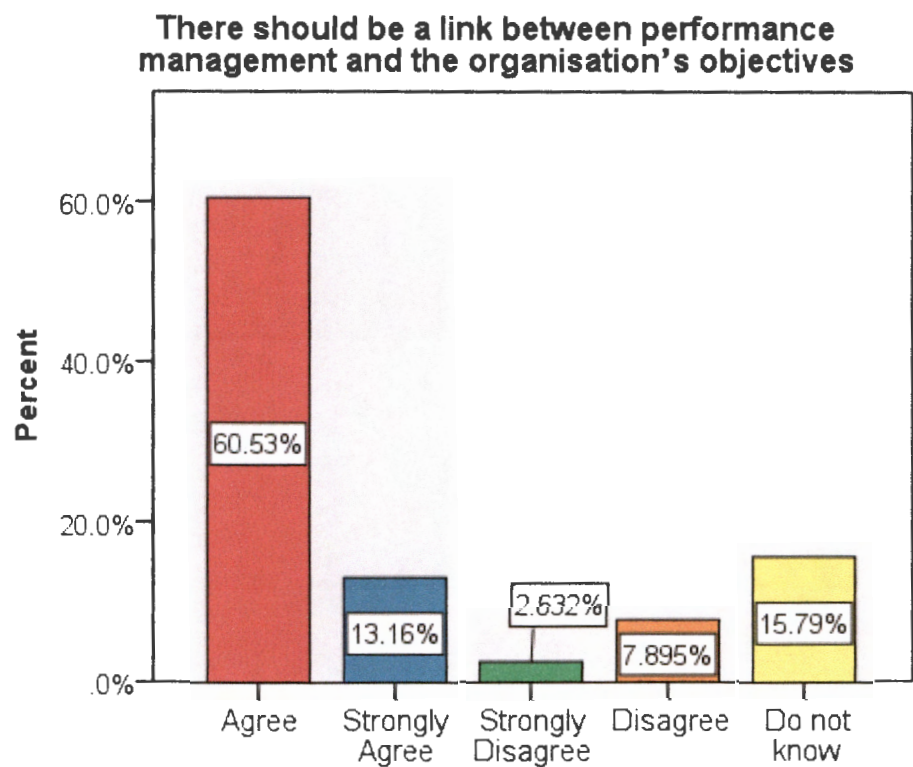


Figure 4.13. There should be a link between performance management and the organisation's objectives

Summary: In Figure 4.13, 60,5% of the employees agree that performance management system enhances manager-employee relationship by allowing communication of expectations in terms of feedback, 13,2% of the employees strongly agree that performance management system further enhances manager-employee relationship by allowing communication of expectations in terms of feedback, 7,9% of the employees disagree that performance management system enhances manager-employee relationship by allowing communication of expectations in terms of feedback, 2,6% strongly disagree that performance management system enhances manager-employee relationship by allowing communication of expectations in terms of feedback, and 15.8 % of the employees do not know that performance management system enhances manager-employee relationship by allowing communication of expectations in terms of feedback .

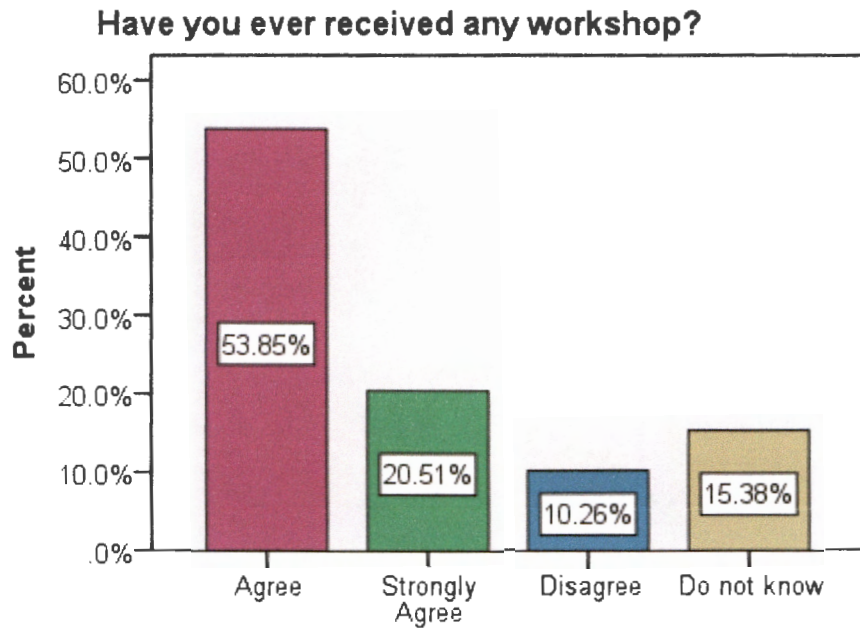


Figure 4.14. Have you ever received any workshop?

Summary: In Figure 4.14, 53.85% of the respondents agree that they received workshops when the Performance management system was introduced, 20.51% of the respondents strongly agree that they were taken along and workshopped when the performance management system was initiated, 15.38% of the respondents indicated that they do not know that they were supposed to receive workshops on performance management system and 10.26% of the respondents disagree that they received workshops on performance management system.

Performance management system motivates performance by providing rewards for superior performance.

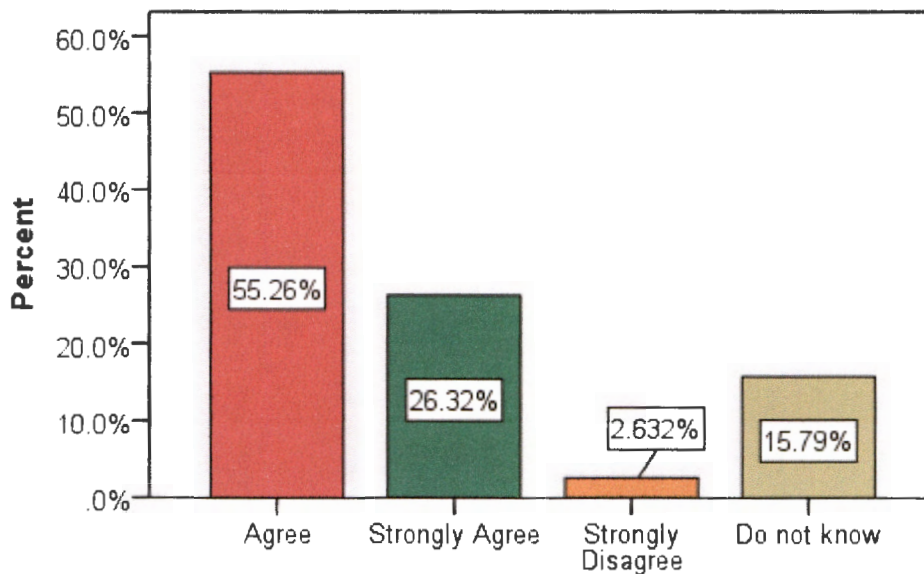


Figure 4. 15. Performance management system motivates performance by providing rewards for superior performance.

Summary: In Figure 4.15, 55.26% of the respondents agree that performance management system motivates performance by making provision for rewarding superior performance, 26.32% strongly agree that performance management system motivates performance by providing reward for superior performance, 15.79% do not know that performance management system motivates performance by rewarding superior performance, and 2.63% of the respondents strongly disagree that performance management system motivates performance by rewarding superior performance.

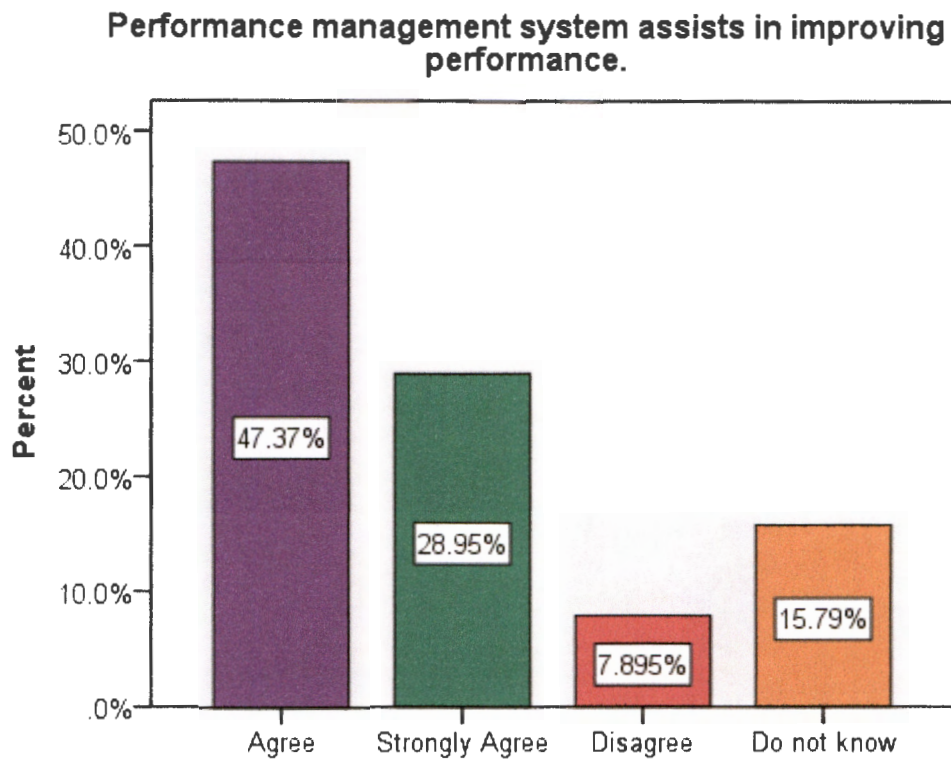


Figure 4. 16. Performance management system assists in improving performance.

Summary: In Figure 4.16 , 47.37% of the respondents agree that performance management system assists in improving performance, 28.95% strongly disagree that performance management system assists in improving performance, 15.79% do know not that performance management system assists in improving performance, and 7% disagree that the system assists in improving performance.

Performance management system is geared towards staff development

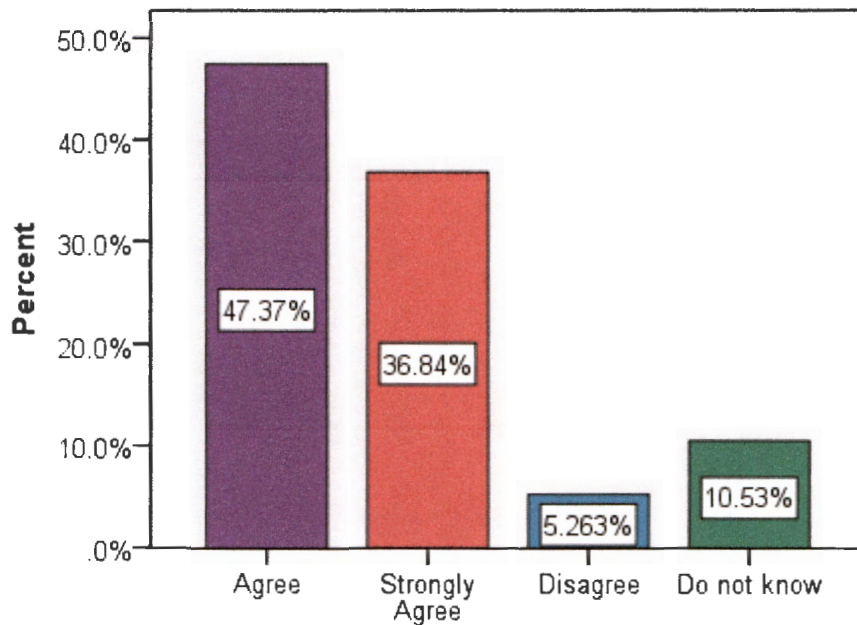


Figure 4. 17: Performance management system is geared towards staff development.

Summary: In Figure 4.17, 47.37% of the respondents agree that performance management system is geared towards staff development, 36.84% strongly agree that performance management system is geared towards staff development, 10.53% of the respondents do not know that performance management system is geared towards staff developments and 5.26% of the respondents disagree that performance management system is geared towards staff development.

PMS is concerns everyone and not only managers.

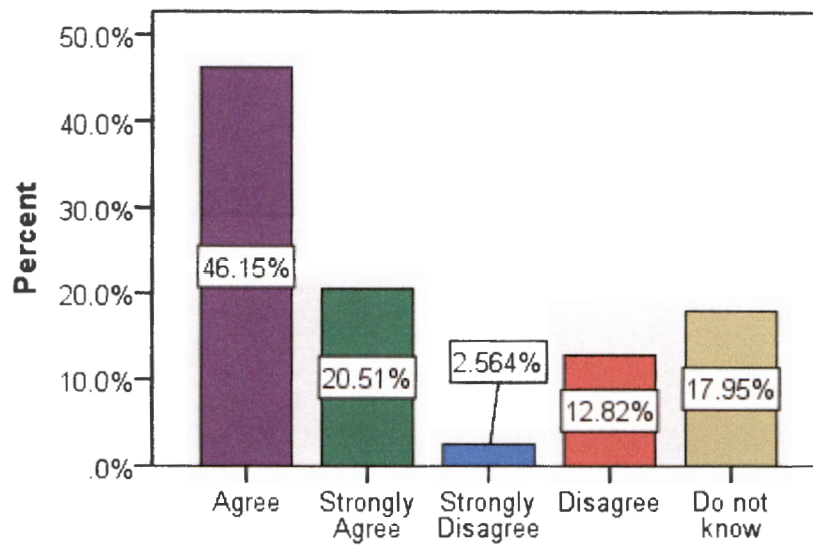


Figure 4.18: PMS is concerns everyone and not only managers.

Summary: In Figure 4.18, 46.15% of the respondents agree that performance management system concerns everyone and not only managers, 20.51% strongly agree that the system concerns everyone in the business and not only managers, 17.95% do not know that the system concerns everyone in the business and not only managers, 12.82% disagree that the system concerns everyone in the business and not only managers and 2.56% strongly disagree that the system concerns everyone in the business and not only managers.

Only managers are accountable for the performance of their teams

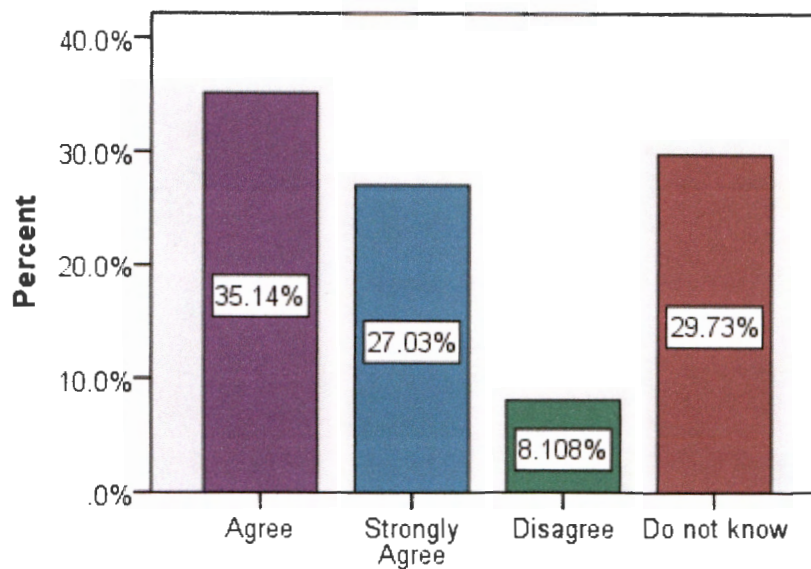


Figure 4. 19: Only managers are accountable for the performance of their teams

Summary: In Figure 4.19 35.14% of the respondents agree that only managers are accountable for the performance of their teams, 27.03% strongly agree that only managers are accountable for their team's performance, 29.73% do not know that only managers are accountable to their teams' performance and 8.11% disagree that only managers are accountable to their team's performance.

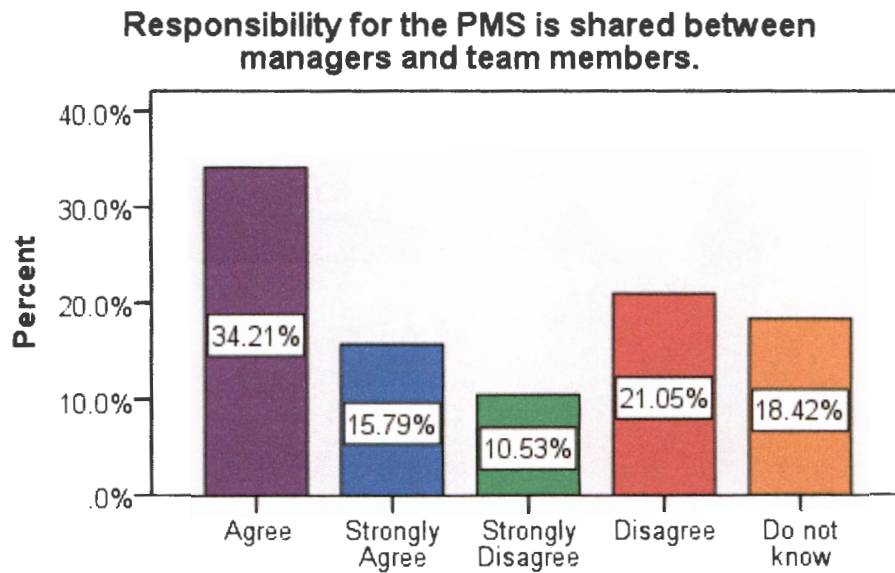


Figure 4. 20: Responsibility for the PMS is shared between managers and team members.

Summary: In Figure 4.20, 34.21% of the respondents agree that the responsibility for the system is shared between managers and team members, 15.79% strongly agree that responsibility for the system is shared between managers and team members, 21.05% disagree and do not know that the responsibility for the system is shared between managers and team members, 10.53% strongly disagree that the responsibility for the system is shared between managers and team members and 18.42% do not that the responsibility for the system is shared between managers and team members.

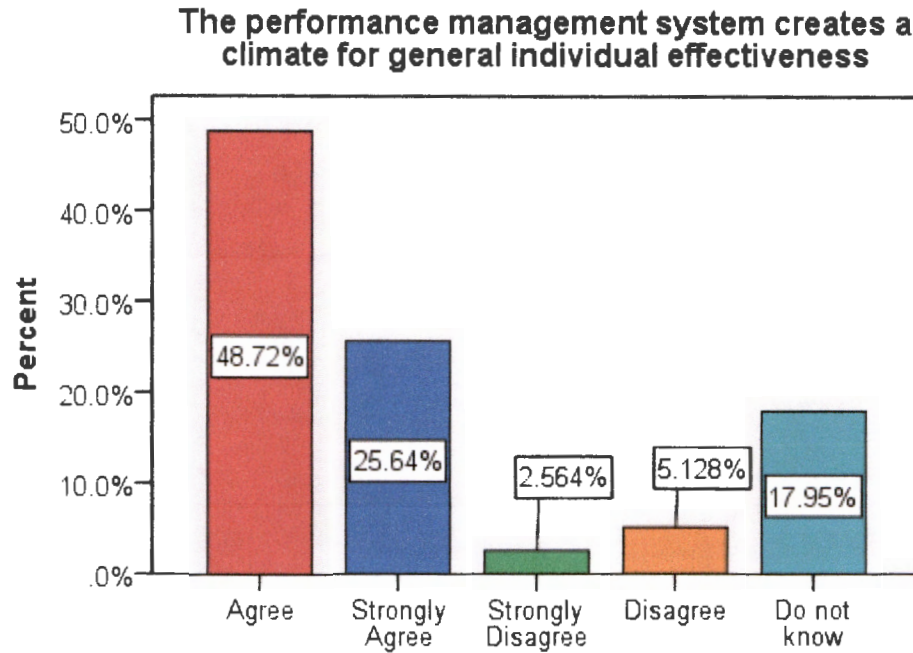


Figure 4. 21. The performance management system creates a climate for general individual effectiveness.

In Figure 4.21, 48.72% of the respondents agree that the system creates a climate for greater individual effectiveness, 25.64% strongly agree that the system creates a climate for greater individual effectiveness, 17.95% do not know that the system creates a climate for greater individual effectiveness, 5.13% disagree that the system creates a climate for greater individual effectiveness, and 2.56% strongly disagree that the system creates a climate for greater individual effectiveness.

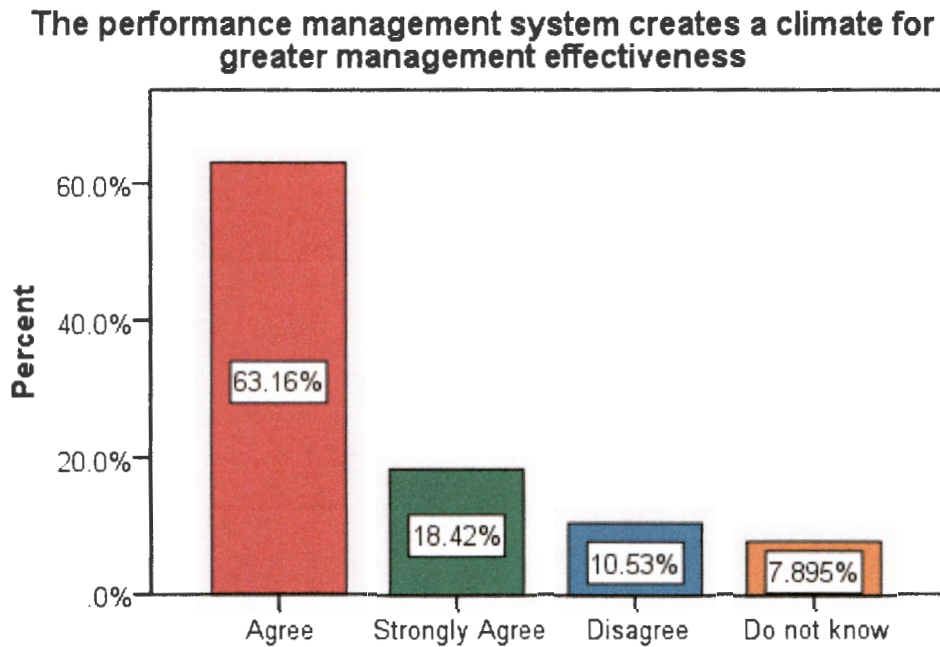


Figure 4. 22: The performance management system creates a climate for greater management effectiveness.

Summary: In Figure 4.22, 63.16% of the respondents agree that the system creates a climate for greater management effectiveness, 18.42% of the respondents strongly agree that the system creates a climate for greater management effectiveness, 7.90% do not know/undecided that the system creates a climate for greater management effectiveness and 10.53% disagree that the system creates a climate for greater management

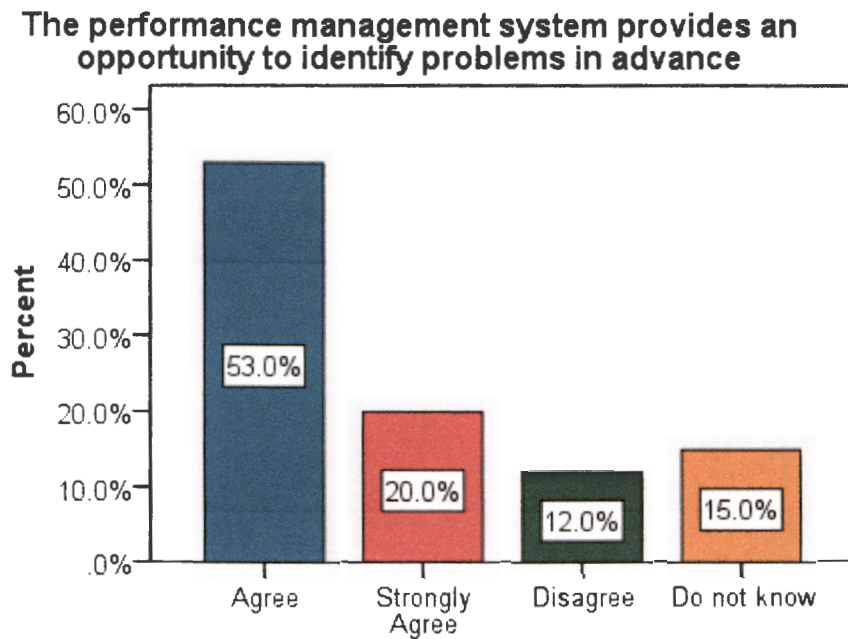


Figure 4. 23: The performance management system provides an opportunity to identify problems in advance.

Summary: In Figure 4.23, 53% of the respondents agree that the system provides an opportunity to identify problems in advance, 20% strongly agree that the system provides an opportunity to identify problems in advance, 15% do not know that the system provides an opportunity to identify problems in advance, and 12% disagree that the system provides an opportunity to identify problems in advance.

What do you think are the reasons for the introduction of the performance management system

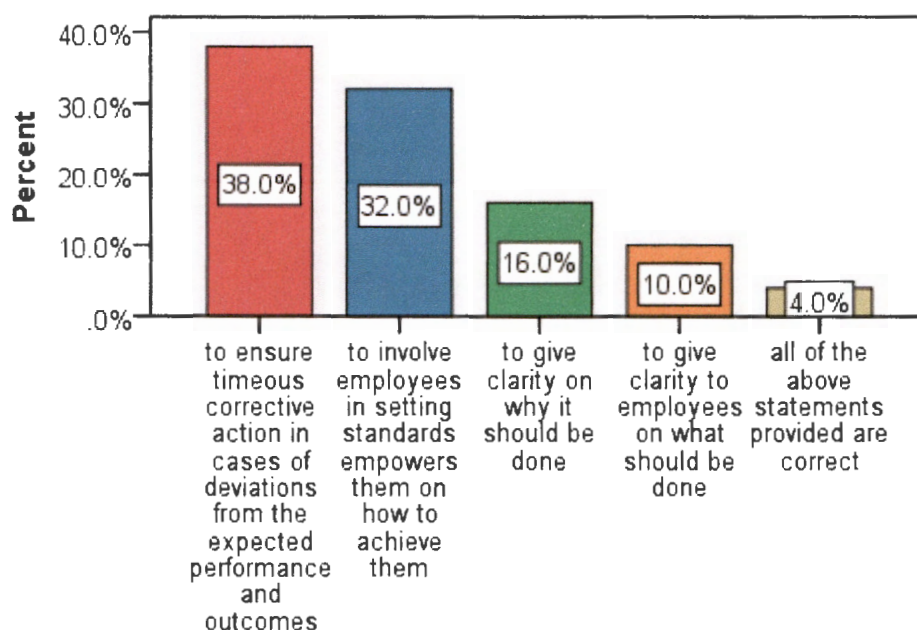


Figure 4. 24: What do you think are the reasons for the introduction of the performance management system?

Summary: In Figure 4.24, 38% of the respondents are of the view that this is to ensure timeous corrective action in cases of deviations from the expected performance and outcomes, 32% feel that involving employees in setting standards empowers them to achieve set standards, 16% feel that the introduction of the system is to give clarity on why it should be done, 10% to give clarity to employees on what should be done, how and why, and 4% of the respondents feel that all of the above statements provided are correct.

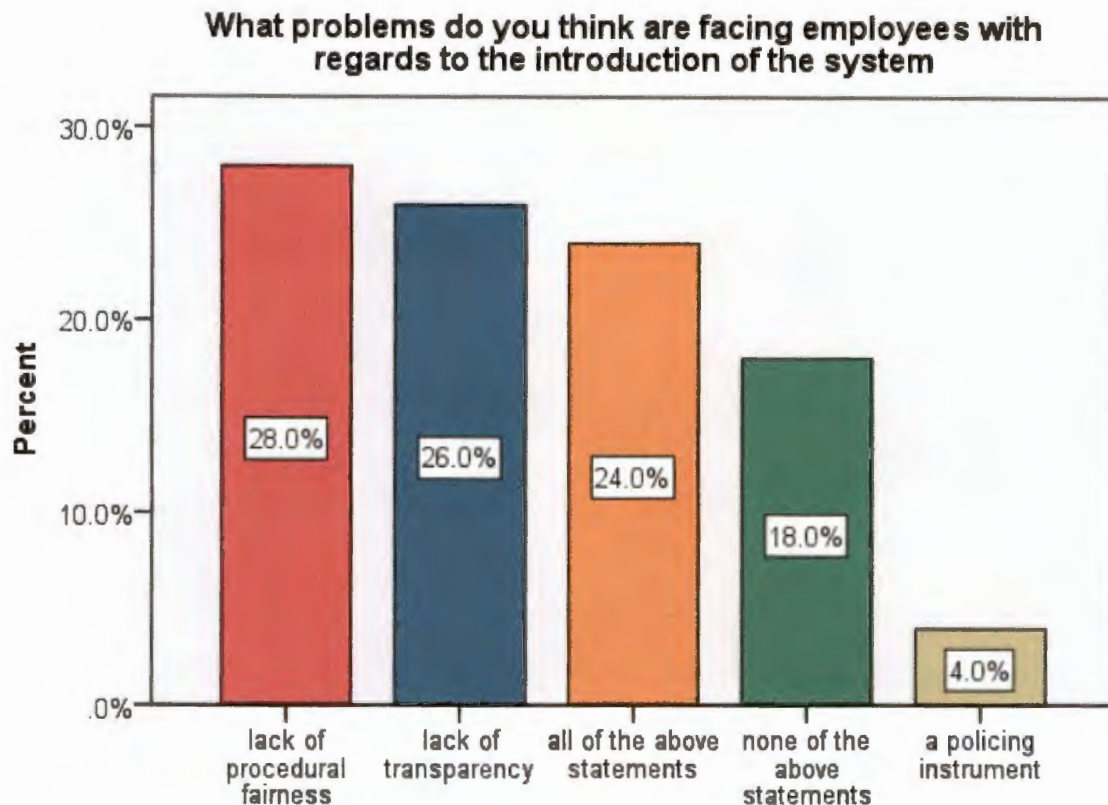


Figure 4. 25: What problems do you think are facing employees with regards to the introduction of the system?

Summary: In Figure 4.25, 28% of the respondents indicate that there is lack of procedural fairness, 26% lack of transparency, 24% reckon all of the statements provide answer that these are the problems facing employees regarding the introduction of the system, 18% feel none of the above statements constitute problems in the introduction of the system, and 4% perceive the system as a policing instrument.

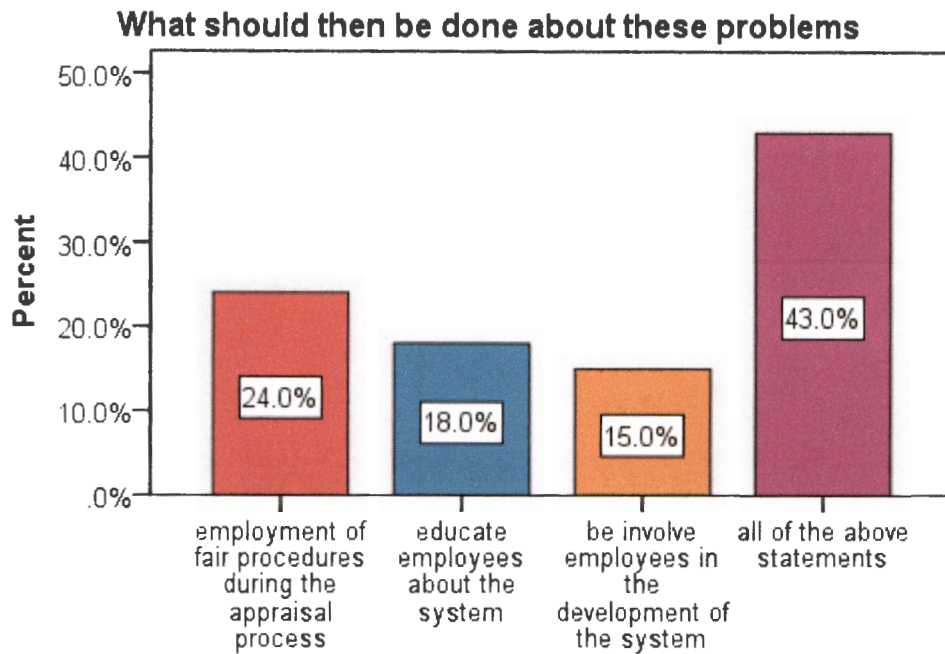


Figure 4. 26: What should then be done about these problems?

Summary: In Figure 4.26, 24% of the respondents feel that in order to solve these problems, there should be an employment of fair procedures during the appraisal process, 18% feel that employees need to be educated the system is all about, 15% feel employees should be involved in the development of the system, and 43% of the participants agree to all of the above statements.

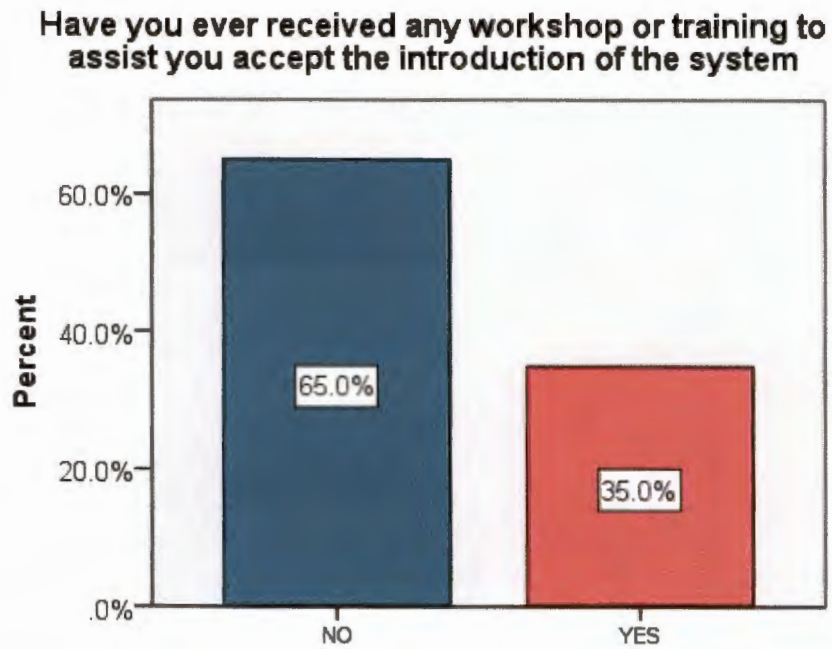


Figure 4. 27: Have you ever received any workshop or training to assist you accept the introduction of the system.

Summary: In Figure 4.27, 65% of the respondents responded by indicating that they never attended any workshop or received training on the system, and 35% of the respondents indicated that they have been to workshop and or training on the system.

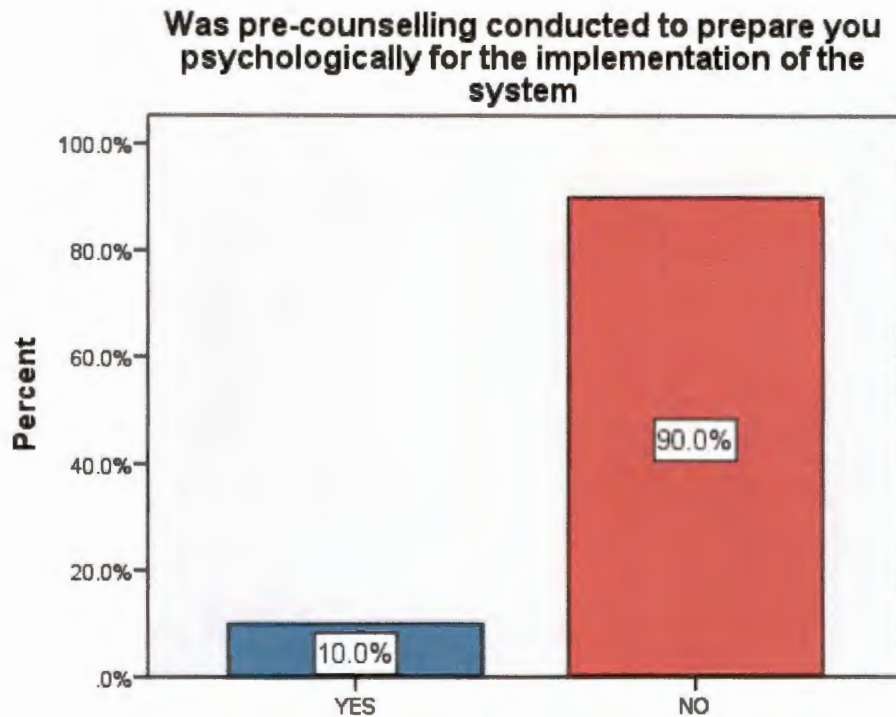


Figure 4. 28: Was pre-counselling conducted to prepare you psychologically for the implementation of the system?

Summary: In Figure 4.28, 90% of the respondents indicated that there was no pre-counselling conducted, and 10% of the respondents indicated that they were pre-counselled with the view to preparing them psychologically.

Would like to be trained/workshopped on the system

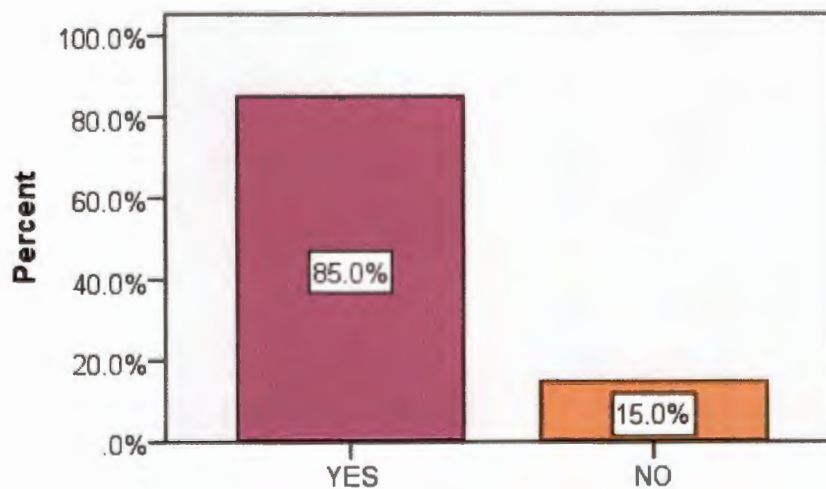


Figure 4. 29: Would like to be trained/workshopped on the system

Summary: In Figure 4.29, 85% of the respondents indicated agreed that they would like to be workshopped/trained on the system and 15% indicated that they do not need training or workshop.

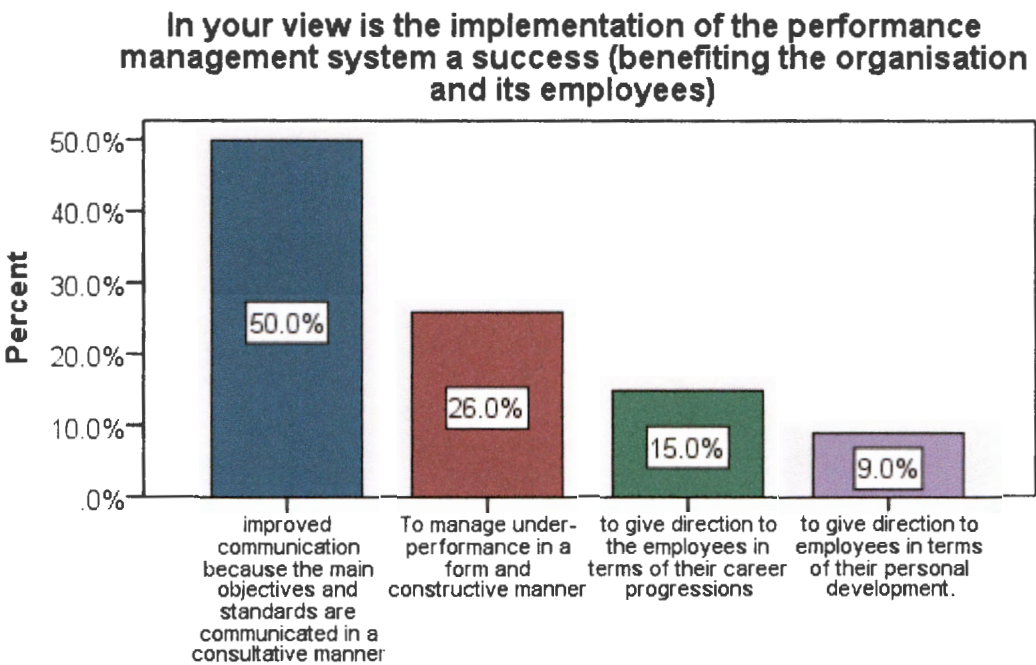


Figure 4. 30: What benefits do you think the system will bring to the organisation?

Summary: In Figure 4.30, 50% of the respondents indicated that there would be improved communication because the main objectives and standards are communicated in a consultative manner, 26% assert that the organization will benefit as underperformance will be managed in a constructive manner, 15% indicates that the organisation will benefit as the system gives direction to the employees in terms of their career progressions, and 9% say the benefits brought by the system would be that direction will be given to give direction to employees in terms of their personal development.

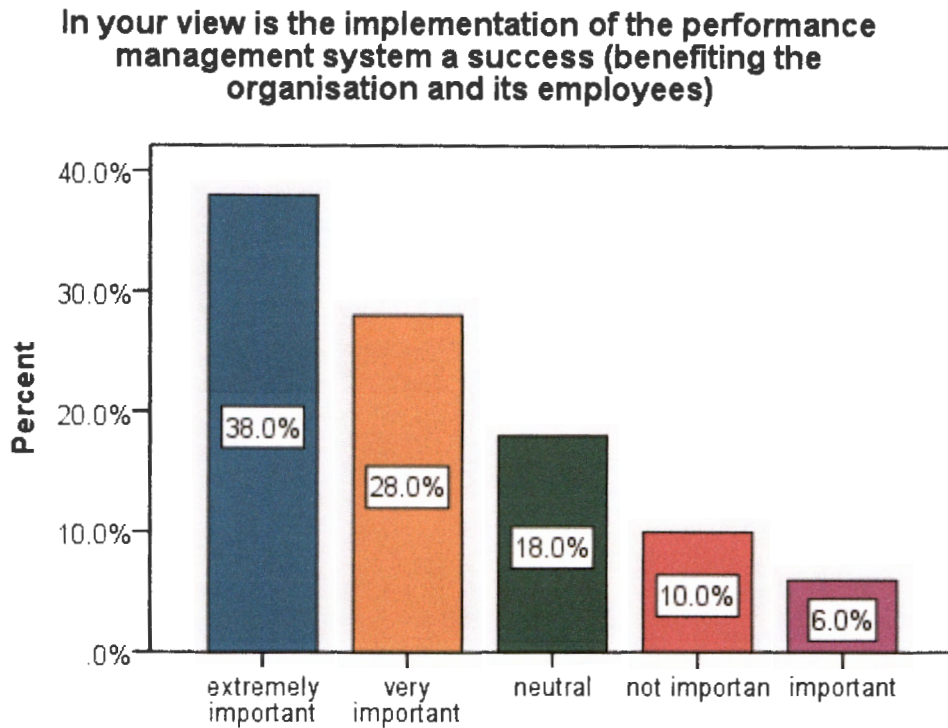


Figure 4. 31: In your view is the implementation of the performance management system a success (benefiting the organisation and its employees)?

Summary: In Figure 4.31, 38% of the respondents' view the implementation of the system as extremely important, 28% view the implementation of the system as very important, 18% view the implementation of the system as neutral, 10% view it as not important and 6% as important.

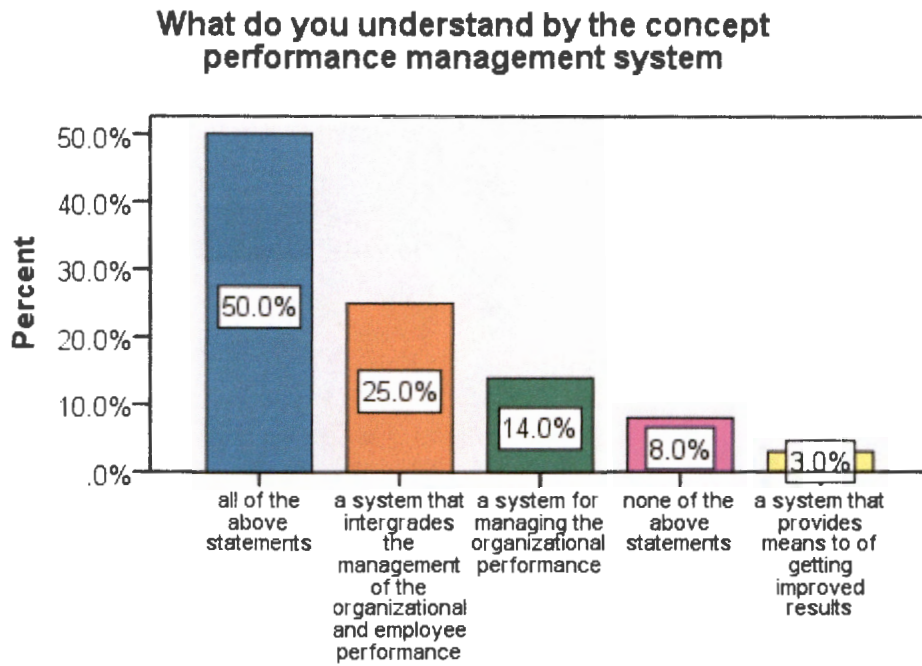


Figure 4. 32:

Summary: In Figure 4.32, 50% agree to all statements that define performance management system, 25% view performance management system as a system that intergrades the management of the organizational and employee performance, 14% understand the system to be managing the organizational performance, 8% understand the system to mean none of the above statements provided, and 5% understand the system to mean a way of providing means to of getting improved results.

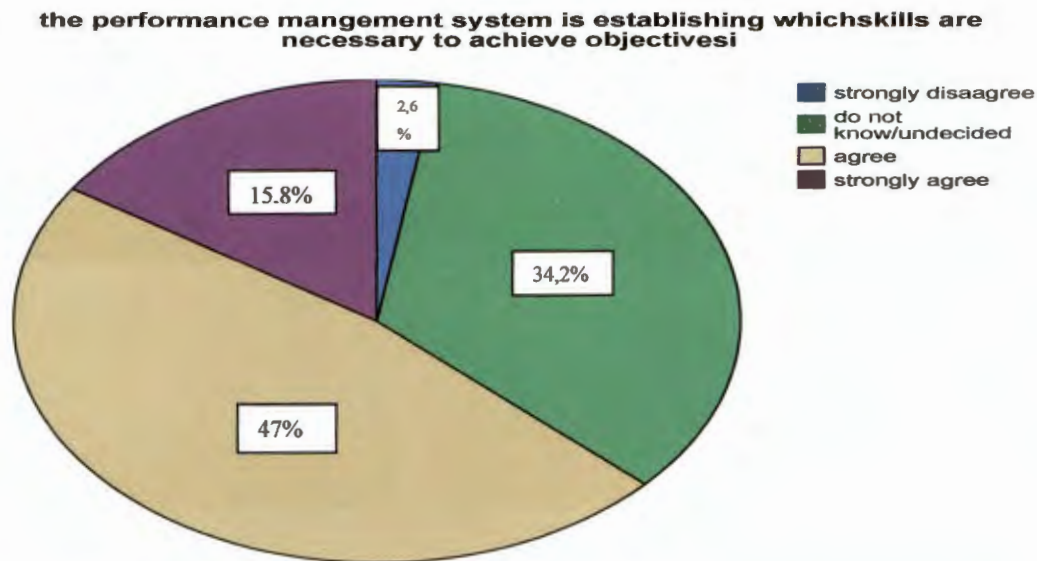


Figure 4. 33 : The performance management system is establishing which skills are necessary to achieve objectives.

Table 4. 4 The performance management system establishes the set of skills that are necessary to achieve objectives.

	Frequency	Percent
strongly disagree	1	2.6
do not know/undecided	13	34.2
Agree	18	47.4
strongly agree	6	15.8
Total	38	100.0

Summary: In Table 4.4 and Figure 4.33, it is evident that 47,4% of the respondents agree that the system is establishing which skills are necessary to achieve objectives, 15,8% strongly agree that the system is establishing which skills are necessary to achieve the objectives, 34,25 of the respondents do not know/undecided that the system is establishing which skills are necessary to achieve the objectives and 2,6 % strongly disagree that the system is establishing which skills are necessary to achieve objectives.

performance management is concerned with the achievement of results

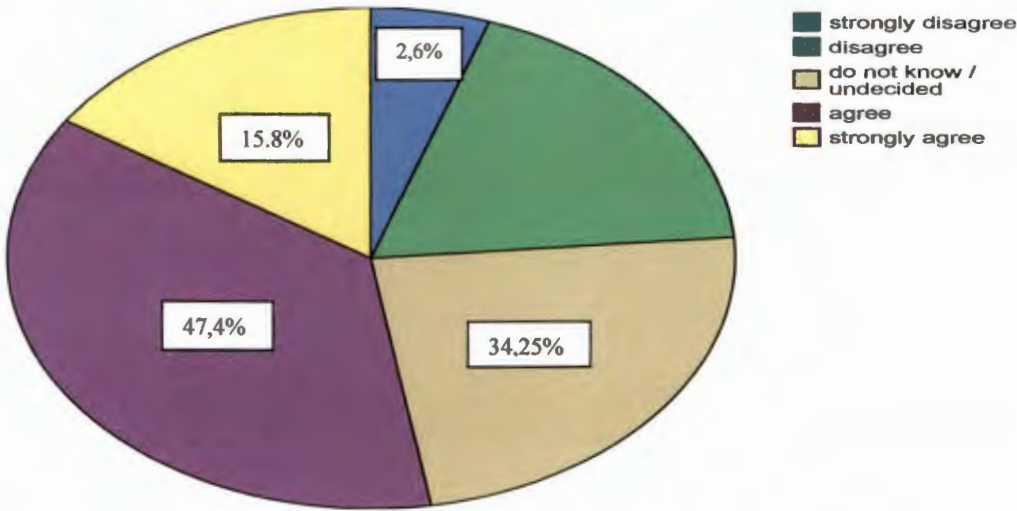


Figure 4. 34: Performance management is concerned with the achievement of results.

Summary: In Figure 4.34, indications are that 47,4% of the respondents agree that the system is concerned with the achievement of results, 34,25 do not know about whether the performance management system is concerned with the achievements of results, 15,8% of the respondents strongly agree that the system is concerned about the achievements of results, and 2,6% of the respondents strongly disagree that the system is concerned about the achievements of results.

Subordinates are involved in the process of setting goals or objectives for their own jobs

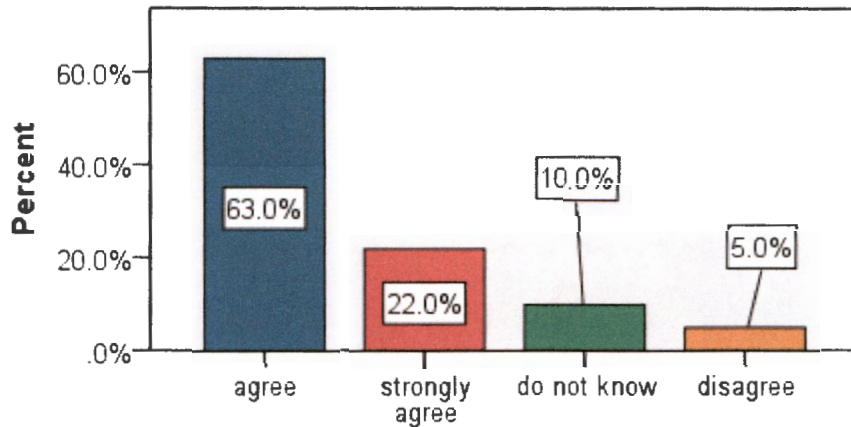


Figure 4. 35: Subordinates are involved in the process of setting goals or objectives for their own jobs.

Summary: In Figure 4.35, there is evidence that 63% of the respondents agree that subordinates are involved in the process of setting goals or objectives for their own jobs, 22% of the respondents strongly agree that subordinates are involved in the process of setting goals or objectives for their own jobs 10% of the respondents do not know that subordinates are involved in the process of setting goals or objectives for their own jobs and 5% disagree that subordinates are involved in the process of setting goals or objectives for their own jobs.

4.4.28. How important is it to have a performance management system in your Organisation

Table 4.5 How important is it to have a performance management system in your Organization		
	Frequency	Percent
not important	2	5.3
Neutral	2	5.3
Very important	10	26.3
extremely important	24	63.2
Total	38	100.0

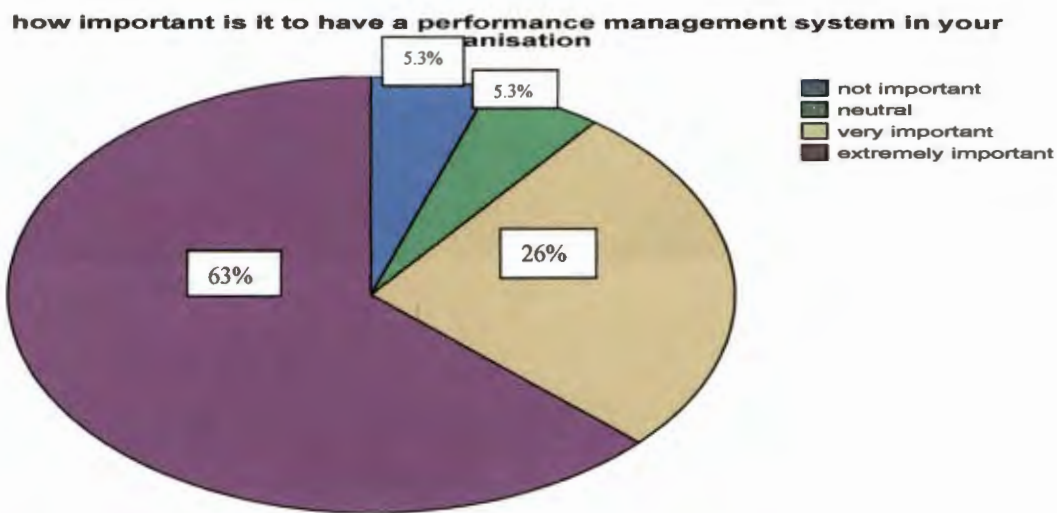


Figure 4. 36: How important is it to have a performance management system in your organisation?

Summary: In Figure 4.36 and Table 4.5, 63, 2 % of the respondents view that the system in their organisation is extremely important, 26% view the system as very important 5,3% look at the system as not important and 5,3% are neutral on this matter.

CHAPTER FIVE

RESULTS AND INTERPRETATION

5.1 Introduction

The primary purpose of this chapter is to examine the results of the study with a view to verifying any inconsistencies and whether or not any type of bias and errors could have occurred. This stage of research is vital in that findings are thoroughly and critically reviewed to detect any errors of measurement, bias and mistakes which could have distorted the description of the aspects of social reality under study (Bless & Higson-Smith, 1995:59). Cooper and Schindler (1998; 466) view this as an application of inductive reasoning, where one moves from specific facts to general one but with tentative conclusions. On the basis of data found in the sample, one could draw conclusions about the properties of the entire population.

5.2 Presentation of results

5.2.1 A statistical data analysis is to establish the following:

- Whether performance management system provides an opportunity to identify problems in advance.
- Whether performance management systems manages performance by providing feedback and rewards.
- The extent to which performance management system establishes which skills are required to achieve organisational and individual objectives.
- Whether performance management system enhances manager – employee relationship.
- Whether performance management system motivates performance by making provision for rewarding superior performance.
- Whether subordinates participate in the planning, implementation and evaluation of the performance management system.
- Whether managers and subordinates meet to decide jointly on how to achieve both organisational and individual objectives and goals.

- The perception of employees with regards the introduction of the performance management system.

5.2.2 The respondents' perceptions about performance management system.

The perceptions of respondents about the performance management system could be elaborated as follows:

- The 55% of the respondents generally feel that performance management system provides an opportunity to identify problems in advance. They view this provision as a mechanism to monitor developments and ensure that corrective action is taken.
- The 71% of the respondents are of the view that one of the aims of performance management system is to provide feedback and reward good performance. The view here is that this being the aim of the system a lot of problems could be alleviated and the morale of individuals could be boosted.
- The 60,5% of the participants strongly feel that performance management system enhances the manager-employee relationship by allowing communication of expectations in terms of set objectives and feedback on developments.
- The 54% of the participants feel that performance management system motivates performance by making provision for rewarding superior performance.
- The 63,2% of the respondents are of the view that performance management system is a shared responsibility of both managers and subordinates in that they are involved in the process of setting goals or objectives.
- The 68,4% of the respondents indicate that they have not received training on performance management system as a result of that it became impossible and difficult to establish as to which skills are required by employees. The views of the respondents in this regard are that training on the system is very important and plays a pivotal role.
- The 42,1% of the participants feel that the organisation communicated the introduction of the performance management system to them.

- The 63,2% of the participants felt that it is imperative to have the system in place and should be seen to be working.
- The 47,4% of the respondents hold the view that as one of the benefits of the performance management system to the organisation is that it assists in improving the communication of objectives and standards in a consultative manner though 26,3% of the participants hold the view that one of the problems they face with regards the system is that of lack of transparency and lack of procedural fairness and 50% of the participants feel that to alleviate problems encountered by participants would be to employ fair procedures during the approval process, educating employees about the system and involving employees on the development of the performance management system.

In summary, on the basis of the results from the study one could acknowledge the importance of performance management system. However, where the level of rating is slightly low that cannot be ignored and improvements should be made.

5.3 Interpretation of results

According to the information gathered from the participants through Questionnaire Survey techniques, it is explicit that the performance management system could be employed in order to rectify the anomalies, unfairness experienced by employees in general.

Therefore, the survey information could be subjected to the interpretations stated below:

- That the majority of participants feel that one of the aims of performance management system is to provide feedback and reward good performance.
- That the participants hold the view that performance management system enhances the manager-employee relationship by allowing communication of expectations in terms of set objectives and feedback on developments.
- That the respondents feel that performance management system is a shared responsibility of both managers and subordinates in that they are involved in the process of setting goals or objectives.
- Further that performance management system motivates performance by making provision for rewarding superior performance.

- On the issue of lack of training on how the system works, as a problem area, respondents feel that there is a need for training with the view to alleviate the necessary resistance and adaptation to the performance management system.

From the responses gathered, there is a general hope that performance management system could be expanded to reach other sectors and units in the organisation and be seen to be an instrument that addresses all employee – management related problems.

5.1 Summary

This chapter reported on an empirical examination of the results of the evaluation of the performance management system in the Directorate of Finance of the Department of Health, North West Provincial Office. The respondents expressed varied views, opinions on that and it became evident that the majority of the respondents knew in part what performance management system encompassed but felt that sufficient training needed to be provided for a more comprehensive application of the evaluation instrument in the Directorate.

CHAPTER SIX

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

According to Bless et al., (2013; 2), the researcher draws certain conclusions and recommendations based on the interpretation of the results and asserts that recommendations may point to further research. In Chapter 1, the background to the study, the statement of the problem, the objectives of the study and the significance of the study were spelt out. Chapter 2 offered an extensive literature review, Chapter 3, provided an outline of the research methodology and design, Chapter 4, focused on data analysis and interpretation, and Chapter 5, discussed the results while the ultimate Chapter 6 discusses conclusions and closes with recommendations.

6.1.1 General discussions

The Directorate of Finance in the Department of Health is situated in Mmabatho, the capital city of the North West Province, and serves as the Provincial Head Office and the department has three (3) Directorates, namely: Budget and Planning, Financial management Internal Control, Assets and Risk Management. The Directorate is under the management and leadership of the Chief Financial Controller assisted by Chief Director, Director, Deputy Director and Personal Assistant/Secretary. The study revealed that Performance Management System is ineffective due to its improper implementation and application in this particular Directorate and the following discussions are based on the research questions.

6.2 Report on objectives of the study

6.2.1 Objective 1

To investigate whether Performance Management System provides an opportunity to identify problems in advance. **Findings:** 53% of the respondents agree that PMS provides an opportunity to identify problems in advance. 20% of the respondents strongly agree that PMS provides an opportunity to identify problems in advance. 15% of the respondents indicated that they do not know that PMS provides an opportunity to identify problems in advance. 12% of the respondents disagree that the system provides an opportunity to identify problems in advance.

6.2.2 Objective 2

To investigate whether PMS manages performance by providing feedback and rewards good performance. **Findings:** 45% of the respondents agree that PMS manages performance by providing feedback and rewards for good performance. 29% of the respondents strongly agree that PMS manages performance by providing feedback and rewards good performance. 21% of the respondents do not know that PMS manages performance by providing feedback and rewards good performance. 5% of the respondents disagree with the view that PMS manages performance by providing feedback and rewards good performance.

6.2.3 Objective 3

To investigate whether managers and subordinates meet to decide jointly on action plan to achieve the individuals' goals. **Findings:** 40% of the respondents agree that managers and subordinates meet jointly to decide on action plan to achieve the individuals' goals. 22% of the respondents strongly agree that managers and subordinates meet jointly on action plan to achieve the individuals' goals. 19% of the respondents disagree, 19% do not know that managers and subordinates meet to decide jointly on an action plan to achieve the individuals' goals.

6.2.4 Objective 4

Performance management system enhances the manager – employee relationship.

Findings: 60,5% of the respondents agree that PMS enhances manager-employee relationship. 13.2% of the respondents strongly agree that PMS enhances the relationship between managers and employees. 15.8% of the respondents do not know that PMS enhances the relationship between the managers and the employees. In sum, 7,9 % of the respondents disagree that PMS enhances the relationship between the managers and employees. A minority comprising 2,6% of the respondents strongly disagree that PMS enhances the relationship between the managers and the employees.

6.2.5 Objective 5

Performance management system is concerned with what people do (i.e. their work).

Findings: the majority 47,4 % of the respondents agree that PMS is concerned with what people do. 26.3% of the respondents strongly agree that PMS is concerned with what people do. 10,5% of the respondents disagree that PMS is concerned with what people do. A less significant 15,8% of the respondents do not know that PMS is concerned with what people do.

6.2.6 Objective 6

Performance management system assists in improving performance.

Findings: 45% of the respondents agree that PMS assists in improving performance. A negligible 1,0% strongly agree that PMS assists in improving performance. 10,0% disagree that PMS assists in improving performance. 29,0% strongly disagree that PMS assists in improving performance. 15,0% do not know that PMS assists in improving performance.

6.2.7 Objective 7

Performance management system is geared towards staff development. **Findings:** 48% of the respondents agree that PMS is geared towards staff development. 38% of the respondents strongly agree that PMS is geared towards staff development. 4,0% of the respondents disagree that PMS is geared towards staff development.10% of the respondents do not know that PMS is geared towards staff development.

6.2.8 Objective 8

Performance management system concerns everyone in the business and not only managers. **Findings:** 48% of the respondents agree that PMS concerns everyone in the business and not only managers. 20% of the respondents strongly agree that PMS concerns everyone in the business and not only managers. 12% of the respondents disagree that PMS concerns everyone in the business and not only managers. 2% of the respondents strongly agree that PMS concerns everyone in the business and not only managers. 18% of the respondents do not know that PMS concerns everyone in the business and not only managers.

6.2.9 Objective 9

Only managers are accountable to the performance of their team. **Findings:** 35% of the respondents agree that only managers are accountable to the performance of their team. 25% of the respondents strongly agree that only managers are accountable to the performance of their team. 12% of the respondents disagree that only managers are accountable to the performance of their team. 28% of the respondents do not know that only managers are accountable to the performance of their team.

6.2.10 Objective 10

The responsibility for PMS is shared between managers and members of the team.

Findings: 35% of the respondents agree that the responsibility for PMS is shared between managers and members of the team. 15% of the respondents strongly agree that the responsibility for PMS is shared between managers and members of the team. 22% of the

respondents disagree that the responsibility for PMS is shared between managers and members of the team. 6% of the respondents strongly disagree that the responsibility for PMS is shared between managers and members of the team. 22% of the respondents do not know that the responsibility for PMS is shared between managers and members of the team.

6.2.11 Objective 11

PMS creates a climate for greater individual effectiveness.

Findings: 50% of the respondents agree that PMS creates a climate for greater individual effectiveness. 25% of the respondents strongly agree that PMS creates a climate for greater individual effectiveness. 5% of the respondents disagree that PMS creates a climate for greater individual effectiveness. 2% of the respondents strongly disagree that PMS creates a climate for greater individual effectiveness. 18% of the respondents do not know that PMS creates a climate for greater individual effectiveness.

6.2.12 Objective 12

Reasons for introducing Performance management system.

Findings: 38% of the respondents indicated that this was to ensure timeous corrective actions for deviations. 32% of the respondents indicated that this was for the involvement of employees in setting standards. 18% indicated that this was for providing clarity why there is PMS. 12% indicated that this was for providing clarity to employees on what should be done.

6.2.13 Objective 13

Problems experienced by employees because of the introduction of PMS.

Findings: 28% of the respondents indicated lack of procedural fairness as one of the problems they encountered. 26% of the respondents indicated lack of transparency as a problem. 24% agreed to all statements. 4% of the respondents viewed PMS as a policing instrument rather than as a measure for performance improvement. 18% of the respondents did not agree with any of the statements.

6.2.14 Objective 14

What should be done about the problems experienced by employees?

Findings: 24% of the respondents indicated that the employment of fair procedures during the appraisal process would be a solution. 18% of the respondents indicated that educating employees on the system would be a solution. 15% of the respondents indicated that employees should be involved in the development of PMS. 43% of the respondents indicated that all statements be considered as solutions to the problems.

6.2.15 Objective 15

Have you ever received training / workshop on PMS? **Findings:** 65% of the respondents indicated that they never received training nor workshop on PMS. 35% of the respondents indicated that they did receive training on PMS.

6.2.16 Objective 16

Was pre-counselling conducted to prepare you psychologically for the implementation of the system? **Findings:** 90% of the respondents indicated that they did not receive pre-counselling conducted to prepare them psychologically. 10% of the respondents indicated that they received pre-counselling and were psychologically prepared.

6.2.17 Objective 17

Would you like to be trained / workshopped on PMS? **Findings:** 85% of the respondents indicated “Yes” they would like to be trained/workshopped on PMS. 15% of the respondents indicated “No” they do not need training or workshop.

6.2.18 Objective 18

What benefits do you think PMS Brings to the organisation? **Findings:** 50% of the respondents indicated that there will be improved communication of main objectives and standards. 28% of the respondents indicated that this will assist in managing under performance.

15% of the respondents indicated that this will give direction to employees in their career progression. 7% of the respondents indicated that this will give direction to employees in their personal developments.

6.2.19 Objective 19.

Is the implementation of PMS benefiting the organisation and the employees?

Findings: 38% of the respondents indicated that as extremely important. 26% of the respondents indicated that as very important. 16% of the respondents did not know. 10% of the respondents indicated that this is not important. 10% of the respondents indicated that this is important.

6.2.20 Objective 20.

What do you understand by the concept “Performance Management System?” **Findings:** 50% of the respondents agreed to all statements describing performance management system. 25% of the respondents understood the concept to mean a system that intergrades the management of the organisational and employee performance. 14% of the respondents understood the concept to mean a system for managing the organisational performance. 7% of the respondents indicated “none of the statements “apply. 4% of the respondents understood the concept to mean a system that provides means to get improved results.

6.2.21 Objective 21

Performance management system is establishing which skills are necessary to achieve objectives. **Findings:** 47.4% of the respondents agree that PMS is establishing which skills are necessary to achieve objectives. 15.8% of the respondents strongly agree that PMS is establishing which skills are necessary to achieve objectives. 34.2% of the respondents do not know that PMS is establishing which skills are necessary to achieve objectives. 2.6% of the respondents strongly disagree that PMS is establishing which skills are necessary to achieve objectives.

6.2.22 Objective 22

Subordinates are involved in the process of setting goals or objectives for their own jobs.

Findings: 63% of the respondents agree that Subordinates are involved in the process of setting goals or objectives for their own jobs. 22% of the respondents strongly agree Subordinates are involved in the process of setting goals or objectives for their own jobs. 10% of the respondents do not know that Subordinates are involved in the process of setting goals or objectives for their own jobs. 5% of the respondents disagree that Subordinates are involved in the process of setting goals or objectives for their own jobs.

6.2.23 Objective 23

How important is it to have PMS in the organisation? **Findings:** 63,2% of the respondents indicated that it is extremely important to have the system. 26% of the respondents indicated that it is important to have the system. 5,3% of the respondents view PMS as not important. 5.3% of the respondents did not know.

6.3 Findings of the study

6.3.1 Understanding performance management system

Better understanding is displayed regarding the concept by management with the view to creating a climate for greater management effectiveness, little understanding of the concept was displayed by employee and satisfactory level of the performance management processes within the organisation e.g. integrating the management of the organisation and employee performance, provision of means to get improved results was identified.

6.3.2 Planning prior to implementation

Planning was not done prior implementation of PMS, e.g. pre-counselling for psychological preparedness ,there was insufficient training provided regarding PMS, communication , lack of information is a problem and lack of transparency and procedural fairness were identified as challenges.

6.3.3 Implementation challenges.

There is inadequate training of managers and employees, there was evidence of limited or little knowledge or understanding of PMS, resistance to change was evident among the sample and non – availability of job – descriptions for matching positions impeded the meaningful implementation of PMS.

6.3.4 Employees' perceptions

Employees at lower levels think that managers keep information for themselves, resulting in a gap existing between managers and employees, management perceives the system as allowing for transparency whilst employees perceive it as not transparent - they see management as having ulterior motives and management looks at PMS as adding value, something which is contrary to the perceptions of the employees as they see it as not valuable because their performance is not recognized, be it superior or otherwise.

6.4 Conclusion.

The main objective of the study was to evaluate the Performance Management System, the researcher used qualitative approach/method and collected data, the objective that could be achieved by answering research questions in relation to the research problem. The results show that challenges do exist to some degree and these are viewed from different perspectives by employees who were given questionnaires to complete. Employees who completed questionnaires displayed some dissatisfaction towards the manner in which the system was implemented where there seems to be a gap existing between employees and management.

The study revealed that there were some inconsistencies regarding training and communication on performance management system processes, the study also revealed that some employees displayed a limited or lack of understanding on what Performance Management System is all about, this is attributed to by lack of training and communication. The study further revealed that management failed to subject employees to pre-counselling prior the implementation of performance management system, with the view to put them through some induction, information sharing and some psychological preparation.

On the positive side, the study revealed that the system is geared towards establishing skills necessary to achieve organisational objectives, that performance management system provides an opportunity to identify problems in advance, in that way corrective action is taken, that performance management system is focused, committed to ensure staff development, Performance management system motivates performance by making provision for rewarding superior performance. It is recommended that a more comprehensive study be undertaken on a broader scale with the view to develop a further research study that will allow for generalization of research findings.

6.5 Recommendations

From the research findings, data analysis in relation to the reviewed literature, the researcher has this to recommend:

1. The management needs to initiate adequate training regarding performance management system and this must be provided to employees within the organization, this will improve the current level of understanding performance management system amongst the employees.
2. Capacity building of management should be encouraged and assessment implemented with a view to evaluate progress made and where there are deviations, deficiencies corrective measures be applied, the researcher's view is that managers can benefit from courses such as Communication skills, which might assist with improving their communication skills and enhance their ability to communicate and share information openly and freely.

3. The bridging of a gap between managers and employees, so that employees can view management in a different perspective than they currently do, and it is the responsibility of management to ensure that they assist employees to dispel their negative perceptions and attitudes towards performance management system.

6.6 Limitations of the study.

By virtue of the researcher having adopted this study approach, the results will not be generalized beyond the specific population / target group from which the sample was drawn.

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QUESTIONNAIRE

**The Evaluation of Performance Management Systems in the Directorate of Finance in
the Department of Health – Mmabatho Provincial Office – North west Province.**

(Please put a cross (X) next to the response that your prefer most)

SECTION A

Biographical and Demographic Information

This section asks about your work experience, qualifications, gender, designation, age, and marital status.

1. Gender

1.1	Male	
1.2	Female	

2. Designation

2.1	Administration Officer	
2.2	State Accountant	
2.3	Account Clerk	
2.4	Assistant Director	
2.5	Deputy Director	
2.6	Other (specify).....	

3. Age

3.1	18yrs - 25yrs	
3.2	26yrs - 30yrs	
3.3	31yrs - 35yrs	
3.4	36yrs - 40yrs	
3.5	41yrs - 45yrs	

3.6	46yrs - 50yrs	
3.7	51yrs and above	

4. Work Experience (Years)

4.1	0 - 5yrs	
4.2	6 - 7yrs	
4.3	11 - 15yrs	
4.4	16 - 20yrs	
4.5	More than 20 yrs.	

5. Highest Qualification

5.1	Grade 12 / Matric	
5.2	Diploma -2yrs	
5.3	Bachelor's Degree	
5.4	Honours Degree	
5.5	Master's Degree	
5.6	Other (specify).....	

6. Marital Status

6.1	Married	
6.2	Single	
6.3	Separated	
6.4	Divorced	

7. Number of years you are working for this Organisation

7.1	0-5 yrs.	
7.2	6-11yrs	
7.3	12-17yrs	
7.4	18-23yrs	
7.5	24yrs and above	

SECTION B

Please rate the following on a scale of 1-5 in accordance to how much you agree or disagree with the following statement by making a cross (x) in the appropriate block. Cross only one block.

Key: 1-Strongly disagree

2-Disagree

3-Do not know/Undecided

4-Agree

5-Strongly agree

1. Managers are providing coaching as a tool to help employees achieve their goals/objectives.

1	2	3	4	5
---	---	---	---	---

2. Managers are providing support to help employees meet their goals/objectives.

1	2	3	4	5
---	---	---	---	---

3. The Performance Management System is establishing which skills are necessary to achieve objectives.

1	2	3	4	5
---	---	---	---	---

4. Objectives are communicated in a consultative and supportive manner so that each employee understands clearly what is expected of him/her.

1	2	3	4	5
---	---	---	---	---

5. Students are communicated supportively and participatively so that each employee understands clearly what is expected of him/her.

1	2	3	4	5
---	---	---	---	---

6. The objectives of the Performance Management System are to remedy poor performance.

1	2	3	4	5
---	---	---	---	---

7. The aims of the Performance Management System are to reward good performance.

1	2	3	4	5
---	---	---	---	---

8. The Performance Management System enhances the manager-employee relationship by allowing frequent communication of expectations in terms of set objectives.

1	2	3	4	5
---	---	---	---	---

9. Performance Management improves the manager-employee relationship by allowing frequent communication of expectations in terms of accurate performance evaluation.

1	2	3	4	5
---	---	---	---	---

10. The Performance Management System further enhances manager-employee relationship by allowing communication of expectations in terms of feedback.

1	2	3	4	5
---	---	---	---	---

11. The Performance Management System is concerned with what people do (their work).

1	2	3	4	5
---	---	---	---	---

12. Performance Management system is concerned with peoples' behaviour in their work place (their behaviour).

1	2	3	4	5
---	---	---	---	---

13. Performance Management is concerned with the achievement of results.

1	2	3	4	5
---	---	---	---	---

14. There should be a link between performance management and the organization's objectives.

1	2	3	4	5
---	---	---	---	---

15. The Performance Management System motivates performance by providing feedback.

1	2	3	4	5
---	---	---	---	---

16. The Performance Management System motivates performance by making provision for rewarding superior performance.

1	2	3	4	5
---	---	---	---	---

17. The Performance Management System assists in improving performance.

1	2	3	4	5
---	---	---	---	---

18. The Performance Management System is geared towards staff development.

1	2	3	4	5
---	---	---	---	---

19. Subordinates are involved in the process of setting goals or objectives for their own jobs.

1	2	3	4	5
---	---	---	---	---

20. The Performance Management System concerns everyone in the business and not just managers.

1	2	3	4	5
---	---	---	---	---

21. Only managers are accountable for the performance of their teams.

1	2	3	4	5
---	---	---	---	---

22. The responsibility for the Performance Management System is shared between managers and team members.

1	2	3	4	5
---	---	---	---	---

23. The Performance Management System creates a climate for greater individual effectiveness.

1	2	3	4	5
---	---	---	---	---

24. The Performance Management System creates a climate for greater management effectiveness.

1	2	3	4	5
---	---	---	---	---

25. The Performance Management System provides an opportunity to identify problems in advance.

1	2	3	4	5
---	---	---	---	---

Employee's View on Performance Management

(Put an (x) cross against a statement that best suit your situation)

1. What do you understand by the concept "Performance Management System"?

- A system that provides a means of getting improved results ☐
- A system for managing organisational performance ☐
- A system for integrating the management of organisational and employee performance. ☐
- All of the above statements ☐
- None of the above statements ☐

2. What do you think are the reasons for the introduction of the performance Management System?

- to give clarity to employees on what should be done ☐
- to give clarity to employees on how it should be done ☐
- to give clarity to employees on why it should be done ☐
- To involve employees in setting standards empowering them on how to achieve them ☐
- to ensure timeous corrective action when there are deviations ☐
- expected performance and outcomes all of the above statements; ☐
- none of the above statements ☐

3. How important is it to have a Performance Management System in your organisation?

1	2	3	4	5
---	---	---	---	---

Not important

Extremely important

Please motivate your rating

.....

...

.....

....

.....

....

4. In your view, is the implementation of the Performance Management System a success (benefiting the organisation and its employees)?

1	2	3	4	5
---	---	---	---	---

Not important

Extremely important

Please motivate your rating

.....

...

.....

....

.....

....

5. What benefits do you think the system will bring to the organisation?
- improved communication because the main objectives and standards are communicated in consultative and supportive manner

--

- to manage under-performance in a form and constructive manner to give direction to employees in terms of their career progression
- to give direction to employees in terms of their personal development

6. What problems do you think are facing employees with regards to the introduction of the system?

- a policing instrument
- lack of procedural fairness
- lack of transparency
- all of the above statements
- none of the above statements

7. What should then be done about these problems?

- educate employees about the system
- involve employees in development of the system
- employment of fair procedures during the appraisal process
- all of the above statements
- none of the above statements

SECTION D

Capacity Building and Support

1. In your view, to what extent is the organisation communicating with employees about the introduction of the Performance Management System?

1	2	3	4	5
---	---	---	---	---

Motivate your rating

.....

...

.....

....

.....

....

2. Have you ever received any workshop or training to assist you to accept the introduction of the system?

Yes	No
-----	----

If yes, how did that assist you to prepare for systems?

.....

...

.....

....

.....

....

3. Was pre-counselling conducted to prepare you psychologically for the implementation of the system?

Yes	No
-----	----

.....

...

.....

....

.....

....

4. Would you like to be trained / workshopped on the system?

Yes	No
-----	----

State how:

.....

...

.....

....

.....

....

**You are heartily thanked for having taken part in the completion of the
questionnaire**