

The extent to which performance management system drives employee productivity at Eskom

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DECLARATION

I declare that this is my own work and that all the resources that I have used or quoted have been identified and acknowledged by means of complete references. This work has not been previously submitted in whole, or in part, for the award of any degree.

Signature: 

Date: 08/09/2019

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ABSTRACT

The purpose of this research was to determine the extent to which the performance management system drives employee performance (productivity) at Eskom. The study adopted a descriptive research design that was conducted at the Eskom Komati Power Station with the key aim of ascertaining the effect of the performance management system (PMS) on employee performance at Eskom. More precisely, the research sought to define the extent to which training and development, reward systems and performance appraisals impact employee performance at Eskom, South Africa. Questionnaires were used for the collection of data. The data collected was edited, organized, entered, analysed and coded by way of descriptive statistics primarily, frequencies and percentages, with the help of SPSS (Statistical Packages Social for Sciences). The study used tables for the presentation of the findings of the research project.

The findings of this study indicate that the performance management system at Eskom has an insignificant yet positive impact on employee productivity. This study recommended that SOEs optimize employee performance appraisals and feedback processes, encourage employee centered performance appraisals and feedback sessions amongst the employees and establish clear reward systems and formally recognize all the efforts of employees who perform well.

KEYWORDS: Performance management system; employee productivity; Eskom.

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LIST OF ABBREVIATIONS

CEF	–	Central Energy Fund
DBSA	–	Development Bank of Southern Africa
HR	–	Human Resources
HRDS	–	Human Resource Development System
HRMS	–	Human Resource Management System
IDC	–	Industrial Development Corporation of South Africa Limited
PM	–	Performance Management
PMS	–	Performance Management System
SAA	–	South African Airways
SABC	–	South African Broadcasting Corporation Limited
SOEs	–	State-owned Enterprises
SPSS	–	Statistical Packages Social for Sciences

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Annexure A: Questionnaire

CHAPTER 1

BACKGROUND AND OVERVIEW OF THE STUDY

1.1 INTRODUCTION

The chapter gives a synopsis of the extent to which performance management system in Eskom drives organisational productivity. The second section of the chapter is the background to the research while section 1.3 states the study problem. The fourth section to this research covers the study questions. In the fifth section of this chapter is a brief description of the significance of the research as the six to section to nine define key terms used in the project; mention the delimitations, and limitations to the research. Section 1.10 is the summary to the chapter.

1.2. BACKGROUND AND CONTEXT

Performance Management (PM) is one of the crucial and positive developments in the management field. Kibichi *et al.* (2016:101) state that the Performance Management System (PMS) encompasses all actions that guarantee constant attainment of company objectives in an effective and efficient manner. As a strategy, the PMS relates to each company activity set in the context of human resource procedures, style, communication systems and culture. To authors such as Fatile (2016), PMSs entail the interlocking of focused company practices and policies that have enhanced the attainment of company objectives by concentrating on people performance as an approach. PM creates a common vision of the organization's aims and purpose, helps every employee recognize and undertake their job and resultantly, enhances and manages both company and individual performances. In light of the above statements, this study ascertains the extent to which the PMS drives employee performance (productivity) at Eskom.

PM has become the norm in both the private and the public sector. With performance-based management, there is a potential to improve service quality, productivity, efficiency and to better focus the activities of both employees and the whole enterprise (Falzon *et al.* 2012).

According to the South African Country Commercial Guide (2017) State-owned Enterprises (SOEs) in South Africa comprise both commercial and non-commercial entities. There are 21 entities within the commercial SOE, commonly known as Schedule 2 in South Africa, and

these entities are regarded as strategic enterprises because they are fundamental to the functioning of the economy and the developmental agenda of South Africa (South African Country Commercial Guide, 2017). These entities include enterprises such as Eskom, Telkom, DENEL, South African Airways (SAA), Central Energy Fund (CEF), South African Broadcasting Corporation Limited (SABC), Transnet Limited, South African Post Office Limited, Development Bank of Southern Africa (DBSA) and Industrial Development Corporation of South Africa Limited (IDC), amongst others. The state-owned electricity giant, Eskom, generates approximately 95% of the electricity used in South Africa (Eskom website, 2018).

The South African Country Commercial Guide (2017) states that these SOEs are tasked to energise the economy and drive economic growth (PwC, 2015). More importantly, in South Africa the SOEs have a significant role to play in the economy because they provide such national fundamentals as electricity, communication, transport, water and sanitation, among others (Fourie, 2014). Globally, successful nations have leveraged their SOEs to improve the economic well-being of its citizens (Budiman *et al.*, 2009).

According to Rashidi (2015), to achieve all the goals and objectives of the enterprise, employees need to know their roles and receive accurate and appropriate feedback on how they are conducting their tasks. PM, if implemented correctly, can help to identify the areas that need improvement. The success or downfall of an enterprise is dependent on the productivity of the enterprise's employees (Kibichi *et al.*, 2016).

Imran and Elnaga (2013), state that employees can be very unproductive if their skills are not enhanced by either training or other means of development. To this end, the SOEs are starting to realise the importance of investing in training and development for the sake of improving employees' performance. To develop the desired knowledge, skills and abilities of the employees to perform well on the job requires effective training programmes that may also affect employee motivation and commitment (Cardy & Leon, 2015).

This study is grounded in the Goal Setting Management theory. This theory states that goal setting is essentially linked to task performance and delineates the specific and challenging goals, along with appropriate feedback, that contribute to higher and better task performance (Armstrong, 2015). It might be difficult to formulate time-based performance

goals or objectives that cover an entire year, thus, Pulakos *et al.* (2015) state that it is important to set short term goals and expectations that flex with changing situations and take cognizance of the dynamic and ever-changing nature of work. As such, goal setting is thus an important prerequisite of all PMSs.

PM has been described by Shakil (2011) as the process of delivering sustained success to enterprises by improving the capabilities of both individuals and teams. Armstrong (2015) explains that the PMS is a continuous process of improving performance by setting individual and team goals which are aligned to the strategic goals of the organisation, planning performance to achieve these goals, reviewing and assessing progress and continually developing the knowledge, skills and abilities of people.

Some of the shortcomings of the process of the PMS is a lack of clarity on what needs to be done when an employee does not achieve the goal that has been set (Nirupama, 2017). Thus, it is critical in the organisation that there is a continuous process of identifying, measuring, developing the performance of individuals and aligning their performance with the strategic goals of the organisation so as to enhance its performance (Aguinis, 2009).

Imran and Elnaga (2013) emphasise the need for individual employees to be either developed or trained to ensure that their performance is enhanced. In incidences of underperformance, the organisation should be able to distinguish if these are the result of the employees' attitude or if there is a need for further training or coaching intervention. Part of solving the problem of underperformance is the effective use of an Individual Development Plan (IDP) as the tool the organisation uses to discuss and improve issues related to the company's PM process (Cardy & Leon, 2015). In cases of underperformance due to the employee's unacceptable attitude and/or behaviour, the organisational policy designed to correct such behaviour must be implemented.

The PMS can be used to establish a high-performance culture in which both individuals and teams take responsibility for the continuous improvement of business processes, together with their own development within the framework provided by effective leadership (Fatile, 2016). This dual process is crucial because Eskom, together with Denel, SAA, South African Forestry Enterprise and Transnet, are major employers which collectively employ more than 100 thousand people overall within South Africa, with a fixed investment of approximately

19% in this enterprise as a percentage of South Africa's GDP. The other aspect that needs to be considered by organisations is the performance appraisal process, in order to assess how employees have performed in relation to what was agreed initially in terms of the training, development and reward systems.

Fatile (2016) states that the PMS is used to communicate enterprise goals and objectives thus re-enforcing individual accountability for meeting those goals, tracking and evaluating individual and enterprise performance results, whereas Cardy and Leon (2015) state that the PMS should start long before workers perform their work and managers provide feedback. The PMS should start with the strategic objectives and core values of the enterprise and should always be aligned to goals, mission and vision of the enterprise. Rashidi (2015) mentioned that a well implemented PMS has a positive impact on the performance of employees which will lead to improving the enterprise's effectiveness.

Kibichi *et al.*, (2016) argues that one of the major ways of improving productivity is to ensure that there is a relationship between productivity and the PMS. This idea implies that if the PMS is effective and optimum, it can be used as a driver to improve productivity. This concept is congruent to the earlier views of Fatile (2016) mentioned above, who explained the extent to which PMS influence performance and productivity in public sector institutions in Africa. Thus, PM processes are introduced in the African public service with the intention of not only monitoring, reviewing and assessing performance but also recognising good performance.

The primary objective of this study was to investigate the extent to which the PMS drives employees' productivity at Eskom. PMS is a system which has different components. Some of the most common components which tested how well the system is working include goal setting, performance appraisal, training and development and the reward system (Cardy & Leon, 2015).

1.3 RESEARCH PROBLEM

According to Lawler and Worley (2011) maintain that the use of an ineffective PMS has resulted in deterioration in performance levels and achievement of goals in South African companies. According to Lawler and Worley (2011), an ineffective PMS does not ensure that the company's goals are defined, nor that an agreement as to how to achieve these

goals is in place. The prevailing PMSs do not assist in guiding the employees so that they can acquire skills and knowledge to perform to the best of their abilities. In addition, the prevailing PMSs are not motivating the employees and do not provide performance feedback (Lawler and Worley, 2011). There is a prevailing argument that SOEs destroy rather than create value, especially when they are not implementing best practices in ownership and management (Fatile, 2016). As such, there is a perception that they consume the tax-payers' money without delivering appropriate levels of returns or desired societal outcomes due to poor operating efficiency (PwC, 2015).

PwC (2015) says that the SOE in the future needs not only be owned and managed actively and transparently but must also strike the right balance between maintaining an internal focus on costs and resource management and an external focus on driving growth for the national, regional and/or local economy that it serves. This objective can be achieved by ensuring that these SOEs are performing very well, by accomplishing their goals. The successful implementation of the PMS is critical because the situation with SOEs is complicated by two aspects, which are (1) ownership and (2) relevance.

Abramov *et al.* (2017) found that increases in the size of direct government ownership lead to lower labour productivity and profitability. Furthermore, despite the publicised inefficiencies and poor performance of SOEs, evidence suggests that SOEs remain relevant to the economy of the country (Boko & YuanJian, 2011); therefore, efficient performance of these SOEs is central to their sustainability.

According to Rashidi (2015), a well implemented PMS has a positive impact on the performance of employees which leads to the enterprise's effectiveness. This claim is supported by Kibichi *et al.* (2016) who explained that there is a symbiotic relationship between productivity and the PMS. Therefore, an ineffective PMS cannot be used as a driver for improved productivity.

The use of an ineffective PMS in SOEs to analyse the performance appraisal results and manage the performance of the employees will occasion the documentation of excellent employee performances, whereas the performance of the business unit is on 'kick/norm' which can be translated as a 'not so good' or low performance. To this end, the study investigated the extent to which the PMS drives employee performance at Eskom.

1.4 OBJECTIVES OF THE STUDY

The primary objective of this study was to determine the extent to which the PMS currently implemented at Eskom drives organisational productivity.

To address the primary objective of the study, the following secondary objectives were formulated to:

- Determine the extent to which individual employee goals at Eskom are aligned to organisational goals and objectives;
- Determine whether performance appraisals at Eskom measure the extent to which individual employees meet their individual and organisational goals;
- Determine the extent to which Human Resource Development Systems (HRDSs) at Eskom assist individual employees meet their individual and organisational goals; and
- Determine the extent to which Eskom rewards employees for exceeding their agreed performance goals.

1.5 RESEARCH QUESTIONS

Based on the objectives of the study, the following research questions were investigated;

- What is the extent of the alignment of the individual employee goals at Eskom with the organisational goals and objectives?
- To what extent does performance appraisal at Eskom measures whether the individual employees meet their individual and organisational goals?
- How does the HRDS at Eskom assist individual employees meet their individual and organisational goals?
- To what extent does Eskom reward employees for exceeding their agreed goals?

1.6 RESEARCH METHODOLOGY

The detailed discussion of the research methodology employed in the study appears in Chapter 3 thus only an overview of the methodology employed is given below.

1.6.1 Sources of information

A wide array of literature sources was consulted that included the following: textbooks, electronic media, articles (accredited as well as relevant journals) and policy documents.

1.6.2 The population

The population of the study includes all the employees of Eskom, that is, over 330 employees based in multiple sites across South Africa.

1.6.3 Sample

Only one Eskom site was selected as a sample for this study. Therefore, the total number of employees targeted for this study was 330.

1.6.4 The questionnaire

The questionnaire was developed based on the principles of PM identified as a result of the literature review. The questionnaire consists of demographics and the following sections:

- Section A (which tested the extent to which individual employee goals at Eskom are aligned to organisational goals and objectives);
- Section B (which was developed to test whether performance appraisals at Eskom measure the extent to which individual employees meet their individual and organisational goals);
- Section C (which tested the extent to which HRDSs at Eskom assist individual employees meet their individual and organisational goals); and
- Section D (which tested the extent to which Eskom rewards employees for exceeding their agreed goals).

1.6.5 Data analysis

Data was analysed via the Statistical Package for Social Sciences program (SPSS Inc., VS 25) of the North-West University. Descriptive statistics (frequencies, means and standard deviations) were used to analyze data. The Constructive Validity of the questionnaire was

assessed by means of an exploratory factor analysis. The Cronbach Alpha Coefficient was employed to assess the reliability of the measuring instruments.

1.6.6 Interpretation of results

The results for the study will be used to determine if the PMS in the state-owned enterprise, Eskom, is effective in driving employees' productivity. There will be recommendations at the end of the study that will assist this organisation to improve their employees' productivity.

1.7 RATIONALE OF THE STUDY

The topic of a PMS is a very sensitive topic because it involves employees, employers and also acts as a decider for the performance of the enterprise, which in turn has an impact on the employees' rewards. If it happens that the employees do not agree with, or are not happy about, the PMS, they might not be willing to take part in the PM process because they do not value it. Again, if a PM appraisal is completed and subsequently there is no intervention to improve the performance of the employees, it might be regarded as a useless exercise that is not valued by anyone in the enterprise.

The PMS should specify the goals that need to be achieved and then identify the performance difficulties likely to be experienced by employees in order to achieve their goals and provide a means of closing the gap between success and failure. When employees have achieved the desired performance goals and exceed the organisation's expectations, there should be a reward system in place to motivate employees.

As alluded to earlier in this chapter, the performance appraisal results at Eskom indicate that overall employees at this institution are excellent performers, while on the other hand, the individual Business Unit used in this study shows only a normal or less than good performance. It is envisaged, therefore, that the study would help to identify specific performance issues, and offer recommendations that would help Eskom ameliorate the identified problems.

1.8 ETHICAL CONSIDERATIONS

Saunders *et al* (2009) declares that research has to conform to academic research etiquette and all written conventions at all stages of the research process. The etiquette that this study conformed to includes the following:

- Literature used for the study was referenced and sources clearly indicated;
- Care was taken to ensure that the research did not contain unnecessary information or information directed at incorrect or irrelevant problems;
- The questionnaires were designed in such a way that they protected the anonymity of the respondents during and after the completion of the project;
- There was no intentional or deliberate misrepresentation of research methods or results. An adequate description of the methods utilised and the original questionnaire employed was made available to the promoter.

In addition, the research project was registered with the Ethics Committee of the North-West University (NWU). The necessary forms were completed and submitted for approval by the Ethics Committee.

1.9 STRUCTURE OF THESIS

Chapter 1: Introduction

Chapter 1 introduces the study and provides the background information. The area of research has been defined as well as the necessity for executing the study. The objectives of the study are also set out in this chapter as well as the problem statement and research questions.

Chapter 2: Performance appraisal

This Chapter comprises a literature review of PMSs and performance appraisals wherein theories on PM processes were researched.

Chapter 3: Research Methodology

In this chapter the methodology used for this study is explained.

Chapter 4: Findings and Analysis

Chapter 2 delineates the findings based on the data collected, analysed and interpreted.

Chapter 5: Conclusion

This chapter presents the Conclusion and Recommendations of the study. The Recommendations were made for the benefit of both the management of the SOE and for academia for future studies in similar fields. In addition, the limitations of the study are also presented.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter reviews current literature on PMSs and their impact on employees' productivity. The chapter initially defines PM and PMSs, and how performance appraisals impact employees' productivity. The next section discusses how Human Resource Development Systems (HRDSs) help individual employees meet their own and company goals. The last section discusses how the reward system helps employees achieve the agreed goals.

2.2 PERFORMANCE MANAGEMENT

According to Buckingham and Goodall (2015) PM is the total arrangement of collecting data that flows down to the company's employees, to attain feedback or response for the improvement and benefit of the company. Pulakos *et al.* (2015) on the other hand states that PM is the indicator companies use to evaluate or measure the effectiveness of their employees' actions and their impact on the company's efficiency levels.

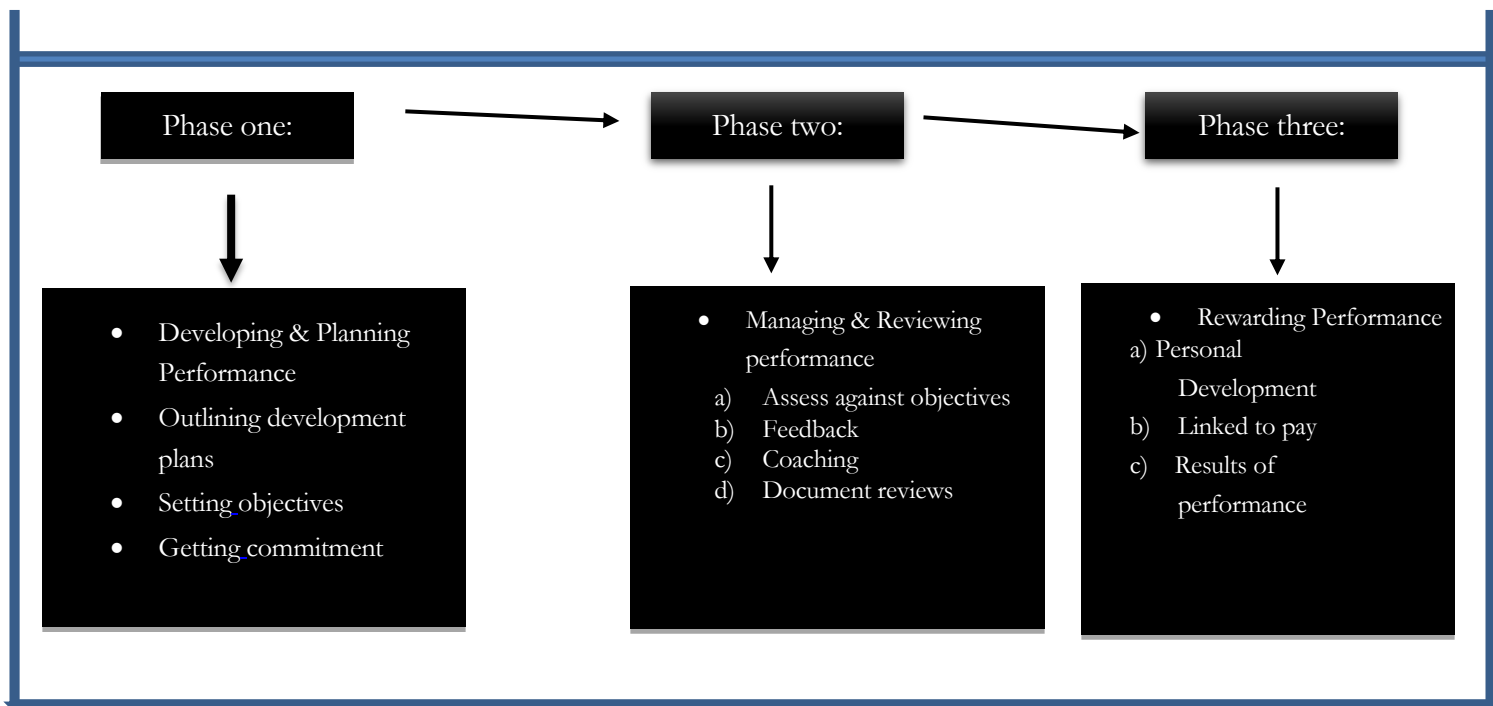
The current definition offered by Mone and London (2018) describes PM as the procedure that merges performance appraisal, development and goal setting into one common company system, whose intention is to guarantee that the performance of the employees fully supports the company's strategic objective. Bititci *et al.* (2018) and Arnaboldi *et al.* (2015) propose that PM means the distinguishing feature that measures explicitly the feedback, standard setting, training and appraisal of the employees, relative to the way the employees' performance must be, as well as their input towards realizing the company's objectives and goals. This study assumes the latter definition of PM.

2.2.1 Performance Management System

Alam (2017) contends that the term Performance Management System means the formal, data-based procedures and routines that company managers employ in maintaining or altering patterns in company activities. Okwire *et al.* (2018) defines a PMS as the non-financial and financial data that has led company management into managerial decision-making processes and actions. However, this research study adopts Franco-Santos and Otley's (2018) definition that the PMS involves the integrated review and planning procedures that flow down the company ranks, thereby offering a connection between overall company strategy and individual staff members' contributions.

According to Ujjwal (2017), Performance Management System means the procedure of formulating a workplace setting or environment wherein individuals have the capacity to undertake tasks that utilise their full capacities. PMSs are continuous processes of measuring, developing and identifying team and individual performance as well as aligning these performances to the company's strategic goals. The PMS begins when a job is defined as needed and ends only when the employee leaves the organization. It is a continuous process of (a) identifying, (b) measuring and (c) developing employees' performance potential (Ujjwal, 2017:361).

Figure 1: Performance Management System



Source: Taba (2018) citing *Schneider, et al. (1987)*

2.2.1.1 The International perspective on Performance Management Systems (PMSs)

The differences in the public sector PMS implementation approaches are a result of the differences in countries' cultures. Furthermore, determining the criteria of performance in relation to the agencies' objective is the main problem experienced when evaluating the job performance of SOEs' employees around the globe (CIPD, 2018). Therefore, it is justifiable to make a generalized assumption that the PMS's measures for employee productivity fit all the companies worldwide because the decisions makers are unaware of the objectives' implication until a careful and extensive examination of data has taken place. Such problems are exacerbated with the intensification of events beyond the control of the employees (Civil Servants), which result in difficulties related to finding and establishing the uncertain block (Rasid *et al.*, 2017).

CIPD (2018) maintains that in the light of the waning economy, as well as a public outcry advocating accountable and transparent governments, most national governments across the world, including South Africa, are adopting a PMS. Therefore, governments such as the South African government, are now trying to enhance the service level to their communities through a focus on employee attitude. It is now a key priority of the South African government to adopt performance appraisals as a means of improving service performance in public organisations and other SOEs. For many nations, PMSs or Performance Indicators are an approach to displaying public sector accountability (Nxumalo, *et al.*, 2018).

PMSs are a motivation for the South African government to handle the efficient provision of services because the benchmark creation for the year-to-year improvements is contributing to better provision of services, as an approach to providing the public with information on the way government funds are being spent, via the published indicators of performance (Baloyiet *al.*, 2014). However, such practices require reforms in management and supervision, timely and reliable evidence, and suitable skills for supervising the political will in South African SOEs (Behery *et al.*, 2014).

Hofstede's theory of cultural dimensions maintains that PMS techniques established for a particular setting may be hard to implement in another location (Jardioui *et al.*, 2017). For example, a 360-degrees review of employee performance seeking feedback on performance of the employee can be held desirable and appropriate for the United States of

America but not for collectivist cultures such as China (CIPD, 2018). From the facts presented above, PMS application varies according to the culture and setting within companies.

2.3 EMPLOYEE PRODUCTIVITY

The Organisation for Economic Co-operation and Development (OECD) (2018) defines Productivity as the relationship between the volume of output and input. Productivity evaluates how a company is efficiently using inputs of production, such as capital and labour, to generate the anticipated output level. Productivity defines the company's financial growth as well as its competitiveness and, therefore, the basic numerical data for international comparison and company performance assessment and management. Companies use their productivity data to examine the effect of labour and product market rules on financial performance. The productivity of a company allows company analysts to ascertain utilisation of capacity that resultantly allows it to measure its financial position in the commercial cycle, as well as forecast monetary growth. Companies use economic capacity to measure inflationary and demand pressures.

To Delmas and Pekovic (2018), employee productivity is the measure companies employ at personal levels, based on the assumption that general productivity can be broken down into progressively smaller units, and the PMS can be employed, for instance, in allocating some sanction or benefit based on the employee's performance. The OECD (2018) defines labour or employee productivity as the total amount of hours worked per person. Employee productivity reflects partially the productivity of an employee with regard to the personal abilities of the employee or the intensity of their effort (OECD, 2018). The relation between the measure of output and employee input is dependant, to a great extent, upon the occurrence and/or employment of the rest of the inputs, such as transitional inputs, capital, technical efficiency and organisational change, as well as the economies of scale.

2.3.1 Determining employee productivity

The OECD (2018) shows that there are several measures or determinants of employee productivity. The option between them is dependent on either the intent of such measurement of productivity or availability of data. Gross Domestic Product (GDP) per worked hour is one of the widely employed measures of employee productivity.

Delmas and Pekovic (2018) maintain that even after governing work tenure, the level of informal and formal training determines employee productivity. The length of time that an employee spends on training activities has some positive impact on their productivity and wage changes. On a smaller scale, however, the education of the employee and the influence of worker unions also have some constructive impact on the practical levels of worker productivity, regardless of it being smaller than the pragmatic impact of the wages. Both the employees' current work tenure as well as previous experience has a significant and positive impact on productivity and wages. The results of the impact emanate from and in wage (a) levels and previous experience productivity and (b) current wage changes, levels and work tenure productivity. Additionally, experience determines a portion of the pay-productivity relationship.

From the discussion above, the main determinants of employee productivity are the wage levels, work experience, level of education, and, to a smaller extent, training and the influence of worker unions.

2.4 PERFORMANCE MANAGEMENT SYSTEM AND EMPLOYEE PRODUCTIVITY

2.4.1 Impact of performance appraisals on employee productivity

Performance appraisals are a central component of the PMS system intended to effectively manage, offer feedback on performance of the employee and communicate success to the individual by reporting frequently on the progress of the team. Such performance appraisals make workers appreciate themselves and the company management as well as helping them to understand the significance of their input towards achieving the company objectives (Panda and Pradhan, 2016). Performance appraisals help evaluate the usefulness of the entire company process as well as its influence on overall company performance, with the intent of permitting the making of improvements and changes, as well as providing feedback to the company and individual employee about their real performance (Denisi & Smith, 2014).

A company's effectiveness is reliant on its employee quality (Panda and Pradhan, 2016). There must be provision for the selection and engagement of the right persons, who are motivated to work, into the company. The company must run sound employee training programmes and make appropriate promotion decisions to fill non-entry levels. The company must run an effective employee performance evaluation system for the selection,

employment and training of employees because this process will provide the desired information for making most of the crucial administrative decisions and pronouncements. An effective employee performance evaluation system is a key in motivating staff into utilizing their capabilities to pursue the goals of the company. However, upon checking and evaluating the employee feedback, companies or managers must ensure the availability of 'pay-for-performance'.

Denise and Murphy (2017) contend that performance appraisals cause challenges that can detract from the implementation of an effective process of management. In the majority of the circumstances, the challenge facing PMSs occurs at the mechanical, practical and structural levels of performance. From time to time, company supervisors, managers and employees are sceptical of performance appraisals and their processes and thus are not convinced of the value of conducting such appraisals because they feel that these evaluations simply represent extra work.

Executing an organized process of performance appraisal is a difficult task since it generates extra work for the company supervisors. The process places pressure on employees and forces them to establish specific goals and adopt the behaviours necessary to achieve these goals (Dusterhoff *et al.*, 2014). Iqbal *et al.* (2015) contend that the performance appraisal process often places company supervisors and employees in a difficult position in which the employees can feel they are being unfairly judged and resent being 'graded' in the same manner as school children by the company. Company managers find it hard to simultaneously remain constructive and candid when undertaking a performance appraisal that entails a negative response. Nevertheless, to realize its objectives and goals, a company requires an effective structure for providing periodic objective performance feedback to its employees (Harrington and Lee, 2015).

Performance appraisals communicate the company's performance expectations and enhance worker productivity by constructive responses or feedback. Companies must provide reports on underperformance leading to unsatisfactory productivity for the purposes of analysis (Jacobs, *et al.*, 2014:76). The effective motivation of company employees remains essential for improving their work performance. For the company to effectively communicate its performance expectations, it must create a criterion for defining the ways employees, through skills and performance, can have a more meaningful influence on the company's productivity. It is essential for companies to design and establish job

performance descriptions that provide guidance on every activity employees must undertake (Kim & Holzer, 2016).

Performance appraisals nurture commitment, share understanding and construct positive workplace relations. Such assessments also structure positive client and company, employee and management, and co-worker and employee relations, that result in the successful accomplishment of both company and employee goals. A company that effectively implements a fitting performance appraisal strategy is a firm that simultaneously performs well thus attaining its set objectives (Hofstetter & Harpaz, 2015). Unfortunately, one of the negative results of company performance appraisals for employees who underperform can be termination of their employment. There is a strong connection between poorly managed performance appraisals and the level of employment termination in all SOEs, especially those involved in public administration at various service structure levels. The generally-accepted answer to the negative performance appraisals and subsequent employment termination policy is for SOEs to guarantee that their employees are allowed to receive two successive negative performance appraisals before their employment is terminated (Ellington, & Wilson, 2017).

Yearly performance appraisals are learning events (Cheng, 2014) that encourage and help Individuals to reflect on their approach towards being 'developed'. It is specifically through such practices as role-explanation, improved processes of self-regulation and efficacy, and the formation of good conduct rewards, that feedback possesses a strong constructive impact on individual and group performance. In the same way, actual performance could also be compared to the desired performance, whereby the existing performance outcome is evaluated, and a development plan is set based on the detected weakness. This comparative approach also provides a feedback mechanism to employees (Deepa *et al.*, 2014).

Managers of performance appraisals should consider offering qualitative and quantitative standards as vital elements to managing employee performance and arbitrating individual worker and company performance progress. Individual workers resultantly must know of these standards if they are to inspire them to make them key performance aims. Performance appraisals are learning events wherein individuals are encouraged to deliberate on the ways of development and, thus, performance feedback potentially benefits workers in terms of team and individual performance (Motro & Ellis, 2017).

Effective employee performance feedback is a vital performance appraisal activity and PMS component that possesses the capacity to improve employee motivation, work satisfaction and engagement (Bull, 2018.). Performance feedback comprises information on the past behaviour of an employee in terms of conventional employee behaviour and result standards. Effective employee performance feedback must be specific, timely and, naturally, behavioural and available from a reliable source. Sandalika and Jayasekara (2017) state that improving team spirit; better individual performance, employee motivation, engagement and work satisfaction are amongst the goals or objectives of performance feedback. Since the impact of performance feedback varies from company to company, factors such as feedback source characteristics and message, as well as issues of timing, namely frequency and the amount of feedback the employees receive, together with attitudinal feedback outcomes, determine the impact of performance feedback on company and employee productivity (Sofyani *et al.* '2018).

2.5 HOW THE HUMAN RESOURCE DEVELOPMENT SYSTEM ASSISTS INDIVIDUAL EMPLOYEES TO MEET THEIR INDIVIDUAL AND ORGANISATIONAL GOALS

Liu *et al.* (2017) state that Human Resource Management System (HRMS) is the kind of Human Resource (HR) structure or software which combines processes and systems to guarantee easy administration of HR issues, business data and processes. Businesses use the HRMS to merge necessary HR functions such as storing worker information, handling payrolls, processing recruitment data, administering rewards and benefits as well as trailing records of attendance. The HRMS guarantees that records are easy to access and thus facilitates the manageability of daily HR processes (Guest, 2017).

The challenge facing SOEs and other companies is ensuring all managers, supervisors and executives are employing best business practices and suitable methods in offering feedback to employees as well as coaching them in the company's objectives and mission. The HRMS permits continuous development and training and is also responsible for all issues related to the training of employees (Jackson *et al.*, 2014). Coaching and training are vital development and learning tools. In offering related support and advice, the HRMS assists companies in developing programmes for induction, task training and deployment. The HRMS provides answers as to how well the company managers are being trained in giving employee feedback and coaching.

The company's effectiveness is reliant upon employee quality. An effective HRMS recruits the right individuals, motivates them to work to their full potential and takes fair decisions on personnel's training and promotion. The HRMS offers updated data required for managerial decisions. The system is crucial for motivating employees into utilizing their capabilities while pursuing the company's goals. Development opportunities are appreciated only when employees capitalize them themselves (Liu *et al.*, 2017). The HRMS helps the company to encourage and assist its employees but also develops successful activities to ensure that individuals are involved personally in their own progress.

HRMS helps companies and employees to have a mutual goal or objective. The foundation for any company's development activity is an unequivocal acceptance and understanding of common aims by both the employee and company. The energies expended are far more successful when company and employee goals are accepted and understood. There is a constant introduction of new skills and knowledge in this era of technologies (Kramar, 2014). However, the HRMS allows continuity to employees of long standing who are not necessarily *au fait* with the latest technological developments and grants them leeway if they are unable to remain 'up-to-date' in terms of technological information or skills.

Another impact of HRMS is worker development. Employees can become more productive and attain satisfaction in the accomplishment of individual objectives and work recognition if they increase their individual knowledge or skills. For the company, employee development means achievement of competitive advantage since competent and highly motivated teams and efficiently trained workers have the capacity to use advanced technologies. The continuous training that companies offer through the HRMS needs to be planned thoroughly with consideration given to past, present and future workers' needs as well as facilitating the acquisition of new skills. Effective coaching and training courses implemented through the HRMS improve the quality and quantity of company output, increase the chances of company success and decrease the company's expenses and costs (Albrecht *et al.*, 2015). Consequently, coaching remains an increasingly recognized company responsibility and plays a vital role in improving the working life of employees. For companies with an effective HRMS coaching is natural, occurs during the appraisal meetings and is undertaken throughout the financial year.

Training activities in the HRMS are ideally centred on the performance gaps in the company's operation that are identified during the performance appraisal phase. The

HRMS should link focused, specific and relevant training of employees to their acknowledged performance gaps. Relevant development and training interventions, as well as regular employee performance feedback via the HRMS, ensures the continuation retention of employee skills.

Stone *et al.* (2015) agrees that the HRMS allows tight alignment of the process of the PMS's development and training strategy with the company's general orientation strategy. Development programmes reflect succession plan needs and foster managerial and leadership capabilities and skills. Therefore, SOEs must establish a well-structured HRMS and steps which will guarantee adoption of quality training. The HRMS helps in the consideration and assessment of employee training & objectives' needs after reviewing the results of the performance assessment. The system also helps in the selection of training and employee trainee goals to ensure that the employees and company benefit from training programmes. The company's training objectives ensure that appraised needs are serviced. Once training objectives and goals are established, the HRMS allows companies to determine how they will conduct such employee training. The HRMS allows companies to select both the training programme's techniques and trainers and also permits consideration of the employees' abilities when designing employee training programmes (Ramadevi *et al.*, 2016).

The HRMS, therefore, assists individual employees realize their goals as well as company objectives by offering a platform for them to acquire or sharpen the capabilities needed to undertake various roles, linked with their present or anticipated future roles. The HRMS also assists individual employees to discover and exploit their personal inner capacities for the benefit of the company and/or own development objectives. The HRMS develops a company culture through which supervisor-subordinate relations, collaboration and teamwork amongst the sub-units remain strong, thus contributing to the expertise, well-being, pride and motivation of the employees.

2.5 THE REWARD SYSTEM AND EMPLOYEE ACHIEVEMENT OF AGREED GOALS

Rewarding worker performance happens at the close of the performance period with events such as assessment of employee accomplishments and skills, and discussion with the employees concerning their status of evaluation (Jain & Moreno, 2015). To permit improvements and changes, the reward system appraises the efficiency of the entire PMS

process as well as its input to general company performance. Similarly, the reward system avails feedback to the company and individual employees about their real performance. Monetary appraisal ranks as a valuable device for encouraging a passion for work in employees. At such a time, company managers must focus on employee development to ensure that employees further improve their performance and future career progression (Sandalika & Jayasekara, 2017).

Rewards are important instruments for aligning employee behaviour with company interests. More specifically, 'pay-for-performance' denotes the practice of rewarding that connects the employee's increase in pay to their performance. Pay-for-performance can, be used, therefore, in directing, sustaining, and motivating the desirable behaviour in the employee, such as sharing of knowledge, creativity, customer and quality satisfaction (Okwir *et al.*, 2018).

Pay-for-performance institutes a criterion of behavioural improvement for reward allocation, thereby underpinning employee behaviour alignment with company objectives and values (Han *et al.*, 2015). If the employee attains his performance objectives, then such employee receives an increase in pay. Pay-for-performance remains a visible and simple connection between performance and pay that also recognizes the employee for the specific accomplishment level, thereby, nurturing favourable occupation attitudes, such as commitment and satisfaction. Therefore, the effectiveness of pay-for-performance has a direct influence on high levels of service quality and desirable work attitude (Basch *et al.*, 2015).

Cappelli and Tavis (2016) maintain that companies and their managers must provide pay-for-performance after checking and evaluating employee feedback. Monetary appraisals are a useful instrument for igniting employees' work passion. At this rewards stage, the company managers must concentrate on developing employees to enhance their performance and future professional progression. Rewards embody important devices through which worker behaviours are aligned with company interests.

Pay-for-performance delivers worker behavioural principles for which a company assigns rewards and, resultantly, underpins aligning company objectives and values with worker behaviour (Nisar *et al.*, 2016). Therefore, if workers achieve their performance aims they will attain a pay increase. Such a visible and simple connection between performance and

wages recognizes the worker for achieving specific accomplishment levels, nurtures the favourable workplace attitudes of commitment and satisfaction. For the reasons above, the effectiveness of pay-for performance structure has a direct impact on the company's required high service-quality levels as well as the desirable work attitude of employees.

In the final stage of the PMS, rewarding employee performance entails individual development, ultimate evaluation as well as the process of rewarding. Monetary appraisal, therefore, becomes a valuable instrument for driving employees' work passion. As mentioned earlier, monetary rewards motivate positive energy in workers, such as commitment and satisfaction. Consequently, an effective pay-for-performance system positively influences employees' desirable workplace attitudes and productivity.

The PMS phase of rewarding performance consists of three key activities: personnel development, identifying the results of performance appraisals and linking performance to pay (Nisar *et al.*, 2016). The individual development function covers acceleration of people's growth beyond that which would normally and naturally occur, as well as maximizing the contribution of the employees to group and personal goals. In every rewarding system, personnel development entails self or individual involvement. The development opportunity is only valuable if individuals make the most of themselves. In fact, while the company should and can avail help and encouragement, the activities of development are only successful to the extent that individual employees become personally engaged in them.

Hamukwaya and Yazdanifard (2014) state that the premise of any rewards system in a company should be a clear understanding by both the employee and company of the mutual aim and goal. The energies expended by both the company and employee shall succeed when there is a clear acceptance and understanding of each party's objectives. The company has to offer a common and general opportunity to all employees to claim rewards rather than select certain individuals and only offer them opportunities and the resultant rewards. The implementation of this individual PM practice in some SOEs, makes it difficult for these companies to formulate long-term estimations on the drive, growth and ambition potential of all the individuals in their employment.

The reward system is premised on employee planning. Development is subjective and must be personalized to fit the individual and situation because any endeavours to confine

everybody within an identical model might result in a waste of company effort (Wasiu & Adebajo).

Wahyono *et al.* (2018) state that companies must, therefore, design their rewards system to firstly advance performance on an employee's present job before preparing the worker for any pay increase or promotion. Workers who receive pay increases or promotions are those with outstanding workplace input who have demonstrated their capacities to undertake greater responsibilities. The rewards system offers continuity in those workers who abandon their efforts to update their knowledge and/or skills eventually become obsolete in the workplace. There is a constant introduction of new knowledge and skills in the world of rapid technological evolution and this situation should be reflected in the rewards system and employee development. For workers, if there is an increase in personal knowledge and/or skills, there is an increase in personal value and satisfaction, through the attainment of individual objectives and professional or company recognition.

For the company, a decent rewards system has the capacity to help it attain a competitive advantage since the company will possess effectively trained workers, more highly motivated teams and better qualified personnel capable of utilizing advanced technologies. Additionally, the activities of training are ideally founded on the performance gaps identified by the PMS during the phase of performance appraisal. The rewards system is only effective, focused, relevant and specific after the linking of employee training and performance appraisal to the identified gaps in employee performance (Vasset, 2014). Relevant development and training interventions, as well as consistent performance feedback, remain important features of the reward system and retention of employees' knowledge and skills.

Therefore, there must be an alignment of the rewards process or system with the company's development strategy, employee training and general retention policy. With a greater interest being shown towards pay-for performance strategies that are focused on the small employee teams or groups, the company's development programmes reflect the company's succession needs and plans to promote leadership abilities amongst employees. Small employee group wage plans offer financial rewards because the groups or teams measured; performance provides the necessary incentive for such compensation (Nisar *et al.*, 2016).

For employees, the rewards system is a way of checking and evaluating feedback. Companies run several corporate scorecards for the entire business but similarly have different scorecards for every employee that feeds data into the general scorecard. The preliminary process in any system, including the rewards system, is translating the company vision to build a compromise around the strategy and vision of the company. From the financial or wage perspective, companies form profit measures with the reward system for both employees and organization's performance (Ujjwal, 2017). Financial productivity measures include the employee value such as added monetary value, growth and profitability attained through growth in sales volumes and reduction in costs, solvency and liquidity resulting from improved inventory turnovers and the ratio of the debt to company assets.

The procedures required from the internal business procedures' perspective are summarized in the value chain of the company (Hamukwaya & Yazdanifard, 2014). However, the company must improve internal process such as asset utilization and the system of rewarding employees to attain functional excellence. Managers use the rewards system to define the skills and capabilities of the employee, the technologies needed, and the corporate culture required to reinforce the company strategies. Companies, therefore, must take care to assess the efficiency of their Research and Development (R&D) process to enable the treatment of worker retention, productivity and employee suggestions as a measure of performance (CIPD, 2018).

In the rewards system, pay-for-performance is a tool for assessing employee performance. Employees perceive the differences in pay as fair practice if the rewards system provides them with information on the process of appraisal and allows employees a discussion on the appraisal outcomes. The rewards system focuses on availing financial rewards through carefully planned systems of compensation that centre pay or wages on the measured employee performance against known aims and goals.

2.6 CHAPTER SUMMARY

This chapter reviewed literature on PMSs and their impact on employee productivity. This review indicates that PMSs influence positively the employee motivation and the company's employee retention and attraction designs, resultantly affecting the capability of the available individuals to perform company tasks.

PM is also about ensuring that workers perceive as fair the procedure of performance appraisals and the linking of pay to appraisal outcomes. Most of the time an accurately designed PMS within the company occasion better company and employee performance outcomes. Reward systems contribute substantially to company and employee performance in two key-ways. The next chapter discusses the research methodology used for the collection of data.

CHAPTER 3

RESEARCH METHODOLOGY AND RESEARCH DESIGN

3.1 INTRODUCTION

This chapter describes the methods of data collection employed for this research project. It covers the research methodology and design, population of the study, the sample size used for the study, the data gathering tools, the data analysis techniques and interpretation of results. This chapter also confirmed the validity and reliability of the method as well as the ethical considerations.

3.2 RESEARCH METHODOLOGY

Research methodology is defined by Williams (2007) as a general approach that a researcher follows in a research study to explore the specific research question. According to Bryman *et al.* (2014) there are two main research approaches, namely qualitative and quantitative methods. Bryman *et al.* (2014) defined quantitative research as a unique research approach that involves the gathering of numerical data to make deductions on the relationship between theory and the research practice. This approach is used mainly for natural science research and involves the collection of objective numerical data that reduces or eliminates bias by the researcher. In general, the quantitative method makes use of structured questionnaires to gather numerical data. The researcher is able to collect data objectively from a large sample and thus ensure its internal validity.

According to Khoo (2012), research objectives spell out what the research is designed to explore measure or explain. It is imperative, therefore, that after identifying the research problem, the researcher develops research objectives. It is against the above background that the research problem for this study was identified as the existence of a misalignment

between the performance results of employees and the productivity of the Eskom Komati Power Station (referred to as Eskom KPS throughout the rest of this chapter). While the employees' performance scores seem to be excellent, the performance level of this power station keeps on deteriorating.

The Research objectives for this particular study can be delineated as:

- Determine the extent to which individual employee goals at Eskom KPS are aligned to organisational goals and objectives;
- Determine whether performance appraisals at Eskom KPS measure the extent to which individual employees meet their individual and organisational goals;
- Determine the extent to which HRDSs at Eskom KPS assist individual employees meet their individual and organisational goals; and
- Determine the extent to which Eskom KPS reward employees for exceeding their agreed goals.

3.3. RESEARCH DESIGN

Creswell and David (2018) define research design as the predetermination of the analysis of data and conditions of collection in ways combining the study purpose and significance. The research design aims to provide a guide on relevant evidence required to answer the research questions in the most unambiguous way. It is a detailed action plan of what needs to be done to ensure a successful completion of the research project. Yin (2017) maintains that that it is, therefore, important that the study has an impression of the evidence needed before even deciding on the sampling method, methods of data collection and questionnaire designing. This study preferred the cross-sectional correlation descriptive design; a study design that seeks to employ correlation statistics for the description and measuring of the relation between employee productivity and performance management system (Yin, 2018). Also termed cross-sectional examination, transverse studies and prevalence studies, cross-sectional studies are a kind of observational analysis that analyzes information from the target population or representative subsection at some definite point-in-time (cross-sectional information).

The cross-sectional correlation descriptive design is non-experimental because there was no deliberate intervention on the participants. Survey Questionnaires were used for data collection from ESKOM employees and the outcomes populated. The justification and/or

intention for the use of the design the cross-sectional correlation descriptive design was to find out if performance management systems are effective in occasioning of employee productivity in the selected SOE.

The research design delineates the structure of the investigation in such a way as to ensure the attainment of answers to the research objectives. A research design is thus a preliminary plan for conducting research. According to Cooper and Schindler (2003), a broad research design consists of different elements, such as the type of research design, focus, time and conditions. These elements, as applied to the study at hand, are briefly discussed below.

In this study, a formal research design was used to help attain the objectives of the study. This qualitative study followed a two-stage research design. The first stage included an extensive literature study of secondary data on PM processes. The literature study comprised an examination of journal articles, research reports, internet searches and textbooks that covered relevant issues pertaining to the subject under investigation.

The second stage entailed conducting a formal descriptive study to investigate the objectives mentioned above. At these stage employees at Eskom KPS were questioned by way of structured questionnaires and their responses collected. The researcher executed a *post factum* design; which implies that the researcher had no control over the variables in the sense of manipulating them. The researcher was only able to describe/report on the importance of the choice factors in the participants' selection process and other related issues.

3.4 POPULATION OF THE STUDY

Creswell and David (2018) define population of study as a group of individuals, taken from the general population, who share a common study characteristic. Yin (2017) states that study population means the subjects or persons on whom the research is conducted. The study population, therefore, covers the aspect of collection on which the research findings are established. For this study, the targeted population comprised 330 workers across the Operating, Maintenance, Engineering departments and other support services in Eskom KPS.

3.5. SAMPLE

Sampling can be defined as the process of selecting the parts of the population who will participate in the study (Rahi, 2017). Bryman *et al.* (2014) concluded that the goal of research is to collect data that is a true reflection of the entire population. Sample size is influenced by cost, time available for the research, risks and the problem being addressed. When conducting a quantitative research study, samples and non-response numbers are essential factors to consider. Bartlett *et al.* (2001) provide a table for guidance when determining the appropriate sample size. Bartlett *et al.* (2001) states that in a population of 8 000, the sample size of 119, with a margin error of .03 for continuous data, is appropriate.

A sample frame is a list of population members used to obtain a sample (Aaker *et al.* 2005). Freedman *et al.* (2007) state that a sample frames must meet the following criteria:

- It must represent all the elements of the population;
- There must be no duplication of elements; and
- It must be free from foreign elements.

Based on the population of 330 a sample of about 50% is expected as per the guideline of Leedy and Ormrod (2015) who cited (Gay, *et al.*, 2012) based on the population of 330, the size was calculated using Slovin's formula:

$$n = \frac{N}{1 + Ne^2}$$

Where n denotes sample size, N is the population size and e is the margin of

(Tejana & Punzalan, 2012). Based on 95% confidence interval the sample size is 181. In this study, therefore, the sample consists of employees from Eskom KPS Business Unit comprising a total of 181 respondents.

3.6. DATA GATHERING METHOD

Data collection refers to the way in which data will be collected in the field. Primary data can be obtained either by quantitative or by qualitative methods. Qualitative research methods intend to gather in-depth, detailed information through methods such as in- depth interviews, projective techniques and focus groups (Welman, 2005). Quantitative research methods

focus on gathering a large amount of information through surveys such as mail, telephone etc. According to Bhengu (2015) a quantitative survey is especially appropriate for collecting relevant data only since it forces participants to focus on the scope of the study. Furthermore, quantitative surveys are adequate for conveying findings in a quantifiable manner through tables and pies. These methods are useful in exploratory research and are appropriate for hypotheses generation (Du Plessis & Rousseau, 2005).

Quantitative methods are systematic and structured and aim to obtain information from respondents in a direct, open manner. Results obtained from these methods are easily quantifiable and have a potentially high degree of accuracy. These methods are often used for testing hypotheses (Du Plessis & Rousseau, 2005). The primary advantage of quantitative methods is that a large quantity of data about the individual respondent can be collected at one point in time. These methods are also very versatile, because they can be applied in virtually any setting and can be adapted for almost any research objective (Aaker *et al.*, 2005).

Tustin *et al.* (2005) define self-administered questionnaires as a traditional paper questionnaire used for surveys. Self-administered surveys allow respondents to complete the questionnaire themselves. Data collection through such written communication requires respondents to record their responses to the research questions in writing. Although this method reduces cost because no interviews are needed, there are some disadvantages, such as the high no-response rate, respondents not understanding some questions and no interviewers being present to clarify these questions.

A questionnaire is defined by McDaniel and Gates (2001) as a set of questions designed to generate the data necessary to accomplish the objectives of the study. It is guided by the research questions and serves as a data collection tool (Punch, 2003). A questionnaire provides standardization and uniformity in the data gathering process. It standardizes the wording and sequence of questions and ensures that every respondent sees and/or hears the same words, and every interviewer asks identical questions. It can be seen, therefore, as a control device. According to Webb (2002) a questionnaire is designed for four purposes;

- To maximize the accuracy and relevancy of information being obtained;
- To maximize the participation of relevant elements in the sample;

- To facilitate the gathering of information; and
- To meet research objectives.

From the literature study and the PM principles discussed, a questionnaire for this study was developed. This questionnaire comprised 4 variables and a total of 54 questions. In developing the questionnaire, care was taken to ensure its validity and reliability. The instrument was sent to the respondents via email. The instrument was collected in a period of 3 months. The language used to send the questionnaires was English as it is the standard language of communication in Eskom.

3.6.1. Validity

Validity refers to the accuracy of the tool to actually measure what it is supposed to measure and the extent to which a particular measure is free from systematic and random errors (Diamantopoulos & Schlegelmilch, 2009). According to Bischoff and Kade (2010) validity is defined as ‘the extent to which a test measures what it claims to measure.’ The ability of a study to scientifically answer the question it purports to answer is what the term validity refers to. It is imperative, therefore, that the test is valid, thus ensuring the accurate interpretation and application of results (Field, 2000).

The validity of the questionnaire in this study was assessed by means of an exploratory factor analysis because, according to Grayston (2004), Cronbach’s alpha has a theoretical relation with factor analysis. Miles and Shevlin (2001) add that the reason for this association is that Cronbach’s alpha increases with the average correlation between items, so the optimization of it should be stressed, although unidimensionality (that is fit to the one factor model) is a necessary condition for Cronbach’s alpha to be an unbiased estimator of reliability, because its value is not related to the factorial homogeneity. The reason is that the value of Cronbach’s alpha depends on the size of the average inter-item co-variance, while unidimensionality depends on the pattern to the inter-item co-variance (Grayston, 2004).

3.6.2. Reliability

Reliability is defined as ‘*the consistency of a set of measurements or measuring instruments, often used to describe a test*’ (William, 2009a). Thus, reliability means that the scale should consistently reflect the construct it is measuring and, consequently, the quality of measurement is the focus of reliability. Reliability is the ‘repeatability’ or the ‘consistency’

of a specific measure in its everyday sense (Welman, 2005). A research instrument that produces the same results every time it is used, under the same conditions, has a high level of reliability (Field, 2007).

A good and fair measuring tool must always adhere to the criteria of being valid and reliable. As mentioned previously, reliability measures the accuracy and precision of the tool and thus is an index that registers the extent to which measured data is free from random error (Freedman *et al.* 2007). Reliability denotes the ability of a scale to produce a consistent result if repeated measurements are taken. For the purpose of determining the reliability of this study, Chronbach's alpha coefficients testing with a $d = 0.5$ cut-off point (Medium Effect, Cohen) were used in this research study.

3.7 ANALYTICAL AND STATISTICAL APPARATUSES

There was use of statistical tools such as the Statistical Package for the Social Sciences program (SPSS) and alterations depending on the need aspect of study to test the study hypothesis. North-West University's SPSS (Version 25) was used for analysis of data. Descriptive statistics, including frequencies, standard deviations and means were used to evaluate data. The questionnaire's constructive validity was assessed using exploratory-factor analysis. The Cronbach's alpha coefficient was employed in the reliability assessment of the research instruments. The study results are articulated in this document in the format set for research thesis (Koo & Li, 2016).

3.8 RESEARCH LIMITATIONS

The methodological limitations experienced in this study arise from the style of the questionnaire, mostly related to the employee discussions. Politeness, confidentiality and respect were key necessities for many of the company employees who availed the survey questionnaires. The company culture at Eskom emphasizes respect as well as a protocol of seniority such that survey questionnaires from the senior managers or junior department heads always had to reflect politeness and respectful conduct. Therefore, the limitations with such survey questionnaires included the issue of status and seniority at Eskom KPS as well as the type of information the questionnaires required from the participants. While the researcher had to ensure all the questions attained the projected responses, she had to guarantee that the questions did not harm employment contracts or workplace comfort,

since the questions posed covered the individual knowledge, experiences, and opinions of the employees.

The investigator had to keep the questionnaire focused since the questions were intended to assist in persuade participants to answer them. Hence, each survey questionnaire had a different style of answering and flow of reporting. The intent was to facilitate a better explanation by the participants. Since the questionnaire was online, it was hard for the examiner, through the questionnaire to preserve respondent focus on the survey questions. Within such a research paradigm, most key-value issues needed additional attention in the study's qualitative technique.

From the survey analysis and questionnaires, there was an unavoidable bias in value-loaded employee statements and, consequently, in the interpretation and presentation of the study. While the researcher was aware of such concerns and tried to analyse generally, there are many other factors external to the organisation and South Africa that impact the extent to which the PMS drives employee performance (productivity) at Eskom, such as Government policies. Therefore, policy and practice changes in Government procedures are hard to anticipate at any anytime. The researcher had to remain current with the constant changes in Government guidelines and rules. These policy changes affected employees' responses as well as approaches to data analysis and research reporting.

3.9 ETHICAL CONSIDERATION

Minaya (2016) asserts that many academics contend that the issue of ethics in research studies is important since ethics recount suitable behaviour in the conducting of research. The Ethics Consideration concept involves contemplation of the rights of the participants because they are the individuals who willingly become study subjects and have the capacity to damage, or be injured by, the study work.

3.9.1 Informed employee consent

The researcher always carried out prior briefing of participants on the survey questionnaire, as well as on its intent and the conducting of the research. This practice made issues related to the research clear and ensured voluntary participation of the participants and their ability to withdraw from the project before the submission of the replies to, or results of, the questionnaire without penalty (Minaya, 2016). Participants received continuous clarification

of the reasons for conducting the research. For purposes of awareness, there was also a clear description provided to participants as to how the data would be collected and analysed.

The participants were requested to give their consent to study participation consequent upon a clear understanding of the research purpose and objectives by formally signing the consent form accompanying the questionnaire (Weijer *et al.*, 2016). The respondents' consent was recorded together with the notes taken during the briefing sessions, since the study covered employee experiences, policy-making issues and company progress. As a result, the researcher endeavoured to guarantee there would be no revelation, exposure or documentation of the study participants' identity or responses. Creswell and David (2018) insist that researchers have to resolutely reflect on ethical issues thereby continually respecting the need for the participants' consent, as well as assuring them of confidentiality and anonymity. The researcher always informed the participants of the above entitlements.

3.9.2 Risk concerns

The questionnaire methods employed in this study were meant to assist participants to describe the extent to which the PMS drives employee performance (productivity) at Eskom KPS. The research could, therefore, never be considered as altering the knowledge, thinking, feelings, behaviour and attitudes of the employees. The research also focused on only the employees personally collaborating with the researcher, in an attempt to guarantee the attainment of data free from sentimental replies that could easily occasion participant distractions. In essence, there were no threats with regard to the methods of study, thus, the expected study benefits outweighed any potential risks.

3.9.3 Participant Recruitment

Participants in this study had the option to choose a convenient place and time for completing the survey questionnaire. Potential participants received a letter of notification from the North West University as evidence of its gratitude for their research involvement at the introduction of each questionnaire. The participants were briefed on the research project before and after submission of their replies, and were given the opportunity to inquire about the status of the study. Honest answers to these enquiries were given in a language that participants understood.

3.9.4 Participant Privacy

There was confidential handling of all personal data. Such data remained sequestered throughout the research and will be destroyed two years after submission of the completed study. Private information, such as copies of the questionnaire and personal information, was never employed without the consent of the relevant person. On the survey questionnaires the participants' names were replaced with pseudonyms as a means of protecting their privacy. Four aliases were employed to denote the groups of respondents who completed the four questionnaires.

3.10. CONCLUSION

This chapter's objective was defining and describing the research design, approach and purpose, together with the investigation techniques used. The chapter also offered justification for the chosen study methodology. The quantitative research methodology was used to establish a suitable and valid reaction to the research questions because this procedure leads to the development of various research approaches. The quantitative research methodology also guarantees logically structured data arrangement. This chapter also reflects on the research approaches used to select the most appropriate data system. Consequently, the cross-sectional correlation descriptive design was used in this research study because it ensured there was no deliberate intervention into the participants' privacy.

The cross-sectional correlation descriptive design clearly clarifies suitable techniques that can be applied in data analysis and collection. Every methodology of research utilised in this study described the study problem, covered the reviewed literature and also helped in developing frameworks for data collection and analysis. Chapter 3, therefore, defines the survey questionnaire as the preferred data collection approach to addressing identified gaps, study questions, aims and objectives.

Survey questionnaires measure individual attitudes, values or facts. Survey questionnaires are a method of data collection employed to analyse, interpret and collect the different interpretations of both the individual and groups from the target population. This chapter deliberates on why survey questionnaires are often employed as a research instrument for quantitative research. A survey questionnaire efficiently governs data collection procedures and plans and effectively outlines the research procedures and the questions that need answers as well as the format of the research output.

Finally, chapter three offers proof that justifies the application of the survey questionnaire, the quantitative research methods as well respecting the participants' ethical issues. The section discussing the consideration of these issues covers the principles employed in handling specific participant issues.

3.11 SUMMARY OF THE CHAPTER

This chapter deliberates on the research methodology employed throughout the study. In a similar manner, this chapter discusses the study population, sampling design, sampling technique as well as the sample size. Additionally this chapter defines and specifies the instrument of data collection employed in this study, the research procedures followed and the applied techniques or tools used for the data analysis. The following chapter presents the collected data and subsequent study findings.

CHAPTER 4

FINDINGS OF THE STUDY

4.1 INTRODUCTION

The focus of this study was to investigate the extent to which the PMS drives employees' productivity at the SOE, Eskom. This situation was investigated using quantitative research methods, whereby employees of the SOE were surveyed using a structured questionnaire. A total of 330 employees were surveyed, of which 181 responded which equates to a response rate of 54.8% based on the guidelines of Zikmund *et al.* (2010). This response rate was higher than the benchmark of approximately 35% for the online survey, as explained by Nulty (2008).

In this chapter the findings of the study are presented, starting with the biographic information followed by the descriptive statistics and lastly the inferential statistics which investigated the objectives of this study.

4.2 BIOGRAPHIC PROFILE

The biographic profile of the respondents is presented in Table 1. There was a total of 181 respondents to this study of which a total of 40.9% (n= 74) were males and 59.1% (n= 107) were females. The majority of the respondents had a diploma/degree with 95% (n=172), followed by 5% (n=9) who had matric. A total of 22.9% (n=41) were from the Engineering Department, while 15.6% (n=28) were from the Maintenance Department with 12.3% (n=22) from the Operations Department. Almost half of the respondents were from other departments (49.2%). Most of the respondents, 39.8% (n=72), had 11-20 years' work

experience, followed by 28.7% (n=52) with 6-10 years' work experience and 17.7% (n=32) with 20+ years' work experience, the smallest group, 13.8% (n=25), were those respondents with 0-5 years' work experience.

Table 1: Biographic profile of personal details

Variables		Frequency	Percent
Gender	Male	74	40.9
	Female	107	59.1
	Total	181	100.0
Highest Qualification	Matric	9	5.0
	Diploma/Degree	172	95.0
	Postgraduate	0	0.0
	Total	181	100.0
Department	Engineering	41	22.9
	Maintenance	28	15.6
	Operating	22	12.3
	Other	88	49.2
	Total	179	100.0
Work experience in years	0-5	25	13.8
	6-10	52	28.7
	11-20	72	39.8
	20+	32	17.7
	Total	181	100.0

4.3 SECTION A

4.3.1 Descriptive Statistics

Table 2 below presents the descriptive analysis of Section A. The overall mean values ranged from 3.47 to 4.39. The median ranged from 4 to 5. The highest mean value was 4.39 (SD= 1,035) for VAR1, followed by the mean value of 4.15 (SD= 0,806) for VAR3. The lowest mean value 3.47 (SD=1,016) for VAR5, followed by 3,75 (SD=0,990) for VAR12. The skewness ranged from -0.722 to -2.320 with a standard error of 0.181, while the kurtosis ranges from -0.223 to 5.088 with a standard error of 0.359. Therefore, the skewness and kurtosis shows that the data was not normally distributed because the skewness and kurtosis values are not within ± 2 (Hair *et al.*, 2010).

Table 2: Descriptive Statistics for Section A

	Mean	Median	Std. Deviation	Skewness	Kurtosis
VAR1	4,39	5,00	1,035	-2,320	5,088
VAR2	4,11	4,00	0,862	-0,894	1,102
VAR3	4,15	4,00	0,806	-1,179	2,538
VAR4	3,99	4,00	0,885	-1,059	1,837
VAR5	3,47	4,00	1,016	-0,473	-0,632
VAR6	3,77	4,00	1,002	-1,195	1,109
VAR7	4,07	4,00	0,828	-1,277	1,993
VAR8	3,89	4,00	0,822	-0,716	0,301
VAR9	3,97	4,00	0,845	-0,948	1,229
VAR10	3,85	4,00	0,975	-1,007	0,649
VAR11	3,79	4,00	1,082	-1,028	0,488
VAR12	3,75	4,00	0,990	-0,722	-0,223
VAR13	4,09	4,00	0,707	-0,808	1,333

Std. error of Skewness =0.181; Std. error of Kurtosis= 0.359

4.3.2 Factor Analysis and Reliability

The KMO and Bartlett's results of Section A factors are presented in Table 3 below, the KMO was 0.761 with a significance of a p-value of <0.000, a df of 78 and approx. Chi-square of 1025.317. The factor analysis results for Section A which consisted of eleven components that were reduced to form three factors are represented below. Of the three factors, one consisted of 5 items and one of 4 items and the third one had 2 items. The total variance ranged from a high of 37.467 for Goal Alignment to a low of 9.241 for Teamwork, while the eigen value shows a small difference between the Goal Alignment and Teamwork with eigen values of 4.871 and 1.201 respectively, and Individual Goal with a value of 1.678. Furthermore, Goal Alignment shows the highest factor loading of 4.871-2.959 with mean value of 3.7455 (SD=.75000), while factor Teamwork shows the lowest factor loading of 1.201-1.991 with a mean value of 4.0758 (SD=.69390). These factors were all reliable, with Goal Alignment showing a Cronbach alpha of 0.816 which was good, followed by Teamwork with a Cronbach alpha of 0.774 which was also good and Individual Goal with a good Cronbach alpha of 0.725. Goal Alignment and Teamwork had normally distributed data because the skewness and kurtosis values are not within ± 2 (Hair *et al.*, 2010).

Table 3: Factor Analysis and Reliability

Factors	No. of items	Factor loading	% Variance	Eigen value	Cronbach alpha	Mean (SD)	Skewness	Kurtosis
Goal Alignment	5	4.871-2.959	37.467	4.871	.816	3.7455(.75000)	-.678	.329
Individual	4	1.678-2.749	12.909	1.678	.725	4.1508(.66219)	-1.389	4.210

Goal								
Teamwork	2	1.201-1.991	9.241	1.201	.774	4.0758(.69390)	-.763	.973

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .761; Bartlett's Test of Sphericity: Approx. Chi-Square =1025.317

df =78; Sig. = .000

4.3.3 One Sample t-test

The mean values ranged from a high of 4.1508 to a low of 3.7455, the highest mean was Individual Goal with a value of 4.1508 (SD= 0.66219), followed by Teamwork with a value of 4.0758 (SD= .69390), while the lowest mean value was 3.7455 (SD= 0.75000) for Goal Alignment. Based on the hypothesised mean ($\mu_0 = 3.4$) for the neutral point, all factors were statistically significantly higher than the hypothesised mean as is depicted in Table 4 below.

Table 4: One sample t-test

	Test Value = 3.4							
	Mean	Std. Deviation	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Goal Alignment	3.7455	.75000	6.111	175	.000	.34545	.2339	.4570
Individual Goal	4.1508	.66219	15.170	178	.000	.75084	.6532	.8485
Teamwork	4.0758	.69390	12.994	177	.000	.67584	.5732	.7785

4.4 SECTION B

4.4.1 Descriptive statistics

Table 5 presents the descriptive analysis of Section B. The overall mean values ranged from 3.84 to 2.72. The median ranged from 2 to 4. The highest mean value was 3.84 (SD= 0,948) for VAR14, followed by the mean value of 3.83 (SD= 0,923) for VAR15. The lowest mean value 2.72 (SD=1,188) for VAR11, followed by 2.73 (SD=1,309) for VAR1.

The skewness ranged from -0.089 to 0.189 with a standard error of 0.184, While the kurtosis ranges from -0.179 to 2.1.863 with a standard error of 0.366 (except for VAR 14 with a kurtosis of 2.335). Therefore, the skewness and kurtosis values show that the data was normally distributed because these values are within ± 2 (Hair *et al.*, 2010).

Table 5: Decriptive statistics for Section B

	Mean	Median	Std. Deviation	Skewness	Kurtosis
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VAR1	2,73	2,00	1,309	0,184	-1,334
VAR2	3,27	4,00	1,344	-0,523	-1,137
VAR3	3,44	4,00	1,171	-0,794	-0,252
VAR4	3,23	4,00	1,269	-0,465	-0,991
VAR5	2,98	3,00	1,326	-0,216	-1,244
VAR6	2,95	3,00	1,323	-0,176	-1,379
VAR7	3,36	4,00	1,127	-0,573	-0,599
VAR8	3,06	4,00	1,383	-0,200	-1,367
VAR9	3,06	3,00	1,231	-0,089	-1,249
VAR10	3,80	4,00	0,965	-1,058	0,854
VAR11	2,72	3,00	1,188	0,189	-0,847
VAR12	3,37	4,00	1,228	-0,633	-0,793
VAR13	3,57	4,00	1,146	-0,888	-0,179
VAR14	3,84	4,00	0,948	-1,445	2,335
VAR15	3,83	4,00	0,923	-1,209	1,863
VAR16	3,42	4,00	1,186	-0,644	-0,477

Std. error of Skewness =0.184; Std. error of Kurtosis= 0.366

4.4.2 Factor Analysis and Reliability

The KMO and Bartlett's results of Section B factors are presented in Table 6 below, the KMO was 0.886 with a significance of a p-value of <0.000, a df of 120 and approx. Chi-square of 1904.143. The factor analysis results for Section B which consisted of sixteen components that were reduced to form three factors are represented below. Of the three factors, one consisted of 9 items and one of 4 items while the third one had 3 items. The total variance was ranging from a high of 53.205 for factor Performance Appraisals to a low of 8.116 for factor Constructive Feedback, while the eigen value shows a small difference between the factors Performance Appraisals and Constructive Feedback with eigen values of 8.513 and 1.299 respectively, and factor Productivity Improvement with a value of 1.335. Furthermore, factor Performance Appraisals shows the highest factor loading of 8.513-5.191, while factor Constructive Feedback shows the lowest factor loading of 1.299-2.930. These factors were reliable with factor Performance Appraisals showing a Cronbach alpha of 0.934 which was good and a mean value of 3.4378 (SD=.91936), followed by factor Productivity Improvement with a Cronbach alpha of 0.817 which was good and a mean value of 2.9051 (SD=1.05081) and factor Constructive Feedback with a good Cronbach alpha of 0.811 and a mean value of 3.1272 (SD=.05434). All three factors had normally distributed data because the skewness and kurtosis values are not within ± 2 (Hair *et al.*, 2010).

Table 6: Factor Analysis and Reliability

Factors	No of items	Factor loading	% Variance	Eigen value	Cronbach alpha	Mean (SD)	Skewness	Kurtosis
Performance Appraisals	9	8.513-5.191	53.205	8.513	.934	3.4378(.91936)	-.352	-.638
Productivity Improvement	4	1.335-3.025	8.341	1.335	.817	2.9051(1.05081)	-.002	-1.009
Constructive Feedback	3	1.299-2.930	8.116	1.299	.811	3.1272(1.05434)	-.410	-.773

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .886; Bartlett's Test of Sphericity: Approx. Chi-Square =1904.143
df =120; Sig. = .000

4.4.3 One Sample t-test

The mean values ranged from a high of 3.4378 to a low of 2.9051, the highest mean was for factor Performance Appraisals with a value of 3.4378 (SD= .91936), followed by factor Constructive Feedback with a value of 3.1272 (SD= 1.05434), while the lowest mean value was 2.9051 (SD= 1.05081) for factor Productivity Improvement. Based on the hypothesised mean ($\mu_0 = 3.4$) for the neutral point, factors Productivity Improvement and Constructive Feedback were statistically significantly lower than the hypothesised mean, while factor Performance Appraisals was statistically higher than the hypothesized mean.

	Test Value = 3.4							
	Mean	Std. Deviation	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Performance Appraisals	3.4378	.91936	.533	167	.595	.03783	-.1022	.1779
Productivity Improvement	2.9051	1.05081	-6.068	165	.000	-.49488	-.6559	-.3338
Constructive Feedback	3.1272	1.05434	-3.404	172	.001	-.27283	-.4311	-.1146

Table 7: One sample t-test

4.5 SECTION C

4.5.1. Descriptive Statistics

Table 8 presents the descriptive analysis of Section C. The overall mean values ranged from 3.44 to 2.47. The median ranged from 2 to 4. The highest mean value was 3.44 (SD= 1,104)

for VAR5, followed by the mean value of 3.34 (SD= 1,138) for VAR4. The lowest mean value 2.47 (SD=1,085) for VAR11, followed by 2,58 (SD=1,197) for VAR12.

The skewness ranged from -0.085 to 0.322 with standard error of 0.183, While the kurtosis ranges from -0.344 to 0.238 with a standard error of 0.364. Therefore, the skewness and kurtosis show that the data was normally distributed because these values are within ± 2 (Hair *et al.*, 2010).

Table 8: Descriptive statistics for section C

	Mean	Median	Std. Deviation	Skewness	Kurtosis
VAR1	3,27	3,50	1,097	-0,600	-0,344
VAR2	2,69	2,00	1,283	0,322	-1,161
VAR3	2,93	3,00	1,282	-0,085	-1,332
VAR4	3,34	4,00	1,138	-0,546	-0,694
VAR5	3,44	4,00	1,104	-1,038	0,238
VAR6	2,74	3,00	1,190	0,108	-1,148
VAR7	2,91	3,00	1,290	-0,228	-1,333
VAR8	3,07	4,00	1,269	-0,465	-1,132
VAR9	3,14	4,00	1,236	-0,480	-0,954
VAR11	2,47	2,00	1,085	0,196	-0,950
VAR10	3,03	3,00	1,039	-0,645	-0,624
VAR12	2,58	2,00	1,197	0,315	-1,085

Std. error of skewness =0.183; Std. error of Kurtosis= 0.364

4.5.2 Factor Analysis and Reliability

The KMO and Bartlett's results of Section A factors are presented in Table 9 below, the KMO was 0.860 with a significance of a p-value of <0.000, a df of 66 and approx. Chi-square of 1487.885. The factor analysis results for Section C which consisted of twelve components that were reduced to form two factors are represented below. Of the two factors, one consisted of 9 items and the other of 3 items. The total variance was ranging from a high of 56.495 for factor Training and Development to a low of 10.960 for factor Competency Matrix, while the eigen value shows a difference between the factors Training and Development and Competency Matrix with eigen values of 6.779 and 1.315 respectively. Furthermore, factor Training and Development shows the highest factor loading of 6.779-5.263, while factor Competency Matrix shows the lowest factor loading of 1.315-2.832. These factors were reliable with factor Training and Development showing a Cronbach alpha of 0.927 which was excellent with a mean value of 2.9696 (SD=.93505), followed by factor Competency Matrix with a Cronbach alpha of 0.814 which was good with

a mean value of 2.9564 (SD=1.04319). All the factors had normally distributed data because the skewness and kurtosis values are not within ± 2 (Hair *et al.*, 2010).

Table 9: Factor Analysis and Reliability

Factors	No of items	Factor loading	% Variance	Eigen value	Cronbach alpha	Mean (SD)	Skewness	Kurtosis
Training and Development	9	6.779-5.263	56.495	6.779	.927	2.9696(.93505)	-.427	-.400
Competency Matrix	3	1.315-2.832	10.960	1.315	.814	2.9564(1.04319)	-.158	-.723

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .860; Bartlett's Test of Sphericity: Approx. Chi-Square =1487.885
df =66; Sig. = .000

4.5.3 One Sample t test

The mean values ranged from a high of 2.9696 to a low of 2.9564, the highest mean was for factor Training and Development with a value of 2.9696 (SD=. 93505), while the lowest mean value was 2.9564 (SD= 1.04319) for factor Competency Matrix. Based on the hypothesised mean ($\mu_0 = 3.4$) for the neutral point, all factors were statistically significantly lower than the hypothesised mean.

Table 10: One sample t-test

	Test Value = 3.4							
	Mean	Std. Deviation	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Training and Development	2.9696	.93505	-6.036	171	.000	-.43036	-.5711	-.2896
Competency Matrix	2.9564	1.04319	-5.641	175	.000	-.44356	-.5988	-.2884

4.6 SECTION D

4.6.1 Descriptive statistics

Table 11 presents the descriptive analysis of Section D. The overall mean values ranged from 2.17 to 3.25. The median ranged from 2 to 4. The highest mean value was 3.25 (SD=

1,165) for VAR3, followed by the mean value of 3.01 (SD= 1,350) for VAR6. The lowest mean value 2.17 (SD=1,350) for VAR4, followed by 2,36 (SD=1,229) for VAR5.

The skewness ranged from -0.098 to 0.783 with standard error of 0.183, while the kurtosis ranged from -1.272 to -0.468 with a standard error of 0.363. Therefore, the skewness and kurtosis show that the data was normally distributed because these values are within ± 2 (Hair *et al.*, 2010).

Table 11: Descriptive statistics for Section D

	Mean	Median	Std. Deviation	Skewness	Kurtosis
VAR1	2,79	3,00	1,121	-0,263	-1,190
VAR2	2,93	3,00	1,082	-0,098	-0,933
VAR3	3,25	4,00	1,165	-0,410	-1,035
VAR4	2,17	2,00	1,130	0,783	-0,468
VAR5	2,36	2,00	1,229	0,333	-1,251
VAR6	3,01	4,00	1,350	-0,377	-1,282
VAR7	2,54	3,00	1,215	0,259	-0,959
VAR8	2,63	3,00	1,072	0,008	-1,088
VAR9	2,49	2,00	1,216	0,187	-1,368
VAR10	2,37	2,00	1,195	0,329	-1,223
VAR11	2,48	2,00	1,141	0,150	-1,149
VAR12	2,64	2,00	1,261	0,133	-1,272
VAR13	2,45	2,00	1,135	0,102	-1,217
VAR14	2,38	2,00	1,159	0,252	-1,233

4.6.2 Factor Analysis and Relationship

The KMO and Bartlett's results of Section A factors are presented in Table12 below, the KMO was 0.857 with a significance of a p-value of <0.000, a df of 91 and approx. Chi-square of 1543.919. The factor analysis results for Section D which consisted of fourteen components that were reduced to form three factors are represented below. Of the three factors, one consisted of 7 items and one of 5 items and the third one had 2 items. The total variance was ranging from a high of 47.753 for factor Performance Bonus to a low of 7.748 for factor Target, while the eigen value shows a small difference between the factors Performance Bonus and Target with eigen values of 6.685 and 1.085 respectively, and factor Reward System with a value of 1.830. Furthermore, factor Performance Bonus shows the highest factor loading of 6.685-4.407, while factor Target shows the lowest factor loading of 1.830-3.173. These factors were reliable with factor Performance Bonus showing

a Cronbach alpha of 0.890 which was good and a mean value of 2.5445 (SD=.91118), followed by factor Reward System with a Cronbach alpha of 0.847 which was good and a mean value of 2.4983 (SD=.94343) and Target with a good Cronbach alpha of 0.790 with a mean value of 3.0876 (SD=1.02218). All the factors had normally distributed data because the skewness and kurtosis values are not within ± 2 (Hair *et al.*, 2010).

Table 12: Factor Analysis and Reliability

Factors	No of items	Factor loading	% Variance	Eigen value	Cronbach alpha	Mean (SD)	Skewness	Kurtosis
Performance Bonus	7	6.685-4.407	47.753	6.685	.890	2.5445(.91118)	.157	-.504
Reward System	5	1.830-3.173	13.069	1.830	.847	2.4983(.94343)	.006	-.570
Target	2	1.085-2.019	7.748	1.085	.790	3.0876(1.02218)	-.216	-1.052

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .857; Bartlett's Test of Sphericity: Approx. Chi-Square =1543.919 df =91; Sig. = .000

4.6.3 One Sample t test

The mean values ranged from a high of 3.0876 to a low of 2.4983, the highest mean was for factor Target with a value of 3.0876 (SD= .1.02218), while the lowest mean value was 2.4983 (SD= .94343) for factor Reward System. Based on the hypothesised mean ($\mu_0 = 3.4$) for the neutral point, all factors were statistically significantly lower than the hypothesised mean.

	Test Value = 3.4							
	Mean	Std. Deviation	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Performance Bonus	2.5445	.91118	-12.420	174	.000	-.85551	-.9915	-.7196
Reward System	2.4983	.94343	-12.644	174	.000	-.90171	-1.0425	-.7610
Target	3.0876	1.02218	-4.066	176	.000	-.31243	-.4641	-.1608

Table 13: One sample t-test

4.7 PEARSON CORRELATION

Table 14 presents the Pearson Correlation of Goal Alignment, Individual Goal, Teamwork, Performance Appraisals, Productivity Improvement, Constructive Feedback, Training and

Development, Competency Matrix, Performance Bonus, Reward System and Target. The results shows the following: Goal Alignment shows a medium and positive relationship with Individual Goal $r(175) = .466$, $p < 0.01$, Individual Goal shows a weak and positive relationship with Teamwork $r(176) = .286$, $p < 0.01$, Teamwork shows a medium and positive relationship with Performance Appraisals $r(166) = .547$, $p < 0.01$, Performance Appraisals shows a strong and positive relationship with Productivity Improvement $r(160) = .680$, $p < 0.01$, Goal Alignment shows a strong and positive relationship with Constructive Feedback $r(168) = .721$, $p < 0.01$. Furthermore; Training and Development has a weak and positive relationship with Constructive Feedback $r(168) = .391$, $p < 0.01$, Competency Matrix has a medium and positive relationship with Productivity Improvement $r(161) = .487$, $p < 0.01$, while Bonus Performance has a weak and positive relationship with Productivity $r(160) = .268$, $p < 0.01$, Goal Alignment shows a strong and positive relationship with Target $r(172) = .622$, $p < 0.01$ and the Performance Appraisals shows a strong and positive relationship with Target $r(164) = .735$, $p < 0.01$.

Table 14: Pearson Correlation

		1	2	3	4	5	6	7	8	9	10	11
1. Goal Alignment	Pearson Correlation	1										
	N	176										
2. Individual Goal	Pearson Correlation	.466**	1									
	N	175										
3. Teamwork	Pearson Correlation	.432**	.286**	1								
	N	174	176	178								
4. Performance Appraisals	Pearson Correlation	.806**	.457**	.547**	1							
	N	165	166	166	168							
5. Productivity Improvement	Pearson Correlation	.599**	.292**	.304**	.680**	1						
	N	163	165	164	160	166						
6. Constructive Feedback	Pearson Correlation	.721**	.359**	.239**	.696**	.675**	1					
	N	168	171	170	164	162						
7. Training and Development	Pearson Correlation	.271**	0,091	0,062	.432**	.510**	.391**	1				
	N	169	171	170	160	159	168	172				
8. Competency Matrix	Pearson Correlation	.350**	0,120	.290**	.498**	.487**	.491**	.619**	1			
	N	171	174	173	163	161	172	172	176			
9. Performance Bonus	Pearson Correlation	0,071	0,022	-0,066	0,149	.268**	.193*	.654**	.585**	1		
	N	170	173	172	162	160	171	171	175			
10. Reward System	Pearson Correlation	0,124	0,063	.167*	.201*	0,154	.266**	.457**	.531**	.740**	1	
	N	170	173	172	162	160	171	171	175	175	175	
11. Target	Pearson Correlation	.622**	.291**	.277**	.735**	.584**	.655**	.411**	.513**	.252**	.259**	1
	N	172	175	174	164	162	173	172	176	175	175	177

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter offers a discussion on the findings of this research project as compared to the findings outlined in the literature review, the study summary of the extent to which the PMS drives employees' productivity at the SOE Eskom, together with recommendations to the management. The chapter also offers a conclusion drawn from the study's objectives and suggests areas for further research.

5.2 SUMMARY OF FINDINGS

The general objective of this study was to ascertain the extent to which the PMS drives organisational productivity at Eskom, South Africa, which is a SOE. The study remained guided by the secondary research objectives listed below:

- to determine whether individual employee goals at Eskom are aligned to organisational goals and objectives;
- to determine whether Performance Appraisals at Eskom measure the extent to which individual employees meet their individual and organizational goals;
- to determine the extent to which HRMSs at Eskom assist individual employees to meet their individual and organizational goals; and
- to determine the extent to which Eskom rewards employees for achieving their agreed goals.

This study used a quantitative study approach and a cross-sectional correlation descriptive research design to ascertain the extent to which the PMS drives organisational productivity at Eskom, South Africa. The study's dependent variables were Performance Appraisals and Feedback, Human Resource Development Systems and the Reward Systems, while the independent variable was the implication of the above-mentioned processes on employees' productivity. The target population comprised of 330 workers across the Operating, Maintenance and Engineering Departments of Eskom. The study used convenient sampling to

ascertain the sample size and to divide the total population. There was an analysis of respondents' demographic profiles, using frequencies and percentages.

In terms of the influence that Performance Appraisals and Feedback have on employee productivity, the study's findings indicate that these processes lead to improved employee productivity. Performance Appraisals focus on the employees' contributions to the goals of this SOE. Performance Appraisals and Feedback processes also give employees a chance to express their expectations and ideas on setting the SOE's strategic goals. Performance Appraisals and Feedback are effective processes for data management in decision-making. The study's findings indicated that the presence of effective Performance Appraisals and Feedback systems at this SOE enhances the employees' performance and interest. The existence of such systems results in the employees completing specified work as well attaining, or even exceeding, their specified performance goals.

In terms of the extent to which HRDSs at Eskom assist individual employees to meet individual and organizational goals, the findings of this study indicated that effective HRMSs guarantee easy access, manageability and merging of the everyday processes of HR. Effective HRMSs assist SOEs to: a) develop training, deployment and induction programmes; and b) guarantee that the SOE recruits, selects and motivates the right employees and ensures that it provides them with fair choices on training and worker promotion. HRMSs are crucial to employee motivation and the full utilization of their capacities and, consequently, help the employees and SOEs to formulate and achieve common objectives or goals that keep employees satisfied and productive in the undertaking of company and individual objectives.

With reference to the influence that reward systems have on employee productivity, the study's findings indicate that rewarding employees motivates them to realise their targeted levels of productivity. These systems provide managers with opportunities to formally acknowledge employees' good performance which results in their work satisfaction and motivation. The reward systems and opportunities reassure employees and encourage them to remain innovative. Using reward systems in a SOE such as Eskom is an essential factor of its ability to achieve high employee performance and, thus, its set goals. When there is recognition of, and

rewarding for, good performance, there are increased chances of the repetition of such good performance, whereas discouragement in times of poor performance occasions a decrease in the chance of the reoccurrence of previous good performances. Reward systems, such as bonuses, or raises in pay, result in improved employee performance and a greater interest in their tasks. In a SOE, work promotions similarly improve the performance and subsequent productivity of the employee.

5.2.1 Influence of Performance Appraisals and Feedback on Employee

Productivity

Generally, this study's findings indicate a positive influence of Performance Appraisals and Feedback on employee productivity. This study agrees with Panda and Pradhan (2016:23) that these processes focus on the contributions of the employee towards achieving the goals of the organization. Panda and Pradhan (2016:23) maintained that outcomes from the Performance Appraisal and Feedback processes result in overall work performance improvements, employee productivity and performance. DeNis and Murphy (2017: 420) recommend identifying both weak and high performers; the recognition of weaknesses (potential development areas) and strengths of employees are some of the benefits of the implementation of Performance Appraisals and Feedback processes.

In the study, the bulk of the participants (Eskom employees) agreed that Performance Appraisals and Feedback processes make them appreciate what they are doing. Performance Appraisals help employees understand what is expected of them, as well as the significance of their performance. Preferably, the employees receive analytical and fair feedback from management on their individual performance. Similarly, Ellington and Wilson (2017:100) explained that Performance Appraisals and Feedback help management with the rating of the employees' performances and assessing their contributions towards the achievement of company goals. In addition to reviewing the performances of the employees, Performance Appraisals and Feedback align the employees' individual performances with the organization's set goals.

The majority of the participating Eskom employees stated that sharing in the

Performance Appraisals and Feedback processes helped them perform better than would have been the case without such appraisal. Motro and Ellis (2017:227) state that Performance Appraisals and Feedback processes take into consideration the employees' past performance while focusing on ways of improving employees' future performance. Certainly, Eskom's Performance Appraisals and Feedback processes are a valuable means of increasing the productivity of its employees. Performance Appraisals assist both management and employees in identifying inefficient workplace practices and/or revealing potential issues that confine or restrict the progress of SOEs. Sofyani *et al.* (2018:226) propose the implementation of performance appraisals to help the company or enterprise to identify talented workers as well as the future leadership of the company. Such practices directly increase employee and company productivity.

The majority of respondents in this study indicated that Performance Appraisals and Feedback is a good tool for decision-making and increasing the productivity of the employee. Even though decision making remains a separate component of performance appraisal, the majority of respondents indicated great satisfaction with Eskom's existing Performance Appraisal and Feedback system. Therefore, the respondents agreed with Sandalika and Jayasekara (2017:14) that the existence of an effective Performance Appraisal and Feedback system within a company or enterprise will impact positively on employee productivity. Performance Appraisals and Feedback processes are connected to performance enhancement, as well as the decision to formulate employees' training potential and needs, set agreeable future aims, provide support for career development and solve prevailing problems.

Panda and Pradhan (2016:23) report that when there is an acknowledgement and rewarding of good performance, there are increased chances for the repetition of such performances, whereas the discouragement or punishment of poor employee performance decreases the chance of the reoccurrence of good performance. Some of the study respondents indicated that they have never agreed with the yearly scores allocated during performance appraisals as an ethical and appealing process. Yearly performance appraisals underscore the daily significance of worker participation and involvement. Effective and periodic systems of Performance Appraisals and Feedback enhance employee performance and interest, resulting in

the completion of specified targets and the attainment of specified performance goals. The absence of a just performance appraisal score makes the employees operate at the minimum expected pace or even below the anticipated performance level due to the unacceptable way in which performance appraisals are conducted.

The study findings show that Performance Appraisals and Feedback positively cause major variations in employee productivity. The facts above indicate that there is a significant relation between employee productivity and both performance appraisals and feedback. It is essential, therefore, for SOEs and organizations that intentionally seek to improve employee productivity and realize their targets, to establish periodic and effective Performance Appraisals and Feedback structures. Effective performance feedback translates to improved worker productivity if it occurs regularly and assists the employees to focus on work actions, thereby achieving both individual and company goals (DeNis and Murphy, 2017:422). An easily understandable and simple Performance Appraisals and Feedback system allows the employees to remain updated as to what is precisely expected of them.

The majority of the study respondents indicated that in order to enhance employee productivity, it is important to communicate clearly to the employees and to explain the intention of the Performance Appraisals and Feedback procedure. Bull (2018:18) states that for enhanced productivity, the company must timely and clearly engage in performance feedback sessions with employees. The rating allocated during Performance Appraisals and Feedback sessions affect employee productivity. Many of the study respondents indicated that the managers at Eskom give them reasonable feedback which enhances their productivity as employees. However, several errors and personal prejudices, such as negative stereotyping, impact Eskom's process of performance feedback. For enhanced employee productivity, Kim and Holzer, (2016:57) state that managers engaged in rating employees during Performance Appraisals and Feedback sessions, must exercise fairness and objectivity in their evaluation.

Several of the participating Eskom employees stated that the performance feedback they received agreed with what they believed they had essentially achieved. The interpretation of the study findings is that organizations and their managers must set up and execute formal systems of employee evaluation.

Effective Performance Appraisals and Feedback reflect employees' individual contribution, performance and productivity. Several respondents in this study maintained that the existing Performance Appraisals and Feedback systems at SOEs are unbiased and fair. According to DeNisi and Murphy (2017:419), employees must have great respect for the Performance Appraisals and Feedback process in order to feel satisfied with their performance, contribution and level of productivity.

Many of the study respondents indicated that they continuously receive adequate feedback on their work performance and productivity. Effective feedback between Eskom and employees is the reason for this organization's high level of productivity. In the same way, DeNisi and Smith (2014:179) suggest that acceptable feedback generates accountability because the company and the employees participate in the development of individual and company goals, the identification of competencies, career development discussions, all of which result in employee motivation. While there are a few institutions that will intentionally refrain from providing worker feedback, most of these fail to do so because managers are overwhelmed by other managerial tasks which prevent them from interacting with their employees (Alam (2017:1280).

Many study respondents indicated that they remain satisfied with how Eskom provides feedback. There has been much criticism of the Performance Appraisal and Feedback systems in South African organizations and critiques indicate that in many Performance Appraisal and Feedback systems there are discrepancies between practical and theoretical implementation (Ujjwal, 2017:362). Additionally, a few study respondents believed that Eskom spends more time offering constructive feedback to the good employees than it does providing disparaging feedback to the poor performing employees. The other criticism emanates from the fact that the current systems of Performance Appraisal and Feedback increase employee dependency on company superiors and management. There is an obstruction of genuine feedback when untrained managers conduct the Performance Appraisal and Feedback process. The reasoning behind this accusation is that such a process would include rater bias and subjectivity, which often results in unreliable and incorrect information regarding employee performance (Okwir *et al.*, 2018.730).

5.2.2 The extent to which HRDSs at Eskom assist individual employees to meet their individual and organizational goals.

The study results indicate that the HRMS at Eskom guarantees easy manageability and access to daily processes of Human Resources (HR). The HR processes include the storage of employee data, payroll management, recruitment procedures, benefits and rewards management as well as attendance records. The majority of the participating Eskom employees indicated that the HRMS at Eskom helps in the development of induction programmes, deployment and role training. Liu *et al.* (2017:1187) also stated that the HRMS allows a company to select and motivate employees as well as to recruit appropriate personal and reach fair conclusions on worker training and promotion.

The study respondents also suggested that Eskom's HRMS is vital for motivating workers to exploit their skills while also pursuing company and individual goals. The HRMS at Eskom allows the employees and company to have common objectives or goals. As a result, the employees remain satisfied and productive in their achievement of company and individual objectives. Jackson *et al.* (2014:56) state that the correct coaching or training segment in the HRMS improves the quantity and quality of employee output and, consequently, the chances of business success, while decreasing company expenses. For the Eskom enterprise, the coaching segment in the HRMS arises during the Performance Appraisal sessions undertaken throughout this SOE's financial year.

Many respondents indicated that Eskom's HRMS uses the gaps in performance to draft training programmes that accommodate weaknesses acknowledged during the Performance Appraisal and Feedback phases. With specific, relevant and focused training in Eskom's HRMS, the SOE links worker training to acknowledged employee performance gaps. Guest (2017:39) states that to ensure the retention of employee skills, the company's HRMS must offer related opportunities for training, development and regular worker performance feedback. The HRMS must encourage the alignment of the SOE's general strategy of orientation with the process of the PMS and the company's training and development strategy. The study respondents indicated that Eskom runs a well-established and structured HRMS that guarantees quality training for employees. Adopting the HRMS at

Eskom helped management to consider and assess employee Needs, and to identify Objectives and Training after performance reviews and feedback. The respondents also indicated that the HRMS at Eskom also assists in selecting employees for training, setting training goals and also ensuring that both Eskom and its employees benefit from their inclusion in the training programmes.

In agreement with the views of study participants, Ramadevi *et al.* (2016:392) maintain that by offering an opportunity to employees to acquire skills needed to perform various duties, especially those linked to anticipated present or future roles, the HRMS helps company employees to realize individual goals. The HRMS of any company develops an ethical workplace culture by focusing on manager-employee teamwork collaboration and relations, as well as strongly contributing to and supporting worker comfort, motivation and pride.

5.2.3 Influence of Reward Systems on Employee Productivity

The majority of study respondents contended that Eskom runs an effective Reward system that has an important influence on worker productivity. Eskom's Reward system definitely causes key variations in worker productivity. Equally, Okwir *et.al.* (2018:754) suggest that the Rewards system that arises out of the Performance Appraisals and Feedback process offers the company's managers the chance to formally acknowledge good employee performance, motivation and, resultantly, productivity. An effective Rewards system or component within the Performance Appraisals process offers employees the clear work targets, priorities and standards that guarantee managers greater accuracy in identifying workers' strengths and recognizing improvements in their productivity levels.

A substantial proportion of study respondents maintained that the managers' appreciation of employees' efforts increases employees' success and work productivity. The creation of opportunities by managers to formally recognize good employee performance leads to work motivation. Han *et al.* (2015:417) state that it is vital that the company also recognizes the efforts of employees rather than the results only. The company supervisors and managers must concentrate on constructively rewarding employees' behavior and results. Tangible rewards boost employees' motivation if offered for the completion of effective work or attaining and

exceeding specific performance objectives and goals. Several study respondents indicated that the wide range of rewards offered by Eskom inspire the creativity and productivity of employees.

Nisar *et al.* (2016:9) contend that the employee rewards for productivity and creativity boost widespread creativity in the rest of the tasks undertaken by these employees. A company's Reward systems must support the newly developed team-centered dynamics before rewarding team performance and behavior. Reward systems must take recognition of both the significance of cooperation, as well as the modifications in employee performance. However, problems will arise if the company's Reward systems focus on individual outcomes even when employees have worked in teams.

Many study respondents stated that Eskom's bonuses increase employee productivity, because in terms of rewards, bonuses occasion greater employee performance and interest in their tasks. Cappelli and Tavis (2016:66) state indirectly that if there is observation and rewarding of good employee performance, there is an increased chance of the repetition of good performance compared to when poor employee performance is detected and reprimanded. Several study respondents stated that Eskom's Reward systems serve to occasionally improve employee productivity. Eskom effectively uses reward elements to ensure a positive Rewards process that enhances employees' productivity and interest without undermining the individual employee's comfort. However, a few study respondents maintained that such rewards are satisfactory and varied. Okwir *et al.* (2018:755) contend that, when using a diversity of rewards, companies should ensure that they adequately reward their employees for exceptional performances.

Many study respondents indicated that Eskom influenced employee productivity because the company's management linked rewards to work promotions. The implication here is that work promotion is a reward that improves employees' productivity and increases their motivation. However, some study respondents stated that the rewards offered rarely inspire them into timely completion of their various duties. This observation infers that Eskom has an untimely and delayed Performance Appraisal and Feedback delivery process. A few study respondents maintained that their wage level is satisfactory and equitable for their performance

and productivity. Nevertheless, overall the responses indicated that Eskom employees remain motivated to perform well. Wahyono *et al.* (2018:82) state that an unfair assessment of worker performance makes the employees feel discouraged or insecure, resulting in the development of negative relationships between employee and employer, as well as amongst employees.

5.3 CONCLUSION

With regard to whether or not Performance Appraisals and Feedback processes at Eskom measure the extent to which employees meet their individual and organizational goals, the study findings indicate that timely and effective employee Performance Appraisals and Feedback processes greatly improve employee productivity. Performance Appraisals focus on workers' contributions to the company's organizational objectives and, thus, offer employees a chance to discover and acknowledge their weak points, express their expectations as well as their ideas for realizing the company's strategic goals. Consequently, a periodic, effective and timely Performance Appraisal structure enhances employees' performance and motivation, leading to the completion of defined work goals and/or exceeding or attaining particular performance scores. The study findings also indicated that effective Performance Feedback is vital for any company seeking to increase their productivity because it translates into better employee productivity.

Performance Feedback allows employees to remain conscious of the company's exact expectations. For enhanced employee productivity, it is essential that the company clearly communicates and explains to the staff the purpose of the Performance Appraisal and Feedback process. Effective and periodic feedback replicates the individual employee's contribution and performance together with their efficacy level in the accomplishment of company goals. Effective and timely feedback between supervisors and employees is the key to positive organizational and employee productivity. Adequate Performance Feedback results in overall accountability because supervisors and employees participate in the development of both individual and company goals, identification of the required competencies as well as a discussion of employee motivation and career development.

In terms of the extent to which the HRDSs at Eskom assist employees to meet their individual and organizational goals; the increased concentration on managerial management that such systems necessitate, allows HR Managers to play a more central role in company and employee management. It is vital for any company to manage employee performance, together with the accompanying rewards because, in doing so, employees' productivity is developed. On the other hand, employees are company assets and resources and, consequently, the company needs to develop and implement the necessary strategies for identifying, encouraging, measuring, rewarding, evaluating and improving employees' performance. Improved employee productivity positively influences the company's performance.

With regard to the extent to which Eskom rewards employees for achieving their agreed goals, the study findings indicate that Eskom employers should be rewarded as a strategy to improve levels of employee productivity. Company managers should utilize opportunities formally to recognize good worker performance. As effective reward system and promotional opportunities encourage employees' innovativeness and creativity. The use of a Rewards system is essential for companies whose intention is to realize their goals. Observing and rewarding good employee performance increase the chances of continuous employee productivity, whereas discouragement in times of poor employee performance decreases the chance of achieving employee productivity. Rewards systems that offer bonuses to employees occasion greater interest in both tasks and productivity, likewise, promotion improves employee productivity and general organization performance.

There is a need for the additional collection of primary or raw information on PM in SOEs so that future researchers can shape content and questions according to their study objectives.

5.4 RECOMMENDATIONS

5.4.1 To the management of State-Owned Enterprises

This study recommends that the improvement of employee productivity requires the optimization of employee Performance Appraisals and Feedback processes. Employees' Performance Appraisals and Feedback sessions must focus on the contributions of an individual employee towards meeting company goals. There is a

need to encourage employee centered Performance Appraisals and Feedback sessions amongst the employees so that they can express their expectations and ideas as well recognizing both their strengths and weaknesses towards meeting the company's strategic goals. Performance Appraisals and Feedback processes alert employees to the company's expectations and the significance of their productivity. These interactions should always result in better employee productivity. For effective decision-making, the management of SOEs, such as Eskom, should strive to improve Performance Appraisals and Feedback procedures in order to enable employees to exceed the 'normal' workplace performance.

This study also recommends that to achieve enhanced levels of employee productivity, the management of SOEs should establish clear Reward systems and formally recognize all the efforts of employees who perform well. The system of rewards should be diverse so as to inspire staff to creatively attain company goals. Diversity in the Rewards system increases the chances of increased and repetitive performance as well as productivity. The company bonus system should focus on enhancing employees' greater interest in their tasks and targeted performance. Periodical promotions should be implemented to inspire employee productivity in the organization. The management of SOEs should establish fair processes of employee evaluation that will encourage employees' sense of security and thus result in enhanced employee productivity. This study also recommends that the management of SOEs should utilize effectively employee Performance Feedback as a means of realizing the company's targets. They should also establish effective employee Performance Feedback structures that can translate employees' weakness into improved productivity. Both positive and negative Performance Feedback allows workers to take cognizance of their prospects within the company. For greater employee productivity, it is vital that the management of SOEs communicate effectively with employees and engage them in discussions. To have a positive influence on employee productivity, Performance Feedback processes need to be free of personal bias, errors and/or stereotyping. To enhance employee productivity, adequate employee Performance Feedback needs to be founded on accountability and reflect individual's contributions of the employee. For the employees to objectively accept the recorded performance scores, the management of SOEs should establish and effectively implement formal systems of

employee evaluation.

5.4.2 To the Academics and Researchers

There is a need for the additional collection of primary or raw information on PM in SOEs so that future researchers can shape content and questions according to their study objectives. The feedback they receive from study participants would be improved if researchers actually disclosed information that truly reflects the reality of the existing management-employee relations in SOEs. Future studies regarding the influence of PMSs on employees' performance and productivity should utilize longitudinal studies because they enable the examination of possibilities in lagged impact on the relations between employee productivity, HRMS and PMSs. In addition, longitudinal studies help researchers to determine any likely reverse causation in the management-employee relations. It is only through repeated studies that researchers and academics can hope to understand the complex nature of relationships between employee productivity and PMSs.

5.5 LIMITATIONS TO THE STUDY

This study focused on the influence of PM on employee productivity in SOEs in South Africa, and, in particular, within Eskom. The study targeted 330 Eskom employees and, consequently, the findings are assumed to be a true representation of the situation at that SOE and, therefore, are generalizable to other similar governmental institutions. The current social panorama at Eskom, South Africa, is one of mistrust and suspicion, particularly in areas that concern personnel announcements. Some of the study respondents were worried that their personal data might be used against them by the company's management. Nevertheless, this study remained true to its original assurance to respect respondents and thus their personal information was treated with the highest levels of professionalism, confidentiality and respect.

The other limiting factors to this study are as follows:

- This study remains limited to SOEs in South Africa and, thus, the outcomes may be unsuitable for analysis globally.
- The sample unit in this study is not a true depiction of all South African SOEs.

- This study cannot guarantee that it is a true representation of the PMSs throughout South Africa because it remains limited by the absence of respondent honesty and responsiveness.
- The collected responses do not offer the necessary information or statistics for an informed and conclusive outcome concerning the benefits of PMSs throughout all SOEs.

5.6 SUGGESTIONS FOR FURTHER STUDIES

This study proposes that future studies should focus on the impact of PMSs on company culture and suggests that future studies focus on a comparison of PM practices in private and public establishments. Future research can also concentrate on across country-border studies because different countries implement their own PM practices. Accordingly, future studies can collect information from numerous nations which will produce a diversity of empirical results even though it might prove difficult to generate a database that will provide internationally generalizable information.

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Annexure A

QUESTIONNAIRES

Dear participant, thank you for sparing your precious time to complete this questionnaire.

BIOGRAPHICAL INFORMATION:

The following information is needed to enable meaningful data analysis. We appreciate your help in providing this important information.

Mark the applicable block with a cross (X). Complete all questions.

1.	Gender	1. Male	2. Female		
2.	Highest qualification	1. Matric	2. Diploma/ Degree	3. Postgraduate	
3.	Level of employment	1. bargaining unit	2. Junior Management	3. Senior Management	
4	Department	1. Engineering	2. Maintenance	3. Operating	4. Other
5.	Experience in years	1. 0-5	2. 5-10	3. 15-20	4. 20+

Section B (please tick where appropriate)

6. Please indicate your opinion with regard to the current performance management system at Eskom. Use the 5 point likert scale where 5 =Strongly agree; 4 = agree; 3= not sure, 2 = Disagree and 1= Strongly disagree

a). Determine the extent to which individual employees goals at Eskom are aligned to organizational goals and objectives

		5	4	3	2	1
1	I take personal responsibility for achieving my personal goals					
2	I know what the vision of my organisation is	5	4	3	2	1
	I know what the mission of my organisation is					
3	I know and am familiar with what my organisation want to achieve in the next five years					
4	Goals set for performance evaluation are mutually decided goals					
5	My KPI's are aligned to the departmental strategy					
6	My departmental strategy is aligned to the organizational strategy					
7	I know what I have to do to meet the overall organizational goals					
8	Our department take their departmental goals seriously					

9	Our team know what they have to do to contribute to the overall attainment of organizational goals					
10	I believe if I don't meet my personal goal, the organisation will not meet the organizational goal					

b). Determine whether performance appraisals at Eskom Measures the extent to which individual employees meet their individual and organizational goals

		5	4	3	2	1
1	My manager and I have regular one on one					
2	Performance appraisal suggests changes to improve departmental services					
3.	Performance appraisal suggests changes to improve departmental outcomes					
4	Performance appraisal uses feedback effectively to help improve performance					
5	Performance appraisal is fair to all employees supervised					
6	Performance appraisal helps me to analyze strength and weakness thus help me to be productive					
7	Performance appraisal helps me to enhance my productivity					
8	M					
9	My job output are aligned to the organizational output					
10	The nature of performing performance appraisal in my department is transparent					

c). Determine the extent to which Human Resource Development systems at Eskom assist individual employees meet their individual and organizational goals

		5	4	3	2	1
1	There is T&D policy that ensures employees are exposed to relevant skills to improve performance					
2	My PDP (personal development Plan) is aligned to my job output					
3	HR provides me with all the resources to complete my PDP					
4	T&D opportunities provided by training department enhance my productivity					
5	T&D opportunities are offered to all departmental employees					
6	T&D opportunities provided encourage staff to be creative					
7	Training matrix that HR use to identify gaps is effective					
8	I am satisfied with the effectiveness of T&D					

d).

		5	4	3	2	1
1	Performance management system links promotion to performance achievement					
2	I get rewarded for performing above the expectation of my performance contract					
3	My KPI's are linked to my performance bonus					
4	The performance management system integrates					

	communication process to ensure that employees are familiar with the department's recognition program					
5	Eskom gives incentives for individual excellent performance					
6	Eskom gives incentives for excellent departmental performance					
7	My manager gives me gratitude for exceeding his/her expectations					
8	Eskom has a system in place that recognize the best performing individuals					
9	The system for recognizing best performing (if there is any) individual is transparent					
10	The reward system for Eskom motivates me to be productive					