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EMPLOYEE PERCEPTIONS OF THE EFFECTIVENESS OF THE PERFORMANCE MANAGEMENT SYSTEM AND PERFORMANCE APPRAISAL FAIRNESS AT THE NATIONAL SECURITY AGENCY

BY

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DECLARATION

I, **Christinah Mpho Makhubela**, Student number **16275098**, declare that "Employee perception of the effectiveness of the performance management and performance appraisal system fairness at the National Security Agency: Department of Training" is my own original work with the guidance from my supervisor, Prof Botha, and that all sources that I have used or have quoted in my study have been indicated and acknowledged by means of complete references.

SIGNATURE: MMK.

DATE: 2014

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ABSTRACT

This study deals with the employee perception on the effectiveness of the performance management and performance appraisal system fairness at the National Security Agency, Department of Training. Organisational factors such as (appraisal knowledge), were used as a guide for assessing effectiveness of the system and its fairness. The quantitative approach/method was used to gain and understand employee perceptions on the system based on their personal experiences of the organisation's performance management system.

The research chosen was Quantitative, which is the most appropriate approach to the study. The survey used self-administered e-mailed and hand delivered questionnaires to gather data from the respondents. The questionnaires had a brief overview of the research methodology, to give a reader a clear picture of the processes and procedure that were followed. The data was analysed quantitatively by using SPSS system. The overall findings show that many employees perceive the system not effective and not fair.

KEYWORDS

Performance appraisal, Performance Management, Employee Perception, Effectiveness and Fairness

LIST OF ACRONYMS

NSA	: National Security Agency
GPRA	: Government Performance and Results Act
SPSS	: Statistical Package for Social Science
PMS	: Performance Management System
PAS	: Performance Appraisal System
PA	: Performance Appraisal
HRM	: Human Resource Management
KPA	: Key Performance Areas
SMART	: Specific, Measurable, Achievable, Relevant, Time-Bound
HRD	: Human Resource Directive
IPMS	: Integrated Performance Management System
US	: United States
HR	: Human Resources

CHAPTER 1: OVERVIEW OF THE STUDY

1.1 INTRODUCTION

Performance appraisal is one of the main core activities of Human Resources. According to Stanton and Nankervis (2011:68), performance management has been a crucial aspect of Human Resource Management and business imperative for many years and it has been seen as a linkage between individuals, sections, divisions and is perceived as the key to effectiveness and global competitiveness. Through performance appraisal there has to be level of objectivity, transparency and integrity and the acceptable level of fairness must be preserved.

Ahmed, Ramzan, Mohammed and Islam (2011:15) outlined that perception of fairness in performance appraisal are related to both managers and employees to be given an opportunity to express their feelings on the existence of the formal appraisal system. If employees perceive the system as fair and accurate, there are many chances of eliminating the negative feeling and that will lead to a higher level of satisfaction among employees.

Many supervisors regard performance appraisal as one of the tools that is highly problematic and very uncomfortable tasks to perform. If managers had the necessary powers, they could have eliminated the performance appraisal system. If the system is not implemented effectively, the organisation will be negatively affected and as a result, employees may feel dissatisfied, and this could badly influence the smooth running of the organisation.

1.2 RESEARCH BACKGROUND

Being an HR Practitioner dealing with performance management processes, I developed an interest in the topic as I initially had a negative attitude towards the performance management system. My interest evolved after reading and understanding the policies and being hands on, from the development of job description, performance contract, assessment/ evaluation on quarterly basis, appraisal up to rewards.

My participation in the whole process has since led me to believe that the method for appraising performance was not adequate as stipulated in the policies. This realisation led me to believe that the whole process of performance management needs a serious rethink. The system was based on a more comprehensive, strategic and aimed at increasing the level of professionalism, quality and productivity of government employees. After several years of implementation, the system is highly criticised by all parties involved. The main issue is the fairness of the appraisal system, followed by the issue of subjectivity when implementing the system, unfairness and bias. The main critical factors such as knowledge, expertise, competency, and creating a positive mind-set are the basis for appraisal. When looking at the situation, the raters' failed to give their outmost consideration to those critical factors. As such, many employees are complaining that the appraisal is unfair, and there is no

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Employees are assessed for the first six months and assessed at the end of the cycle. For those periods no feedback is provided which means that employees are in the dark and that there are no clear explanations why they score poorly in their annual performance appraisal report. A consultation has been made by employees, but the answer is that the rater has to decide on the ratings. Employees launch complains or disputes almost every year, and they do indicate that the level of satisfaction among employees is presumably degrading because most supervisors do not take this exercise seriously.

The ultimate purpose of this study is to identify the problems that employees experience with the existing performance appraisal system. The findings of this research will be used by the National Security Agency to improve their performance management and appraisal system.

1.3 PROBLEM STATEMENT

Harvard Business Essentials (2006: xi) explain that performance management is a method used to measure and improve the effectiveness of people in the workplace and that it is a core skill that can be used throughout the career of management. Furthermore, it is also a system composed of several activities, including goal setting, tracking changes, coaching, motivating, appraisal or review and employee development.

Many organisations do not value the importance of the appraisal system because they believe the system is unfair and it is poorly implemented. However, the unfairness of the process will result in employees taking drastic actions, launching disputes as they feel they are being discriminated during the performance appraisal exercise.

According to Aguinis (2009:9), "in many organisations employees are not satisfied with performance appraisal system because their participation is always minimal, managers do not involve their employees and that creates low self-esteem and can also create employee resentment". Armstrong and Appelbaum (2003:101) further outline that most employees trust their supervisors to conduct fair and unbiased appraisals and that their satisfaction with the system may increases dramatically if the process stays trustworthy.

The research aims to investigate the employee perceptions of the effectiveness of the performance management system and appraisal fairness.

1.4 RESEARCH OBJECTIVES

The primary objectives of research project are:

- To investigate the employee perception of the effectiveness of the performance management system;
- to measure employee perception of performance appraisal fairness;

- to determine the most important concerns or problems employees experiencing with the performance management and appraisal system; and
- to propose remedial interventions to improve the current Performance Management and Appraisal System.

1.5 RESEARCH QUESTIONS

The study is guided by the following:

Primary research questions:

- What are the employee perceptions of the effectiveness of the performance management system?
- What are the employee perceptions of performance appraisal fairness?

Secondary Questions

- Is there a difference in the mean perception scores of the effectiveness of the performance management system and performance appraisal fairness between the males and females?
- Is there a difference in the mean perception scores of the effectiveness of the performance management system and appraisal fairness between the different age groups, departments, and different positions?
- Is there a correlation between the mean perception scores of the performance management system and appraisal fairness?

1.6 PRELIMINARY LITERATURE REVIEW

This section provided a clear understanding of the processes that need to be followed when implementing the performance appraisal system in the NSA. Firstly, a historical overview was given and followed by a discussion on performance appraisals. This will be done in a summarised literature review in Chapter Two.

Pulakos (2009:20) states that many organisations use their Performance Management System as a tool for making decisions about remuneration, bonuses, promotions, assignments, and reductions in force, but fewer organisations use their performance management system to guide employee development. Falcone and Sachs, (2007:5) highlighted that a productive appraisal along with reviewing the quality of the employee's work, serves as a work session between supervisor and employee to create time and effort to meet with individuals and set new goals and objectives for the coming year.

Armstrong *et al.* (2003:10) also mention that many workplace strategies now heralded as "new" began in the mid-1800s. Performance evaluation as a distinct management procedure came decades later and mainly as pay-for-performance, in the beginning, procedure was rather simple, workers were paid for measurable output, there was a "Piece rate" pay system compensated workers in proportion to their productivity (Armstrong, *et al.* 2003:10).

According to Erasmus, Swanepoel, Schenk, Van der Westhuizen and Wessels (2005:269), performance appraisal, when applied correctly, links up with most of the other HRM activities such as human resource planning, probation and promotion, merit pay increases, employee training and development and dismissal. This implies that performance appraisal should be used in an integrated and coordinated manner in order to accomplish institutional goals effectively (Erasmus *et al.* 2005:269). Secondly, in order to ensure purposeful action, uniform guidelines have been introduced for performance appraisals that are:

- The Public Service Act 103 of 1994;
- the Public Service Regulation of 2001;
- White Paper on Human Resource Management in the Public Service of 1997;
- Public Service Coordinating Bargaining Council Resolution No. 13 of 1998; and
- Public Service Coordinating Bargaining Council Resolution No.9 of 2000.

The NSA is one of the government departments, but it has its own policies and procedures. Their regulatory framework is guided by the HRD 11: Integrated Performance management system (IPMS) Directive, which serves to establish and sustain a standardised system of performance management.

Performance management began almost 60 years ago. It began as a source of income justification. Performance appraisal has also being practised for evaluating employee's performance. This approach first started in the United Kingdom and United States.

Government Performance and Results Act known as GPRA of 1993, was enacted by the US Federal Congress. This legislation is the foundation of the most fundamental reform of the federal government in decades. Under GPRA, they are required to develop long-term Strategic Plans defining general goals and objectives for their programmes.

The United States Department of State Diplomacy in Action (2009) developed a Strategic Framework for performance Management to ensure the most effective U.S foreign policy outcomes and to promote greater accountability to their primary stakeholders, the American people. U.S regard performance management as a multiphase process: Setting strategic goals and priorities, creating programmes, monitoring program activities, collecting data and measuring progress towards achievement of goals, using performance and evaluation information to influence program and resource allocation decision-making and communicating results to stakeholders. In South Africa the same process has been followed, but implementation is the challenge.

Swanepoel, Erasmus and Schenk (2009: 368) define performance appraisal as a "separate but central subset of overall performance management. It is simply the process of formally evaluating work performance, making decisions on the effective utilization of rewarding and motivating of staff, rectifying substandard performance and providing feedback to individual employees".

Aguinis (2009:31) explains that there are two important prerequisites that are required before a Performance management system is implemented: Knowledge of the organisation's mission and strategic goals, and knowledge of the job in question (done through Job Analysis). He further explains that the strategic planning allows the organisation to define its purpose or reasons for existing, where it wants to be in the future, the goals it wants to achieve and the strategies it will use to attain the goals. What contained in the strategic goals will be broken down into key performance areas, and a job analysis is needed to understand what constitutes the required duties for a particular job (Aguinis, 2009:31).

For most people, performance appraisal brings to mind appraisal tools like the teaching appraisal form. Aguinis (2009:119) states that at the core of any performance management system is the assessment of performance and the information on performance is collected by using forms which are only part of the appraisal process. The form must include the following: Basic employee information, accountabilities, objectives and standards, competencies and indicators, developmental achievements, plans and needs, manager inputs, employee comments and signatures. In the public sector, the foremost requirement for any effective appraisal system would be a tailor-made design and process that fits the specific needs, environment, and culture of the public sector institution.

Erasmus *et al.* (2005:276) outline the five common basic steps to any successful system. The steps are related to the senior manager's responsibilities and role with regard to performance appraisal. The five basic steps are as follows:

- Designing a policy framework;
- developing the system;
- signing a performance agreement;
- measuring performance ; and
- managing the outcomes of performance appraisal.

Performance appraisal has been used as a mechanism for power, domination and control rather than for fostering individual growth and organisational betterment. Kondrasuk (2011:57) explains that many reputable sources, researchers and management commentators have expressed doubts about the validity and reliability of the performance appraisal process, where some have even suggested that the process is so inherently flawed that it may be impossible to perfect it.

Cook and Crossman (2004:526) mention that many employees are not satisfied with the performance management system, as they perceive that the system fails to develop and motivate people. Their literature further suggests that people will only be satisfied with a performance appraisal process if the issue of fairness can be addressed. Cook *et al.* (2004:526) further suggest that a lack of appraise training in the performance appraisal process may cause discrepancies between expected and actual performance assessments which will contribute to dissatisfaction with the system.

While Nel, Werner, Poisant, Sono, Du Plessis and Ngalo (2011:417) state that performance evaluations are fraught with danger, mainly because many human agendas came into play and managers can unwittingly 'play God' and employees can be overly optimistic and 'put on a show' knowing that increases, career progress, and peace of mind may well rest on how they are rated.

Grobler, Warnich, Carrell, Elbert, and Hatfield (2011:312) supported by Nel *et al.* (2011:417) outline the common rater errors that occur during the assessment. They are as follow:

- Rater bias- Error that occurs when rater's value or prejudices distort rating.
- Halo effect- Rating a person high on all items because of performance in one area.
- Central tendency- A common error in performance appraisal occurs when employees are incorrectly rated near the average or middle of a scale.
- Leniency- Giving underserved high performance appraisal rating to an employee.
- Strictness- Being unduly critical of an employee's work performance.
- Recency effect- Error occurs because a rating is based on the most recent performance rather than on the long term performance.

Williams (2002:8) is of the opinion that performance management policies and practices appear very much to be a response to the sorts of pressure and influence in many organisations.

1.7 RESEARCH METHODOLOGY

The design is the structure of any scientific work. It gives direction and systematizes the research. This section describes the method of research that was used.

1.7.1 Research Design

The research was conducted within the quantitative paradigm by using a cross-sectional survey. This survey method is probably the best method available to the social scientists interested in collecting original data for describing a population too large to observe directly. The design used was informed by time and budgets which were the main constraints. The survey also required respondents to share their views and opinions about their perceptions on the performance management and appraisal system.

1.7.2 Population

The population in this study consisted of 140 permanent employees (and those who are on fixed term contract), both males and females of all races (African, Coloureds, Whites and Indians) whose ages ranged from twenty-six (26) to sixty-five (65) years. All members of the NSA participated in the performance appraisal process, but their job levels were not the same. Therefore, their responsibilities were categorized according to their job levels, level of education, experience, expertise and different skills that employees have. The study determined the level of understanding of performance appraisal by employees, (e.g. how they react to the process and if the impact towards the system is positive or negative). In view of the small population a census was done on the entire population.

1.7.3 Data Collection Strategies

The researcher obtained a permission to distribute questionnaires to all members of the academy. She distributed and collected the questionnaires to the targeted members. A total of 140 sets of questionnaires were distributed to all targeted members in July and mid- August of 2012. Consent letters explained the purpose of the survey and the reason for participation. The respondents were given three weeks to answer the questionnaires.

1.7.4 Data Analysis

After collecting the questionnaires, the data was checked for accuracy. The data was analysed using Statistical Package for Social Sciences (SPSS). Both descriptive statistics (frequency, percentages and mean) and inferential statistics were utilised.

1.7.5 Research Instrument

The second section of the questionnaire focused on three organisational factors that influence the effectiveness of the performance management system, namely, employee involvement, performance oriented culture and management commitment. The instrument was validated in a study by Mansor, Charaborty, Yin and Mahitapoglu (2012, 588). The Cronbach's Alpha value for Factor 1 (employee involvement) was 0.84, 0.81 for Factor 2 (performance oriented culture) and 0.81 for Factor 3 (management commitment). Cronbach's Alpha values (< 0.70) showed that all the items are reliable and that the entire test is internally consistent.

The third section of the questionnaire measured employee perceptions of performance appraisal fairness. The measuring instrument was validated by a study done by Evans and McShane (1988). The Cronbach's Alpha values for the six variables ranged between 0.64 and 0.88, thus, indicating that the items used for the different factors are reliable and valid.

The questionnaires were divided into three sections, namely:

Section 1: Demographic Information.
Section 2: Employee perception on the effectiveness of the Performance management system
Section 3: Employee perception on the fairness of the Performance Appraisal System.

1.8 ETHICAL CONSIDERATIONS

As an HR Practitioner, it was my intention to ensure that employees did not feel coerced or compelled to be part of the study. I explained the nature of the study to them and indicated that the willingness to participate would in no way impact on their participation in the performance management process.

I acknowledged that participation was voluntarily and promised that there would be no unpleasant or damaging effects on the individual, the team or the workplace. Respondents were assured of confidentiality and no name in any way would be disclosed. All information provided on the questionnaire was treated with confidentiality. The focus was on the research questions and will not jeopardize the integrity of data and the study as a whole. The researcher communicated the objectives, goals, nature and future use of findings to participants prior to commencement of data collection activities.

1.9 LIMITATIONS OF THE STUDY

The NSA (Department of Training) is security conscious. Therefore, to be granted a permission to conduct a research in their organisation took some time and that had influenced negatively towards a researcher to conduct her research at a specific period agreed between herself and the supervisor.

Because, employees seem not to support the system, their attitudes imposed a serious threat on the complexion of data gathering. The questionnaire was in English. This imposed a serious challenge for employees who did not have any basic education. Therefore, the researcher was able to translate the questions in the language they understood and that was time consuming. The study was limited only to the training department but not to any other department within the agency. All information collected was analysed. The findings would be used as a tool to correct issues that surrounding integrated performance management in the department.

1.10 SUMMARY

For the researcher to address the perceptions and the effectiveness of the performance management and appraisal fairness a research was conducted in the study. More information regarding the study was gathered through the literature review and explored. Also, the researcher was able to source various scholars to discover their findings in line with the research topic. Information was gathered from the participants and was analysed using the SPSS and various tools were used to measure the employee perception of the effectiveness of the performance management system and performance appraisal fairness were discussed and conclusions were made.

The method used on the study will dealt with in-depth in Chapter 3. Data collected was converted to statistical report and interpreted accordingly. The findings of the information gathered in the study were identified and explained.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

Performance management is a process of creating a work environment that can enable people to perform to the best of their abilities for achievement of common goals. The performance begins when a job is defined from the start to the end when one leaves the organisation (Heathfield as cited in Nel *et al.* 2011:407).

According to Grobler *et al.* (2011:293) performance management is a process which significantly affects organisational success by having managers and employees work together to set expectations, review results and reward performance. Performance appraisal is the process of evaluation how well employees perform their jobs when compared to a set of standards, and then communicating that information to employees.

The purpose of this study is to investigate employees' perception of the effectiveness of the performance management system and performance appraisal system fairness in the National Security Agency.

2.2 DEFINITION OF CONCEPTS

One of things that authors on performance management agree about is that performance management is difficult to define. According to Williams (2002:10) it is possible to define the concept only if one can understand the three main perspectives or types of models which are: Performance management as a system for managing organisational performance, performance management as a system for managing employee performance and performance management as a system for integrating the management of organisational and employee performance.

Cardy and Dobbins (cited by Erasmus *et al.* 2005:268) define performance appraisal as "a formal and systematic process by means of which the job relevant strengths and weaknesses of employees are identified, observed, measured, recorded and developed".

Aguinis (2009:2) defines performance management as a continuous process of identifying, measuring and developing the performance of individuals and teams, and aligning performance with the strategic goals of the organisation. Deb (2008:25) defines a performance management system as a tool made up of interrelated parts, which forms an independent whole, striving in its endeavours towards maintaining equilibrium and of which the whole is greater than the sum of its parts and Armstrong (2009: 618) defines performance management as a systematic process for improving organisational performance by developing the performance of individuals and teams and getting better results by understanding and managing performance within and agreed framework of planned goals, standards and competency requirements.

2.3 HISTORICAL BACKGROUND OF PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEM

According to Grobler *et al.* (2011:293) the term performance management became popular in the 1980s as a total quality management programme to ensure achievement of performance goals including performance appraisal. There are tools such as a reward systems and job designs, but, leadership and training should also be part of a comprehensive approach to performance.

According to the U.S. Department of State Diplomacy in Action (2009), the US Federal Congress enacted the Government Performance and Results Act known as GPRA in 1993. This legislation is the foundation of the most fundamental reform of the federal government in decades. The GPRA requires federal government to develop long-term strategic plans which will define the general goals and objectives for the programmes. On the other hand, the U.S. Department of State Diplomacy in Action developed a Strategic Framework for Performance Management with the sole purpose to ensure the most effective U.S foreign policy outcomes and to promote greater accountability to their primary stakeholders, the American people. The U.S regard performance management as a multiphase process that includes setting strategic goals and priorities, creating programmes, monitoring program activities, collecting data and measuring progress towards achievement of goals, using performance and evaluation information to influence program and resource allocation decision-making and communicating results to stakeholders.

In South Africa, the National Treasury (2010) developed a framework to guide institutions when developing Strategic Plans and Annual Performance Plans. The treasury is aware that government institutions vary greatly in terms of their roles and responsibilities, and therefore they must develop their plans, policies and programmes in varied ways and over differing timelines. Some plans are about activities that are programmed and relate to short term or economic challenge sequenced for implementation; others have a time horizon spanning five years or more, and perhaps extending to thirty years and beyond. This framework provides guidance on good practice and budget-related information and does not prescribe how institutions should conduct their policy and planning processes.

2.4 PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEM IN THE PUBLIC SECTOR

This section focused on the performance management and appraisal system in the Public Sector and specifically at the National Security Agency.

Performance management is an on-going process which requires that managers ensure that employee activities and outputs are aligned with the organisation's goals and are able to take the organisation to the top. Erasmus *et al.* (2011:268) outline the importance of compliance in order to ensure purposeful action; they mention that uniform guidelines must be followed when conducting performance management. The guidelines for the NSA are:

- Public Service Act 103 of 1994, the Public Service Regulation of 2001 and the White Paper on Human Resources Management in the Public Service of 1997;
- the Public Service Act 103 of The Public Service Regulations of 2001 provides for the establishment of three performance appraisal systems in the public service;
- the third guideline is the White Paper on HRM in the Public Service of 1997. This White Paper makes provision for the following principles regarding performance appraisal in the public service:
  - Results Orientation - public service employee's performance should be assessed on the basic of planned activities, which explain the employee's responsibilities as well as the objectives to be achieved and it must be mutually agreed between the employee and immediate supervisor.
  - Training and Development - the key objectives of performance appraisal is to help identify the strengths and weaknesses of employees and the HR interventions that are needed to manage these.
  - Rewarding good performance - performance appraisal is developmental and must recognise outstanding performance, where increases in salary will be entailed.
  - Managing poor performance - Employees should be informed in writing of the reasons for under-performing at the assessment and mutual agreement should be reached on steps to be taken to effect improvement in order to avoid conflict.
  - Openness, fairness and objectiveness – If managers fail to apply the principles of openness, fairness and objectivity it can have a negative impact on performance appraisal results making the results unreliable.

Comparing the NSA Directive and the guidelines provided for by different acts ensures that compliance is the key. Price (2007:437) argued that employees are not satisfied with the method of performance management system as managers are frequently reluctant to engage in the process because of its confrontational nature, and that leads to the compliance of an unhappy workforce.

In many organisations, appraisal results are used to identify under-performers who may require some form of improvement in the form of counselling, development or in extreme cases like demotion, dismissal or decreases in pay, but, even if that is the case, organisations must follow the right procedures as there are laws governing the country.

In the National Security Agency (NSA) the performance management system is known as the Integrated Performance Management System (IPMS), established by the Human Resource Directive 11. In the NSA, employees are referred to as members. IPMS as a tool, together with the reward system, job design, leadership and training drives performance management. The Directive (Human Resource Directive 11) and other procedures serve to establish and sustain a standardized system of performance management within the NSA.

The main purposes of performance management in the NSA are as follows:

- To ensure that individual and team performance are aligned and contribute to the specific vision, mission and strategic goals;
- familiarize members and teams with the strategic/ organisational objectives of the organisation and indicate how their individual jobs support the attainment of these objectives, thereby addressing client needs;
- to ensure that performance is monitored, measured and rewarded in order to encourage efficiency, effectiveness and improved service delivery;
- to ensure on-going management observation and feedback on performance;
- to ensure that excellence performance in the organisation is rewarded and underperformance is dealt with in a decisive, structured and fair manner;
- to ensure on-going improvement in organisational efficiency by adequately identifying and linking the knowledge, skills and attributes required to do a particular job with the competencies of each member;
- to enhance the development, motivation and job satisfaction of members by giving them co-ownership with regard to their work performance and careers; and
- to ensure that productivity is increased and service delivery improved and to provide for the identification of training needs and the implementation of training programme in a more focused and directed manner.

Individual performance management should include the following:

- Performance Planning- performance contracting of members;
- Performance Agreement- formal interview to be conducted with every member by line manager in his/her span of control at the beginning of the performance cycle;
- Performance Agreement Interview- interview shall be conducted before the end of April each year or within one month after appointment;
- Performance Appraisal- based on performance agreement and shall serve to provide a member with feedback from the supervisor about his/her performance;
- Performance cycle- shall be aligned to the financial year. It shall extend from 01 April to 31 March of the following calendar year;
- Performance Categories- unacceptable (20%-29%), needs improvement (30%-49%), satisfactory (50%-69%), above average (70%-84%) and outstanding (85%- 100%).
- Management of unsatisfactory performance;
- IPM Rewards;
- Management of performance in exceptional cases; and
- Performance Enhancement- personal development plan shall be compiled.

The model (Figure 2.1) below is the overall process that forms the basis of the IPM System and portrays the alignment of individual, team and organisational/ strategic objectives.

Figure 2.1: Integrated Performance Management System: Reprinted from the HRD 11 Directive of NSA

2.5 OBJECTIVES OF PERFORMANCE APPRAISAL SYSTEM

In this 21st century the objectives of performance appraisal are so advanced. In this regard Fletcher (2001:473) states that performance appraisal has become part of a more strategic approach to integrating HR activities and business policies and as a result, it has begun to focus more on social and motivational aspects of appraisal.

There is a common agreement amongst authors such as Grobler *et al.* (2011), *Nel et al.* (2011), Aguinis (2009) that the following objectives are applicable worldwide:

- To ensure that individual goals are aligned with the strategic objectives of the organisation (cascading of linked and aligned from top of the organisation to the bottom);
- to identify, improve poor performance and recognise and reward excellence;
- to increase motivation to identify training needs and aid in career planning; and
- to provide information for HR planning.

Scott-Lennon and Barry (2008:5) suggested the Ten Performance Commandments which are:

- Goal setting;
- performer involvement in setting goals;
- creating a 'line of sight' to the organisational goals and agreeing explicitly on the individual's commitments to the team;
- contracting with the coach to provide the support required by the performer improves performer confidence and performance;
- feedback at regular intervals;
- coach / performer dialogue on insights provided by the feedback;
- recognising effort and results;
- regular reviews of results achieved and competencies demonstrated;
- equity in the management of performance improves organisational performance; and
- aligning consequences with goal achievement.

The Ten Performance Commandments are ideas to guide and improve human performance. The authors realised that a manager has a very strong leadership responsibility which can only be achieved through a good performance management system. But, compliance is a serious challenge irrespective of having a good system in place. Most authors explain in detail about the problems of performance management but fail to look at the issue of compliance.

Furthermore, Stredwick (2005:289) supports the above mentioned authors and indicates that employees require clear guidance and direction with regard to organisational aims and objectives, to communicate the link between organisation's mission and strategic direction and the required employee performance. Furthermore, Stredwick, (2005:289) indicates that the performance appraisal objectives are guidelines to show how the system should flow, identify the results and behaviours that needed to carry out the organisation's strategic priorities and maximize the extent to which employees exhibit the desired behaviours and produce the intended results.

2.6 PERFORMANCE MANAGEMENT PROCESS

Before any PM systems are put in place there are few important prerequisites that are required to be looked at to effectively implement the system. Aguinis (2009:35) outlines the prerequisites as follows:

- Knowledge of the organisation's mission, vision and strategic goals;
- knowledge of the job in question;
- job analysis which is a fundamental prerequisite of any Performance Management System; and
- a job description is a key prerequisite for any PMS, because it provides the criteria (i.e. yardsticks) that will be used in measuring performance.

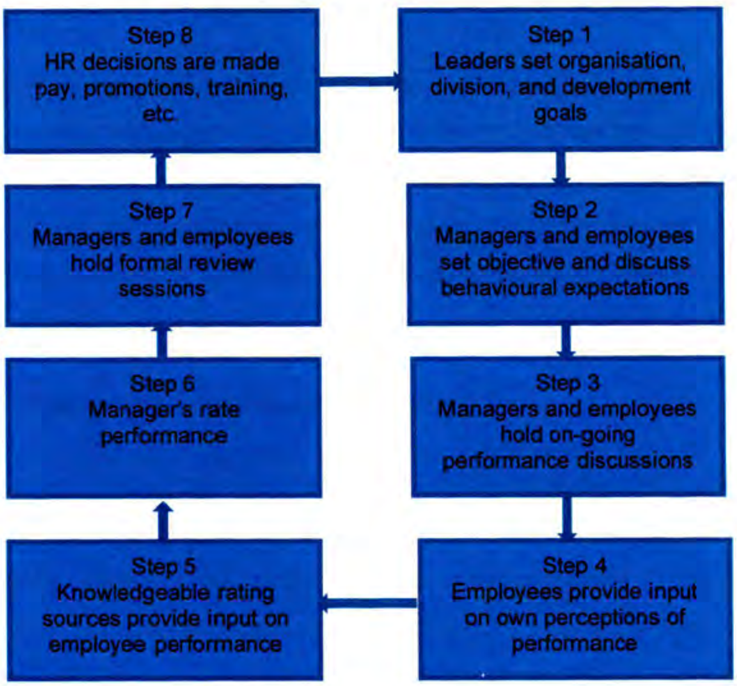
Many organisations are not aware of the above mentioned prerequisites. Because of pressure and deadlines none of the above is done adequately and no compliance in the interim is negotiated. Grobler *et al.* (2002:267) affirmed that there are different kinds of appraisal techniques that are available to measure employee performance.

Harvard Business Essentials (2006:12) outline that a clear set of goals is essential, because goals should be matched with practical plans in order to achieve them. A manager follows the following steps in order to convert goals into realities:

- Break each goal down into specific tasks- with clear outcomes;
- plan the execution of those tasks- with timetables; and
- gather the resources needed to fulfil each task and execute the plan.

In short, performance agreements are very important as they contain key performance areas, key performance indicators and time frames. It is very important to understand that many efforts fail when planners overlook a significant part of the work or underestimate the time and resources required to complete the task.

Figure 2.2: Performance Management Process Reprinted from: Performance Management: A new Approach for Driving Business Results (Pulakos, 2009: 38)



This approach is guidelines/ or steps to be followed for effective performance appraisal system.

2.6.1 Performance Planning

Performance management begins with goals that define the achievements of the results and goals which are touchstones for performance planning, appraisal, rewards and improvement. During the appraisal, every employee must understand his or her goals, assigned activities related to that of his or her unit, and how the unit's activities contribute to the strategic objective of the enterprise. Without goals, time and energy would be wasted on activities that contribute very little to organisational success (Harvard Business Essentials, 2006:2).

Grobler *et al.* (2011:293) affirm that performance management is an on-going process of evaluating and managing both the behaviour and outcomes in the workplace, and employee performance includes the quantity and quality of output, timeliness of output, presence at work and cooperativeness toward the achievement of organisational goals.

Aguinis (2009:31) agrees that performance management is a continuous process of identifying, measuring and developing individual and group performance in organisations. This definition highlights the fact that performance management is systematic as it integrates individual and organisational performance. It also has a lifecycle that takes place over a defined period. From the beginning of every performance cycle, supervisors together with their subordinates need to come up with a plan that will drive their activities for the entire performance cycle. Their meetings must add value and take into account issues as what needs to be done and how it should be done. Both parties must meet each other half way and reach a mutual agreement which will also include the development plan.

According to Bacal (cited by Deb, 2006:47), performance planning is a process in which employee and managers must work together to determine the key performance areas of the employee in the next cycle and what successful performance means. Aguinis (2008:39) further indicates that during the meeting, behaviour must also be considered, competencies must be discussed, which are measurable clusters of KPA's that are critical in determining how results will be achieved. However, performance planning includes consideration of results, behaviour and development plans and once it is completed, then implementation of PMS can began.

2.6.2 Performance Execution and Assessment

The first step for the participation of employees is to have a job description with clear performance standards and a rating form. The system becomes effective if employees are allowed to have ownership and do self-assessment. Managers and employees must actively participate in the process and that will assist with productivity in future. Self-appraisal can increase the employee's satisfaction and reduce an employee's defensiveness during the appraisal and it can enhance perception of accuracy and fairness and that will lead to the acceptance of the system (Aguinis, 2009:42).

2.6.3 Performance Review

Knight (2011) highlights that there are several strategies that can help organisations to make their performance review season be more satisfactory and more productive, which are:

- Set expectations- the performance review starts with performance planning and assist both managers and employees to know and understand what is expected from them. With performance planning a manager is able to hold employees accountable for their performance at the end of the cycle and it allows the manager to carefully understand their ambitions and it will inform the way to assess their work.
- Lay the ground work- before the review the manager asks employees to score themselves as this assist both parties to refresh their memories on activities conducted and allow employees to score themselves and to have an initial emotional response, positive or negative in their private space to prepare for a rational and constructive business conversation.
- Set a tone- the concentration must be on the work performed as this is a way of motivating people who are already competent at their jobs. Performance reviews are a chance for a manager to confront poor performance and demand improvement.
- Constructively coach- gives feedback and asks employees about their performance. The manager must focus on behaviour not dispositions and give specific advice and target praises and avoid saying negative words rather be more pro-active and take more initiative in calling potential.

2.6.4 360 Degree Feedback

Nel *et al.* (2011:412) mention that 360 degree is also known as the multi-rater evaluation, which has become an increasingly popular method of appraisal, which involves input from multiple levels within the firm and external sources as well. Unlike traditional approaches, 360 degree feedback focuses on skills needed across organisational boundaries. The 360 degree method may provide a more objectives measure of a person's performance.

The 360 degree has its advantages and disadvantages. Armstrong (2009:646) outlined the most import advantages and disadvantages as follows:

- Individuals get a broader perspective of how they are perceived by others than previously possible;
- it gives people a more rounded view of their performance;
- increased awareness of and relevance of competencies;
- increased awareness by senior management that they too have development needs; and
- feedback is perceived as more valid and objective, leading to acceptance of results and actions required.

However, the 360 degree appraisal also has some disadvantages, namely:

- People do not always give frank or honest feedback;
- people may be put under stress in receiving or giving feedback;
- lack of action following feedback;
- over-reliance on technology; and
- too much bureaucracy.

2.6.5 Managing Performance

Armstrong (2009:625) states that a manager's job is to identify performance gaps and need to work closely with employees to eliminate any problems: "People are not electric clocks. You cannot just set them and forget them. As a manager you need to observe performance quality and provide feedback and also set direction, monitoring and measuring performance and taking action accordingly. When managing performance you have to make sure that the organisational culture is built and maintained. Performance management must have the active support and encouragement of top management to ensure a vital means of achieving sustained organisational success. Framework is a key within which managers, individuals and teams work together to achieve a common goal" (Armstrong, 2009:625).

2.6.6 Measuring Performance

Measurement is very important in performance management. It is very crucial that organisations use the two basic tools which are what to measure and how to measure performance. Becker, Huselid, and Ulrich (2001:20) believe that "what gets measured gets done. If you don't measure results, you can't tell success from failure, if you can't see success you can't reward it, if you can't reward success, you are probably rewarding failure, if you can't see success, you can't learn from it, if you can't recognize failure, you can't correct it, if you can demonstrate results, you can win public support".

2.6.7 Rewarding Performance

Organisations are now focusing on employee's lifecycle and also rethinking their talent strategies. New, innovative HR programmes are in place which includes total rewards, learning, and performance management is required to attract and keep critically needed talent. Many organisations focused mostly on motivating performance as it is one of the most important aspects to reward performance. Rewards can be in a form of pay or non-financial rewards.

Examples of rewarding performance are as follows:

- Financial rewards

This is where the employer recognises potential and determines how employees can move from one pay scale to the other.

- Structuring Pay

Each employee has a specific role and responsibility in the organisation. Therefore, through performance reviews, employees that are exceeding their performance objectives may be upgraded within the band or moved to the next level. Employees' remuneration may be increased based on the value of their knowledge and skills and also it can be determined by a merit based profit, where employees may be remunerated based on their performance against set of criteria or goals.

- Fringe benefits

Fringe benefits differ from one organisation to the other. Some organisations use benefits like, being provided with a work car for a certain period, gym membership or free tickets for a movie or concert. Fringe benefits maybe taxable, it is advisable for the employer to consult with relevant parties before making any arrangements with employees. Aguinis, (2009:9), explain reward system as the set of mechanisms for distributing both tangible and intangible returns as part of an employment relationship. He is of the opinion that base pay is given to employees in exchange for work performed. On the other hand employees are rewarded based on cost of living adjustments and contingency pay, which can also be referred as merit pay. There are also benefits focusing on non-work activities. These include time away from work and flexible work schedule. Some employers will go as far as providing car allowance or travel allowance as a token to reimburse the employee for the business use of the employee's personal car. In every organisation motivated employees are a gift for any organisation. Rewarding performance can be one of the most important aspects that motivate employees. Although employees are motivated by different things at work, what is important is for managers to consider all the avenues that can obtain the most effective performance in the workplace.

2.7 FACTORS INFLUENCING THE EFFECTIVENESS OF PERFORMANCE MANAGEMENT

Effective performance planning and management systems require a significant investment of time and resources. For the system to operate well there has to be motivation and development of people performance in their respective roles. Inconsistencies within the system can de-motivate employees, particularly in organisations offering bonuses and incentives on the rating of people's performance. Human factor is one of the factors that contribute to the ineffectiveness of the system designed to measure people performance.

Evaluating the value and effectiveness of a performance appraisal system should be an integral part of its process. There has to be a level of equity in ratings, whereby managers must ensure that talent is identified, nurtured and managed and that poor performance is dealt with fairly. These are essential to ensure that a performance management system is implemented in the workplace with the sole purpose of achieving the organisation business goals and objectives.

Martin and Davis (2001) argue that the involvement and motivation of employees may have a great impact on its success through encouraging employees by being accountable and also contribute to solutions. Furthermore, they state that organisational culture could be a critical factor for improving the effectiveness of performance management as it is the total sum of beliefs, ideologies, behaviours and values prevalent in organisations, which can influence organisational power relationships and their response to change. The main factors characterizing a performance-oriented culture are:

- Focus on the end result for users and citizens;
- employees' empowerment in taking responsibility without fear of blame; and
- positive approach to performance management by considering it as a tool for improvement and not merely a form-filling exercise.

However, employees view performance monitoring systems as a system intended to force them to work harder, while, on the other hand, managers see the systems as attempts to pressurize employees to produce more results. All these elements entail that performance-oriented culture is a factor that influence the implementation of performance measurement and management systems in public organisations.

Sanger (2008) argues that "an effective system requires a committed leader who has considerable skills, who is willing to provide significant managerial investment and rewards and willing to design and deploy effective performance measurement and management systems". Poister (2003) also highlights that the involvement of senior executives and managers is a necessary part of successful performance measurement and management systems. In particular, internal management commitment brings formality to the performance management reviews and that could influence employee's commitment to achieving targets and improving performance.

2.8 PERFORMANCE MANAGEMENT AND PERFORMANCE APPRAISAL PROBLEMS

According to Kondrasuk (2011:57) "performance management and performance appraisal pose a serious challenge to managers, it is the most difficult and the most painful Human Resource Management task to perform. Employees and managers dislike the PA process because none of them was involved in developing and its processes. Many reputable sources, researchers and management commentators, have expressed their doubts about the validity and reliability of the performance appraisal process. Some have even suggested that the process is so inherently flawed that it may be impossible to perfect as it is also used as a system to gain power, domination and control rather than for fostering individual growth and meeting the organisational goals".

On the other hand, performance management policies and practices appear to have all sorts of pressure and influence in many organisations and at one level performance management may be seen as a reaction against the performance appraisal system (Williams 2002:8).

Cook *et al.* (2004:526) also highlight that many employees are not satisfied with the Performance Management System; they perceive that the system fails to develop and motivate them. The literature suggests that people will only be satisfied with a performance appraisal process if there will be a criteria of "fairness" expressed in terms of organisational justice and training in the performance appraisal process which may cause discrepancies between expected and actual performance assessments which will contribute to dissatisfaction with the system. Performance appraisal is causing serious frustrations in many organisations. The morale seems to be extremely low and it always creates unnecessary conflicts between the supervisor and the subordinates.

Mondy, *et al.* (2002:279) suggest that if PAS has a faulty design or is improperly administered, the employees will dread receiving appraisals and managers will despise assessing them and the system will fail because it forces ranking, pit people against people, which damages teamwork and the achievement of broader group goals, the system is mixed with monetary and other rewards with development improvement goals, therefore creating conflicting objectives (do I want to get the highest rating or acknowledge skills gaps that I could improve on in the future).

Managers need ample training to conduct realistic goals giving and receiving feedback and coaching (Smither & London, 2009:73). Armstrong (2009:638) outlines some main concerns of performance management, which are:

- Line managers do not have skills required to assess performance;
- line managers do not discriminate sufficiently when assessing performance;
- line managers are not committed to conduct performance management reviews; and
- line managers are reluctant to conduct performance reviews.

Markus (2004:2) supports Armstrong that the system consists of an annual appraisal which may review a list of objectives, but, in most cases there is no connection between individual objectives and organisational values, goals and strategies. Pulakos (2009:4) explains that performance management becomes so difficult because managers avoid performance management activities, especially providing developmental feedback to employees as they do not want to damage the relationships they have with individuals to get the work done. While on the other hand, employees avoid performance management activities, especially discussing their development needs with managers, because they do not want to jeopardize their pay or advancement.

In addition, many employees feel that their managers are not skilled enough to discuss their performance and coaching them how to improve their performance and the attitudes on managers and employees result in poor performance management (Armstrong, 2009:631). Furthermore, Armstrong (2009:631) indicates that it is difficult for managers to face and give their employees a bad rating during the appraisal interview due to the fact that they are unable to justify their criticisms which can be an experience that managers do not want to go through. Therefore, it is much easier to simply give an average rating on the scale and hope the employee will improve somehow, but this problem can also lead to rating drift, where managers are happy to raise the rating of their employees but never reduce the ratings even when it is justified. Nel *et al.* (2011:418) also support the above mentioned authors. They mention that performance evaluations are fraught and dangerous mainly because managers want to play 'God' and employees become optimistic knowing that increases, career progress, and peace of mind may well rest on how they are rated. Unclear standards will always create problems in the performance management.

According to Aguinis (2009:7), performance management becomes negative to many if poorly implemented, it can increases turnover, and can result in the use of misleading information, lowered self-esteem, damaged relationships, decreased motivation to performance, employee burnout and job dissatisfaction, increased risk of litigation, unjustified demands on managers and employee resources, varying and unfair standards and ratings, emerging bias and unclear ratings system also contribute towards the poorly implemented system.

There has to be an identification of the problems and solutions for the system to function effectively. Managers and employees never take the system seriously. Instead, the PA process causes more stress to the performers and there is no sufficient time for appraisal meetings. Moreover, managers lack the necessary training to perform PA effectively, and they lack resources. In many cases there is no integration into organisational functions and that lead to satisfactorily appraisals given to people who do not deserve them. Authors like Aguinis (2009), Nel *et al.* (2011) and Erasmus et al. (2011) have a common agreement on the following rater errors, rater bias, halo effect, central tendency, leniency, strictness, recency and overall ratings. These indicate that if the process can be constructive and focus more on the actual standards set and provides specific direction for the future, the fear of the unknown will be a thing of the past.

2.9 EMPLOYEES' PERCEPTION OF AND PARTICIPATION IN THE PERFORMANCE APPRAISAL SYSTEM

Boachie-Mensah and Seidu (2012:73) state that performance appraisals play a crucial role in any organisation. One should bear in mind that perceptions influence people's judgment and attitudes towards particular phenomena. It could be expected that the employees of NSA might hold diverse opinions about the performance appraisal system in their organisation. PA systems give directions towards the organisation's strategic goals, ensure accountability, create value for their clients and ultimately realize profits. Many organisations' develop performance management systems to motivate and retain their most important assets, which are, their employees.

Kotler and Robbins (as cited in Prasetya and Kato 2011:1) define perception as "an internal process by which individuals organize and interpret their sensory impressions to give meaning to their environment. Perception assists individuals in selecting, managing, storing, and interpreting stimuli differently. People differ; they see things in different ways".

Boachie-Mensah *et al.* (2012:73) outline that employees are likely to embrace and contribute meaningfully to a given PA system if they perceive it as an opportunity for promotion, or as an avenue for personal development opportunities. They may also perceive it as a chance to be visible and demonstrate skills and abilities, as well as an opportunity to network with others in the organisation. They further outlined that PAS will be effective if it is clearly explained and agreed by the people. In addition, successful appraisal is based on employee motivation, attitude and behaviour development, communicating and aligning individual and organisational aims, and fostering positive relationships between management and employees.

Corbett and Kenny (cited by Boachie-Mensah *et al.* 2012:74) indicate that for employees to obtain accurate PA information, managers must provide objective and unbiased ratings. Due to difficulty in developing an accurate performance checklist, some manager's use subjective opinions which are frequently not acceptable in many organisations, and others use a combination of subjective and objective assessment for actual PA. Therefore, there are numerous problems in actual assessment of employee performance.

Pettijohn, Pettijohn, Taylor and Keillor (2001) conclude that PAS can be used to improve employee's levels of job satisfaction, organisational commitment, and work motivation, only if there is participation and perceptions of fairness. According to Messer and White (2006) employee's perceptions of fairness can affect their behaviour to contribute towards the organisational goal. In this case, perceived unfairness and ineffectiveness of the performance management system can result in employees not being productive and show some negativity towards the system. Vasset, Marnburg and Furunes (2001) further explain that many organisations are unable to examine the importance of participation in PA and that there are mixed effects as they fail to recognize the complexity of the phenomenon. Researchers indicate that managers must support their subordinates with self-determination, understand and acknowledge their own needs, feeling and attitudes. Employees become more satisfied and motivated with the PA system only when they are given an opportunity to discuss the results with their manager.

Prior studies based their attention on appraisal rating scales and rated errors training as a means of increasing accurate performance evaluation even though there are commonalities in many aspects of performance appraisal. Unfortunately, they failed to examine the views of the employees who are the main subject of performance appraisal. Cook *et al.* (2004:528) raise the bar even further in outlining that the focus is on the appraiser and instrument used to measure the reliability and validity rather than examining the views of the people. He further outlines that "a major conclusion that emerges from studies is that a performance appraisal system will not be effective unless it is perceived to be fair by all those involved in the process". Perception of the fairness in performance appraisal is determined by the feelings expressed by both management and employees about the existence of a formal appraisal system, the knowledge of supervisor about the performance of subordinate, the existence of action plans to improve performance weaknesses and the frequency of evaluations (Ahmed *et al.* 2011:15). According to Narcisse and Harcourt (2008:1152) employee's perception on fairness in the system is influenced by distributive, procedural and interactional justice and, human beings are specifically interested in three kinds of justice, which are:

- Distributive Justice: it deals with the perceived fairness of the outcomes or allocations that individuals in organisations receive. Employees expect outcomes to be commensurate with inputs in the form of experience, ability and effort.
- Procedural Justice: it refers to the fairness of the procedures used to decide outcomes regarding the methods, mechanisms and processes used to determine those outcomes.
- Interactional Justice: it clearly establishes that people care about the fairness of the interpersonal treatment and communication they receive. It is important to mention that interactional justice focuses on how formal agents of the organisation treat those who are subject to their authority decisions and actions.

2.10 IMPLEMENTING AN EFFECTIVE PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEM

There has to be a clear understanding of the performance management system and its benefits to the organisation for the system to be implemented successfully. The system requires an individual who knows, understands and supports the system and who will serve as an advocate and manage resources for the system. Communication will be the first step for the implementation of the system.

Kondrasuk (2011:65) states that emphasis should be placed on better training for both managers and employees, who are currently performing performance appraisals. Training will assist to address major aspects such as, language use, objectivity, legal aspects, psychological concerns, evaluative criteria and listening skills.

In addition, Aguinis (2009: 155) explains that good communication answers the following questions:

- What is performance management?
- How does performance management fit into our strategy?
- What is in it for me?
- How does it work?
- What are my responsibilities?

Harvard Business Essentials (2006:81) and Aguinis (2009: 155) agree that it is important to involve employees as their participation will encourage support. However, a manager must understand employee's needs and how these needs can be met through-out the cycle. Furthermore, a manager must create a positive atmosphere about the system and try to be realistic and avoid unnecessary expectations that cannot be delivered; to avoid biases, and avoid verbal communication that can imposes serious threats. It is recommended that managers record everything in writing and promote transparency as another method of communication and repeat information frequently.

In any organisation, performance feedback meetings are crucial. This is the stage where managers will understand the employee's point of view. Managers and employees must set performance standards and targets that are SMART (specific, measurable, achievable, time limited). Stredwick (2005:297) explains SMART as an acronym that will help both managers and employees to set out the key features of a successful set of targets. He mentions that targets should be specific and stretching, be measurable, they should be agreed and achievable, should be realistic and relevant and they should be time-related.

When standards and targets are set, there will be an identification of good and bad performance. However, if there are performance appraisal gaps found between the employee's goal and actual performance, this should be discussed and feedback must be given to the employee. The manager must be able to find the root causes of performance gaps. It is important to keep this pattern of give and take with the employee and that will lead to identifying the source of the problem. Identifying the root source of the performance gaps will in most cases created an atmosphere of objectivity in which both parties can contribute in positive ways.

Nel *et al* (2011:301) suggest that when problems are being identified in assessing performance standards, specific goals and timetables should be established for improvement. They are of the view that employees should be given an opportunity to respond to negative appraisals and they must be given an opportunity to give their version of the facts. This may minimise complains and it will help employees' to participate in the PA process. Employees must also be given the opportunity to appeal their ratings to ensure a fair system and provide real opportunity to respond.

Furthermore, the success of PMS is greatly enhanced if the operation of the system is timed to integrate with other systems (e.g. career management, succession planning, training and development) and also linking the key performance areas (KPA) and goals setting process to the planning and budgetary cycle. Successful managers are fully aware of motivational benefits and they make behaviours like these parts of their normal style. They are also aware that such behaviours are far more powerful motivators than money itself and that rewarding individuals for achievement increases engagement and effectiveness. There are different trainings that can be considered for individual development. Formal training is not only the best option to consider as better development can derive from project work, cross functional teams, mentoring, coaching and executive education (Scott- Lennon *et al*, 2008:91).

Many organisations have to deal with subordinates who have performance problems that have not responded to coaching and other interventions. According to Risher (cited by Armstrong 2009:634) poor performance is seen as a problem where both employer and management are accountable. On the other hand, managing under-performers is a positive process to overcome performance problems and importantly for managers to provide support and help. The five basics steps required to manage under-performance are as follows:

- Identify and agree on challenges;
- establish the reason(s) for the shortfall- identify facts that have contributed to the problem;
- decide an agree on the action required- improve skills, change behaviour and attitudes, coaching and training;
- resource the action; and
- monitor and provide feedback.

Implementation of performance management system seems to impose a serious challenge to many organisations. The performance appraisal systems vary from one organisation to the other. It is therefore very important for organisations to start getting rid of the old system and consider using the new system that will be aligned to the business cycles instead of the employee's date of hire and date of receiving salaries. The new system must be aligned to individual goals. The system must be aligned to serve both strategic and information purposes. Managers are allocated with a budget each year to cater for performance bonuses. The budget allocated can assist to improve the system to award bonuses and promotions as needed.

For the system to function effectively managers are expected to communicate regularly with their employees about their performance and make note of all identified problems. This kind of communication will assist employees to understand their gaps and means of improvement where it is highly needed. It is vital that at the beginning of every financial year, managers and employees meet to set the objectives and conduct reviews. At the end of the financial year, managers must review and incorporates feedback from several sources, evaluates progress towards objectives and identify areas that need improvement.

2.11 SUMMARY

Employees, in general, dislike and fear performance management and appraisal system and managers find the process very stressful. The use of appraisal has a poor record. Managers must accept that performance management should be measured, monitored and controlled. If one can separate the two purposes of PA, which are administration and development, there will be a light at the end of the tunnel. One should bear in mind that performance is a behaviour that leads to results. Goal setting is pre-requisite of successful performance management and appraisal system. Performance of employees does not happen in isolation or without adequate reason. There are factors which encourage employees to perform better, such as motivation, rewards, justice and mentoring. Any performance management system must be aligned with the organisational direction, goals and critical success factors.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter presents the plan or blueprint to ensure that the most valid findings were reached. The discussions include the type of research design, the measuring instrument, population, data collection procedure and finally, the data analysis techniques. The design is the structure of any scientific work. It gives direction and systematizes the research. This section describes the method of research that was used.

According to Matlala (2011), the introduction and implementation of a performance management system carries profound implications for both employees and organisations. For employees, performance management has direct implications for rewards and recognition. Organisations invest huge amounts of financial and non-financial resources in performance management systems.

The purpose of this research is to investigate employee perception of the effectiveness of the performance management and performance appraisal fairness system in the National Security Agency.

3.2 RESEARCH METHODOLOGY

The research was conducted within the quantitative paradigm by using a cross-sectional survey. According to Barbie (2004:89, 95,101-102), a cross-sectional survey is defined as a study based on observations representing a single point of time. This survey method is probably the best method available to social scientists interested in collecting original data for describing a population too large to observe directly. The design used was informed by time and budgets which were the main constraints. The survey also required respondents to share their views and opinions on their level of satisfaction in relation to several factors like their perceptions and fairness of the system indicated in the study. As the purpose of the research study is explanatory and descriptive, the unit of analysis is the individual. A survey was regarded as the most appropriate research design to conduct this research. Virtually all surveys aim at describing the characteristics or opinions of a population using a representative sample.

Tredoux and Smith (2006:167-170) identified two research design types, namely, descriptive research and relational research. The key aim of descriptive research is to describe, for example, the distribution of attributes in a population or the social practices of a particular group. Relational research investigates the relationships between things for example, between perception and fairness of the system.

3.3 POPULATION

The population in this study consists of 140 permanent and fixed term contract employees at the National Security Agency, Department of Training. The population consists of both males and females of all races (African, Coloureds, Whites and Indians) whose ages ranged from twenty-six to sixty-five years of age. In total, 140 questionnaires were distributed, and 81 questionnaires were returned. The response rate was 58%. Members were categorized according to their job levels, level of education, experience, expertise, and skills level. . The study also aimed at determining the level of acceptance of performance appraisal, (e.g. how they react to the process and if the impact towards the system is positive or negative). In view of the small population, a census was done on the entire population. The respondents include employees of various categories namely, managers, professional and general.

Table 3.1: Demographic Profile of Respondents

	Categories	Frequency	Percentage
Gender	Male	33	40.7
	Female	48	59.3
	Total	81	100%
Age	25-34 years	10	12.3
	35-44 years	39	48.1
	45-54 years	28	34.6
	55 above	4	4.9
	Total	81	
Number of years employed by NSA	0-4 years	13	16.0
	5-9 years	46	56.8
	10-19 years	12	14.8
	20-29 years	9	11.1
	30 years	1	1.2
	Total	81	
Department	Core (Training)	23	28.5
	HR	10	12.5
	Finance	7	8.8
	Assets & Facilities	34	42.5
	Supply Chain	6	7.5
	Missing System	1	1.2
	Total	81	100%

Qualifications	PhD	1	1.3
	Masters	7	8.6
	Honours	7	8.6
	Degree	14	17.3
	Grade 12	24	29.6
	Others	28	34.6
	Total	81	100%
Position	Manager	8	9.9
	Professionals	29	35.8
	General	44	54.3
	Total	81	100%

Table 3.1 presents the demographic profile of the NSA employees. According to the table, the majority of the respondents are females at 59.3% and between the ages of 35-44 years at 48.1%. Most of the respondents are employed by the NSA over a period of 5-9 years at 56.8%. The majority of the respondents are from the department of Assets and Facilities at 42.5%. Most of the respondents did not specify their qualifications, they indicated as "other" at 34.6%. Most of the respondents at NSA are general workers at 54.3%.

The majority of the respondents were employed for five or more years, therefore, the findings indicated that employees do have knowledge about PMS, but they do not know the processes.

3.4 DATA COLLECTION PROCEDURE

3.4.1 Questionnaire Administration

Data was collected using a self-reported questionnaire as it is the most prominent method to gather the demand information. A customised questionnaire was developed to measure the perceptions of employees of the effectiveness of the performance management and appraisal fairness system. The researcher was granted permission by the Director General to distribute questionnaires to all members of the academy. Some questionnaires were distributed via e-mail and others were distributed by hand. The intranet is user friendly and more attractive to most people and was the most convenient tool for the respondents (Van Selm & Jankowski, 2006: 436-439). Delivering the questionnaire by hand was also effective and efficient to many employees who did not have access to intranet. The completed questionnaires were then returned to the researcher by hand and via the intranet. The questionnaires were distributed to all targeted members with an attached letter of consent explaining the purpose of the study to the prospective participants. A letter of consent also included a description of the research, protection of confidentiality and voluntary participation, the importance of participation, potential benefits, and contact information of the researcher. The general instructions on how to complete the questionnaire were also included. The respondents were given three (3) weeks to complete the questionnaires

(See Annexure A). The response rate was 58% (N=81) and is regarded as satisfactory. According to Babbie and Mouton (2001: 261), a response rate of 50% and more is adequate for analysis and reporting.

The questionnaire was divided into three sections, namely, Section A: Demographic information, consisted of 13 questions focusing on gender, age, academic records, years of experience, department, qualification, position, personal background, performance management and appraisal system. Section B of the questionnaire focused on three organisational factors and contained 12 questions about factors that influence the effectiveness of the performance management system, namely, employee involvement, performance-oriented culture and management commitment. Section C focused on employee perception of performance appraisal fairness and consisted of 21 questions.

Table 3.2: Brief description of the Questionnaire

Section	Description	Number of items
A	Demographic Information	13
B	Employee perception on the effectiveness of the Performance Management System	12
C	Employee perception on the fairness of the Performance Appraisal System	21

Two types of scales were used in this research. First, the nominal scale was used for questions in Section A. The nominal scale is a measurement in which numbers are attributed to objects or classes of object solely for the purpose of identifying the objects. According to Vanek, (2012), the Likert scale is a statement that the respondent is asked to evaluate and it is a psychometric scale commonly involved in research that employs questionnaires.

For Section B and C, a 5-point Likert Scale was used, where:

1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree and 5= strongly agree. To prevent response bias the wording of four items in Section C have been negatively worded and was reversed scored.

3.4.2 . Handling of returned Questionnaire and Data

The returned questionnaires were coded and the raw data processed into the Microsoft Excel Program. As the data had been collected through a self-administrated questionnaire, it was not possible for the researcher to confirm the completion of all survey items by the respondents. Most of the questions were answered there were 15 missing scores/ values.

3.5 DATA ANALYSIS

The statistical analysis of the data was done at the Department of Statistics at the North-West University (Mafikeng Campus). The Statistical Package for Social Sciences (SPSS - version 22) was used for determining the validity and reliability of the scales.

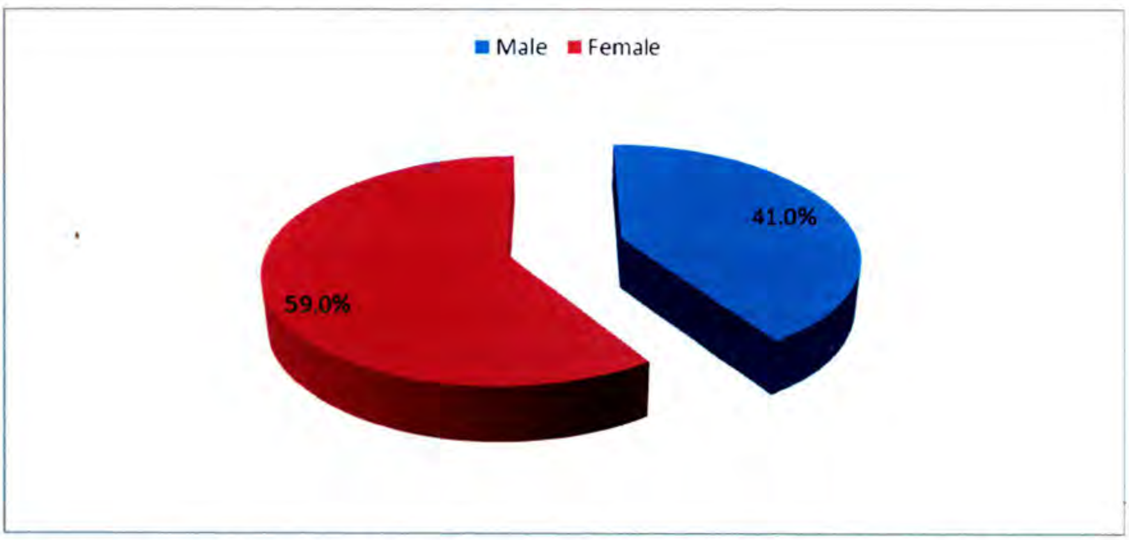
The following statistical procedures were used: Descriptive Statistics such as tables, graphs, means and standard deviations:

- Cronbach's alpha coefficient;
- T-tests;
- ANOVA; and
- Pearson's product moment correlation coefficient.

3.5.1 Descriptive Statistics

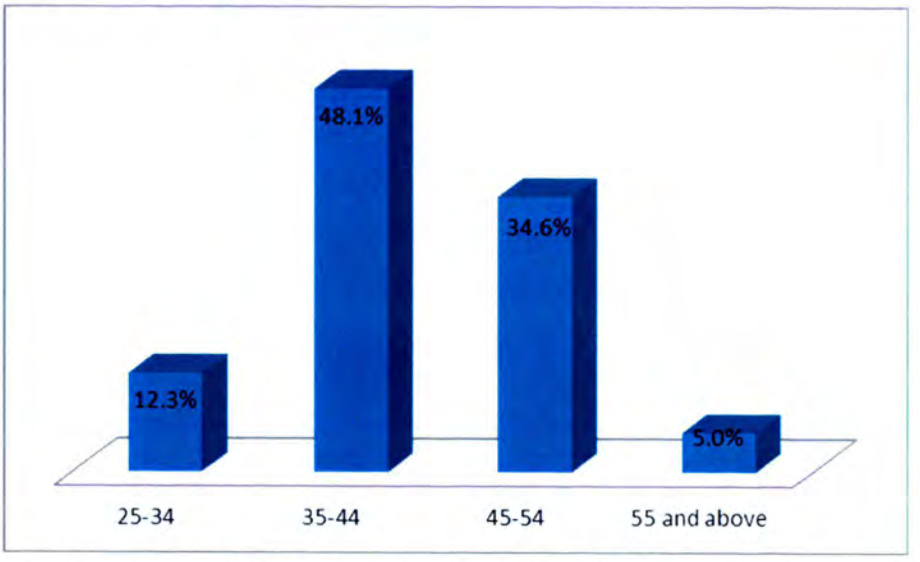
Descriptive statistics are used to describe the basic features of the data in a study. The sole purpose of descriptive statistics is to reduce data to an intelligible and interpretable form to be able to facilitate the process of answering the objectives of the research. All the respondents were employees of the National Security Agency. According to Buckingham and Sanders (2004:13), Terre Blanche, Durrheim and Painter (2006:167-170), descriptive surveys are designed to provide a snapshot of the current state of affairs and to discover facts about the population. Descriptive statistics are used to present quantitative descriptions in a manageable form. In a research study a large number of people on any measure can be used. Descriptive statistics thus assist to simplify large amounts of data in a sensible way as each descriptive statistic reduces the data into a simpler summary.

Figure 3.1: Gender Composition



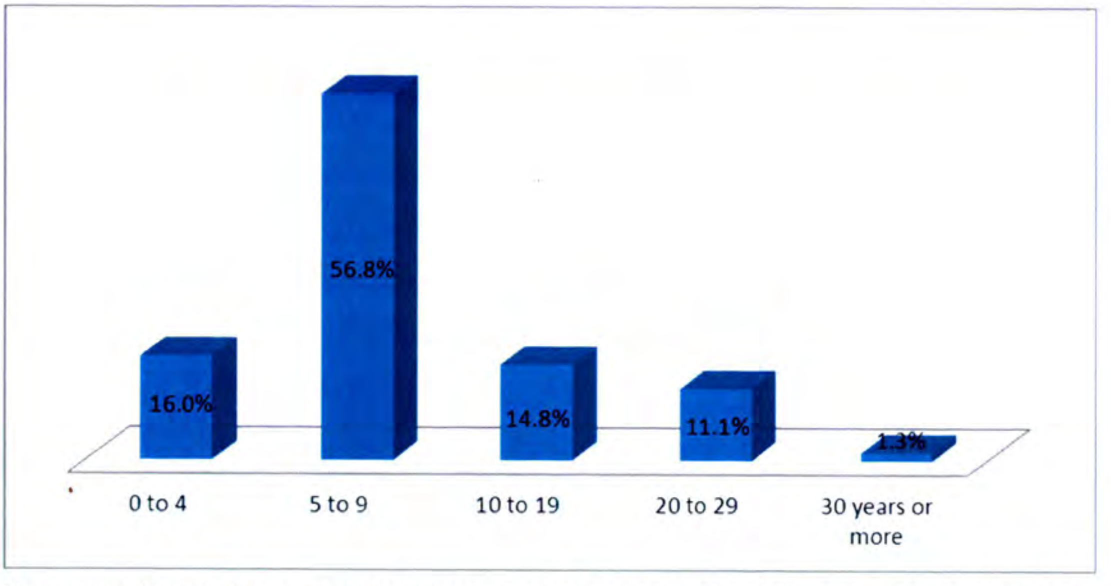
The respondents were requested to indicate their gender. The majority (59%) of respondents were females, but both genders were represented adequately (see figure 3.1).

Figure 3.2: Age Composition



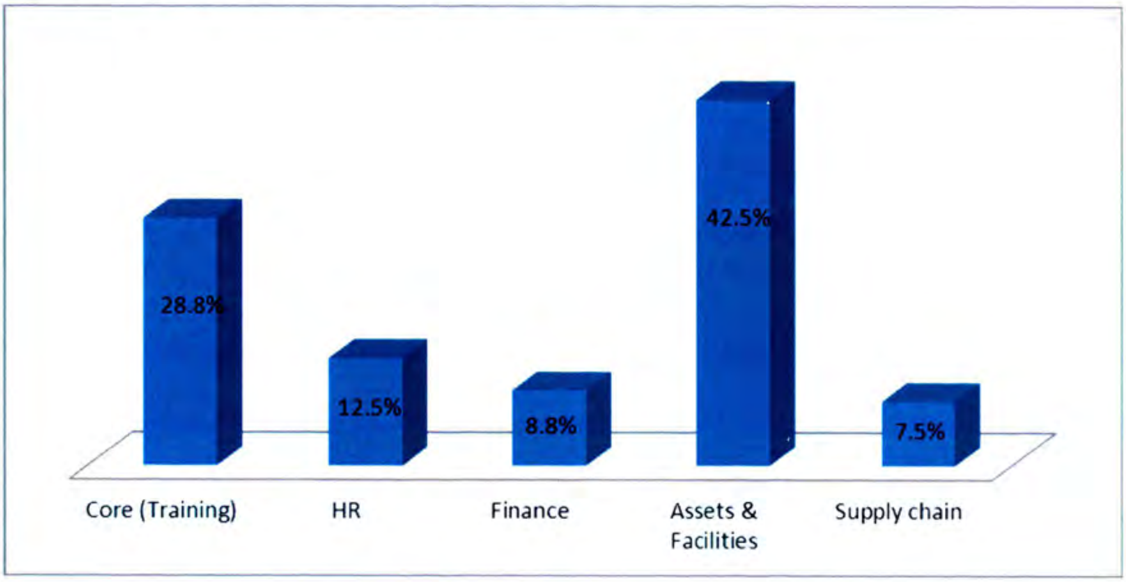
The majority of respondents (48.1%) were between 35 and 44 followed by the age group 45-54 (34.6%).

Figure 3.3: Number of years employed by NSA



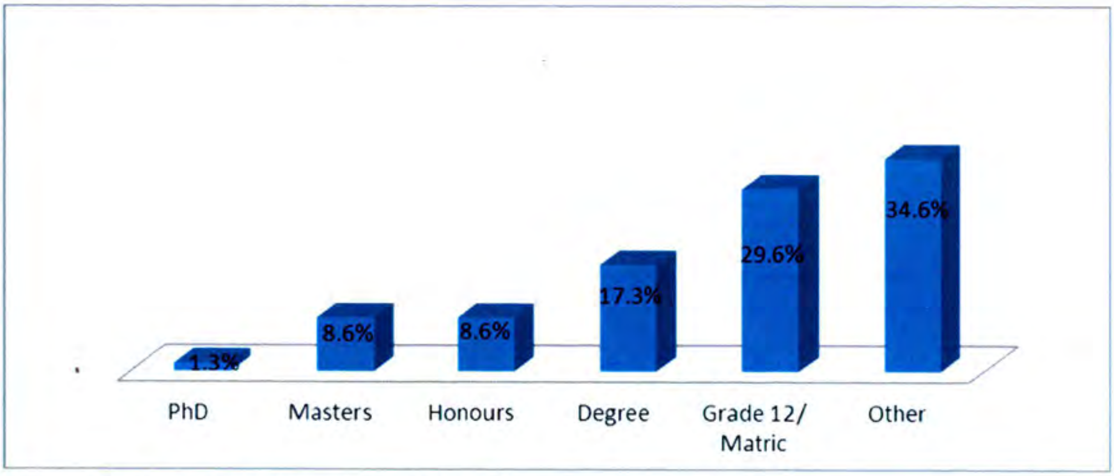
The majority (56.8%) of the respondents' length of service was between 5 to 9 years, while only 1.3% had more than 30 years of service at the NSA.

Figure 3.4: Department in which the respondents worked in



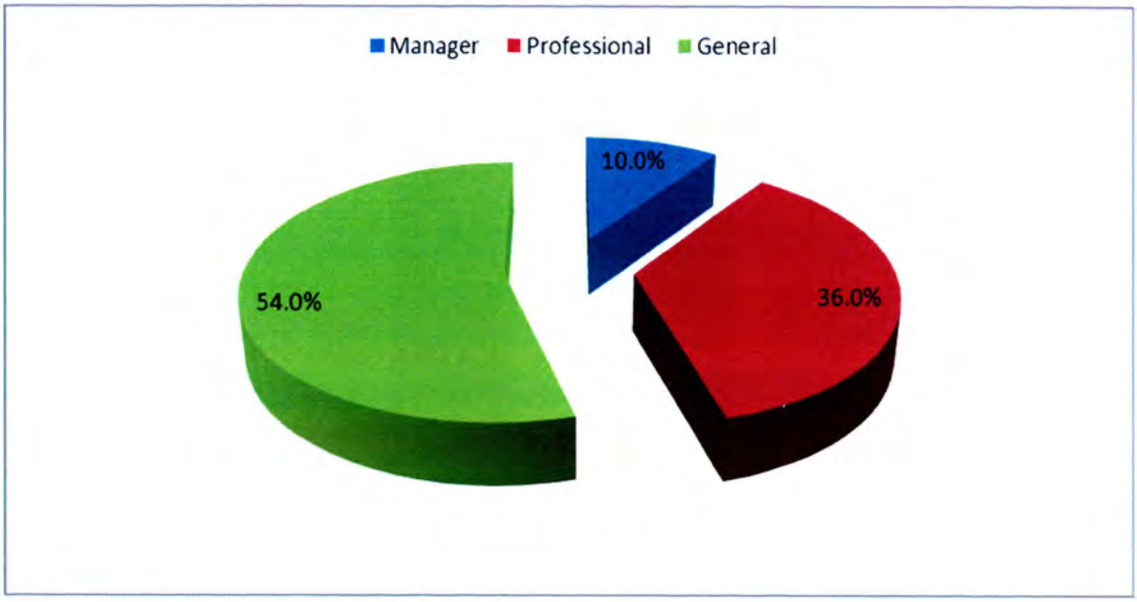
The majority (42.5%) of the respondents worked in the assets and facility department, followed by 28.9% in the core (training) department. Only 12.5% worked in the HR department, 8.8% in the finance department, and 7.5% in the supply chain department.

Figure 3.5: Qualifications of respondents



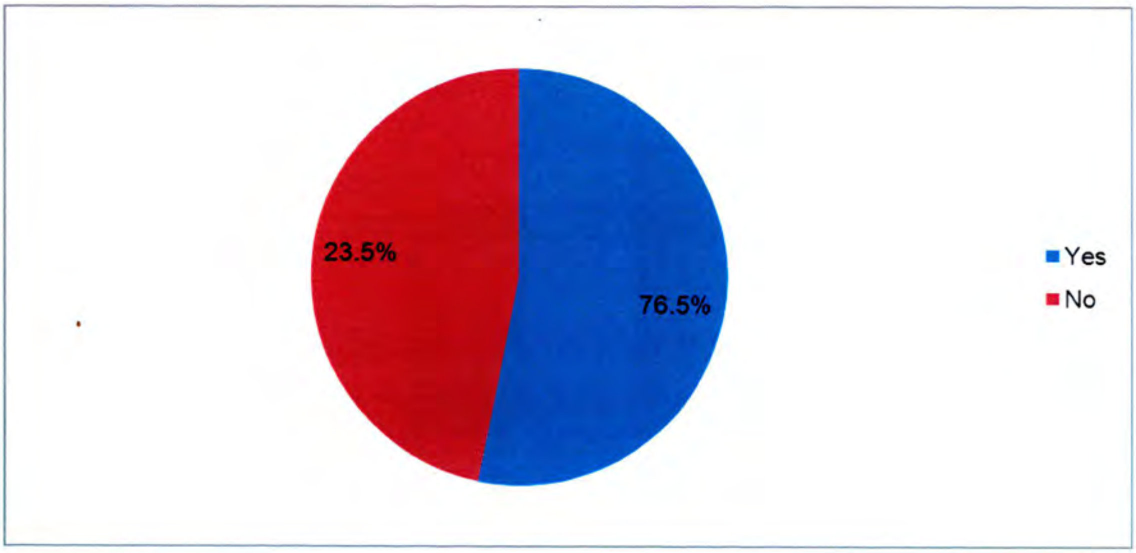
The results indicated that the majority (34.6%) of respondents had qualifications that were not specified, while 29.6% completed Grade 12.

Figure 3.6: Position of respondents



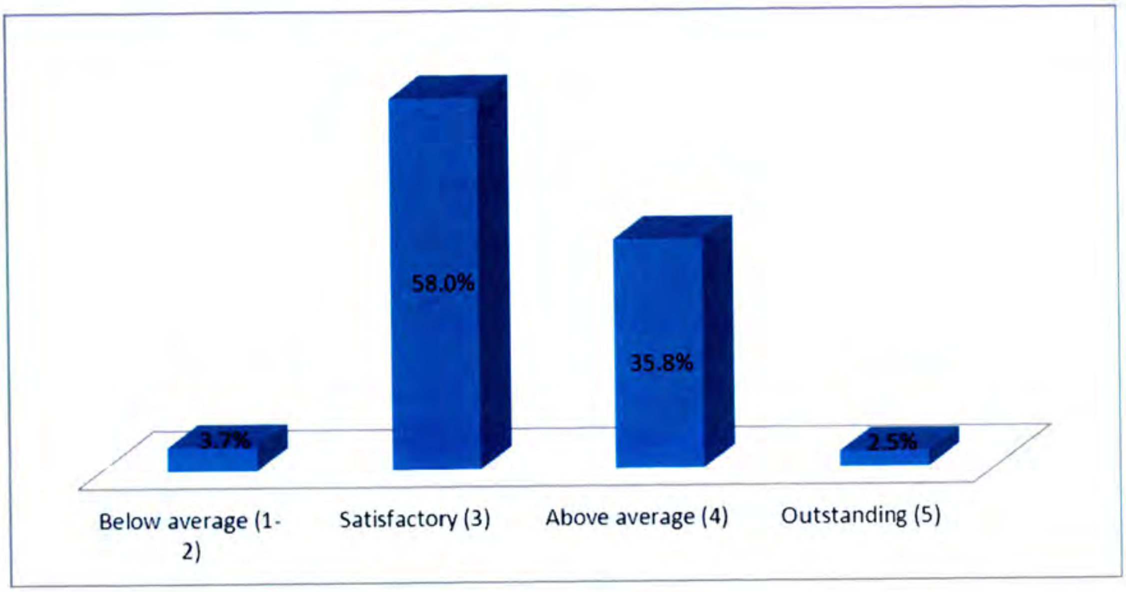
The positions of the respondents were categorised as general workers, professionals and managers. The majority (54%) of the respondents were general workers, 36% professionals, and 10% managers.

Figure 3.7: Percentage that had an annual interview with their supervisor



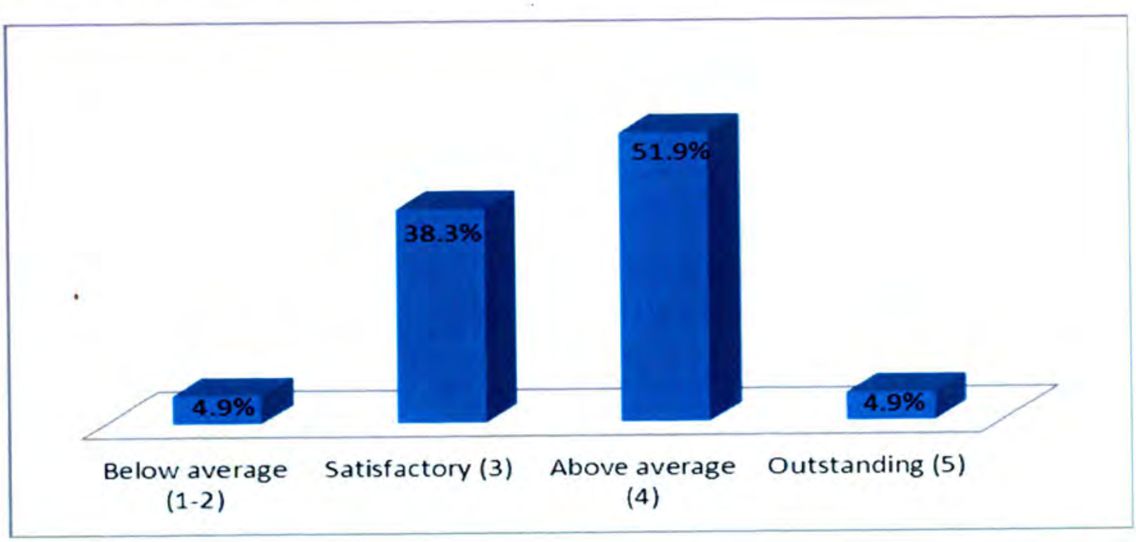
Another question was posed to establish if employees had an annual interview with their immediate supervisors. The majority (76.5%) of respondents indicated there were no interviews with their supervisors.

Figure 3.8: Rating in the 2011-2012 cycle



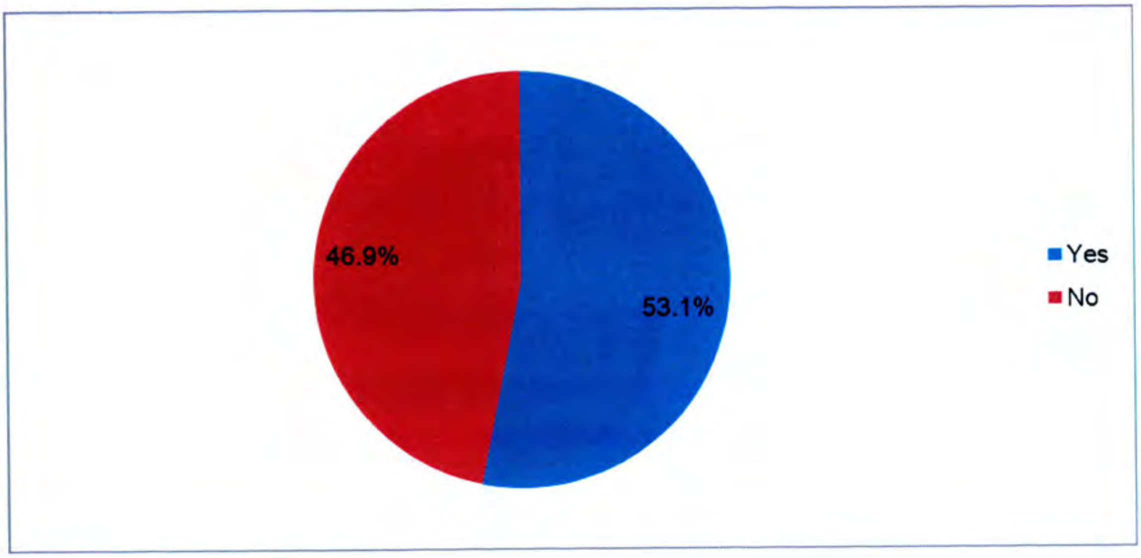
In response to the question on their performance rating in the year 2011-2012 cycle, the results indicated that 58% of the respondents were rated satisfactory, 35.8% above average, while the 3.7% were rated below average.

Figure 3.9: Self Evaluation of performance during the past cycle



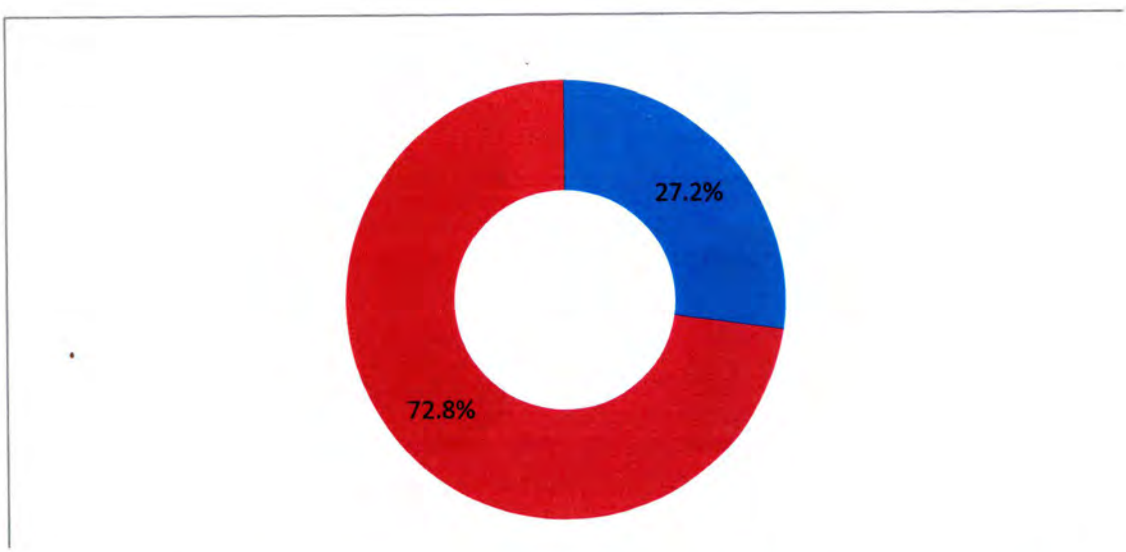
Respondents were asked to provide a self-evaluation of their performance during the past cycle. In terms of self-evaluation, 51.9% of the respondents believed that their performance during the past year were satisfactory; while 38.3% rated their performance as above average, 4.9% rated themselves as below average and 4.9% believed that their performance was outstanding.

Figure 3.10: Performance agreements completed on time



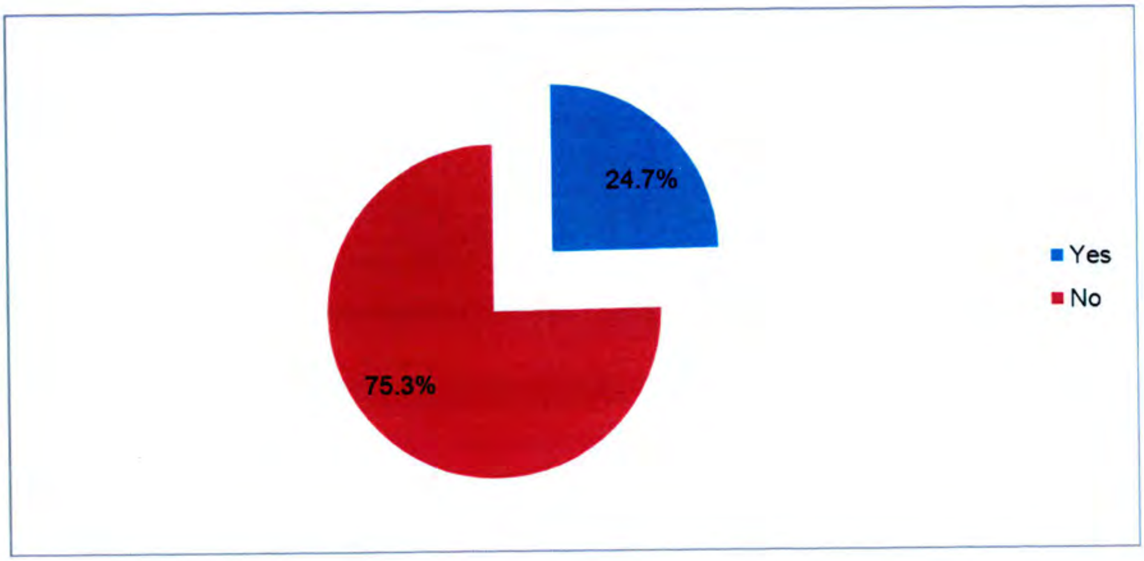
Another question was posed to establish if performance agreements were completed on time. The majority (53.1%) of the respondents indicated that their performance agreements were completed on time.

Figure 3.11: Self-appraisals in consultation with supervisors



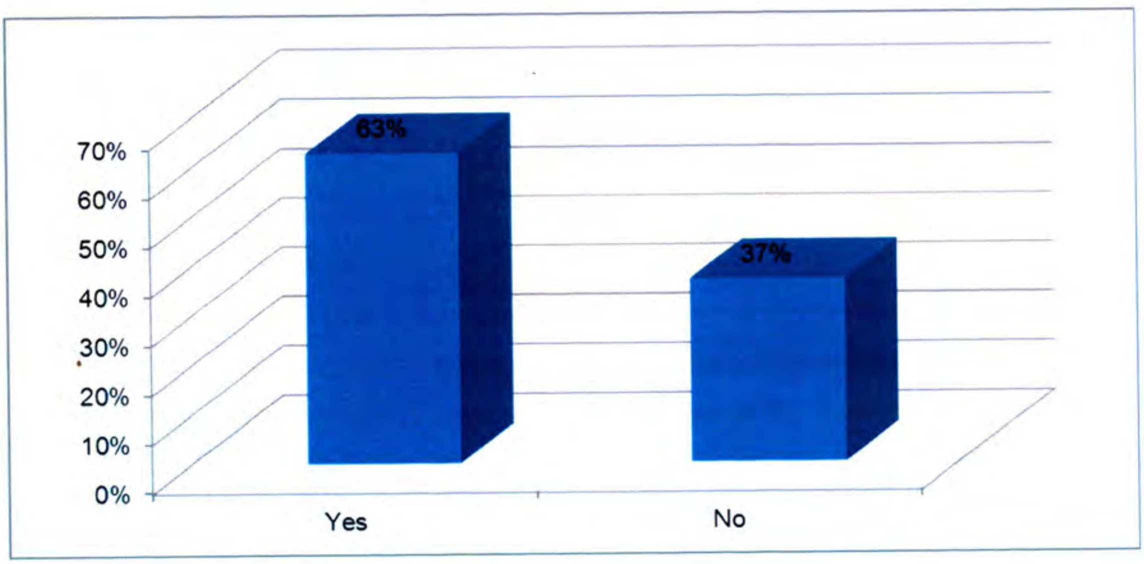
The majority (72.8%) of respondents indicated that they have not done a self-appraisal in consultation with their immediate supervisors

Figure 3.12: Completion of personal development plans



The majority (75.3%) of respondents indicated that their personal development plans were not completed before the new cycle.

Figure 3.13: Knowledge about the performance management directive of NSA



The majority (63%) of respondents indicated that they were familiar with and knowledgeable about the performance management directive of the NSA

3.5.2 Cronbach's alpha coefficient

Cronbach's alpha is a test for a model or survey's internal consistency, sometimes called a 'scale reliability coefficient'. Cronbach's alpha assesses the reliability of a rating summarizing a group of test or survey answers which measure some underlying factors (e.g., some attribute of the test-taker). A score is computed from each test item and the overall rating, called a 'scale' is defined by the sum of these scores over all the test items. According to Cronbach (1951: 297-334), the cut-off point is 0.7, meaning an alpha value less than 0.7 is not acceptable, alpha > 0.7 is acceptable, alpha > 0.8 – good and alpha > 0.9 is excellent. When using Likert-type scales it is imperative to calculate and report Cronbach's alpha coefficient for internal consistency reliability for any scales or subscales one may be using.

The Cronbach's Alpha value for Factor 1 (employee involvement) was 0.732, 0.204 for Factor 2 (performance oriented culture) and 0.704 for Factor 3 (management commitment). The overall Cronbach's Alpha value for the three factors is 0.616 and that showed that the combined factors are reliable. The reliability test (Cronbach's Alpha coefficient) was conducted to ensure the reliability and internal consistency of the questionnaire measuring the employee perceptions on the effectiveness of the performance management system on three dimensions. The reliability test for the three dimensions is summarised in Table 3.3.

Table 3.3: Cronbach's Alpha for three subscales of the effectiveness of the performance management system

Subscale	Cronbach's Alpha	N of Items
Employee involvement	0.732	5
Performance orientated culture	0.204	4
Management commitment	0.704	3
Total	0.616	12

The third section of the questionnaire measured employee perceptions of performance appraisal fairness. The Cronbach's Alpha value for Factor 1 (appraiser knowledge) was 0.796, 0.790 for Factor 2 (employee participation), 0.637 for Factor 3 (employee development), 0.828 for Factor 4 (goal establishment), none for Factor 5 because this dimension consisted of only one item (appraisal follow-up) and 0.571 for Factor 6 (goal discussion). The Cronbach's alpha values for the six variables ranged between 0.828 and 0.571, thus indicating that the items used for the different factors are reliable and valid.

A reliability test was conducted to ensure the internal consistency of the questionnaire measuring the employee perceptions on the fairness of the performance appraisal system on six dimensions or factors. The Cronbach's alpha for the third section of the questionnaire is illustrated in Table 3.4.

Table 3.4: Cronbach's alpha for the six subscales of performance appraisal fairness scale

Subscale	Cronbach's Alpha	N of Items
Appraiser knowledge	0.796	6
Employee participation	0.790	4
Employee development	0.637	4
Goal establishment	0.828	3
Appraisal follow-up	None – only one item	1
Goal discussion	0.571	3
Total	0.915	21

The performance appraisal fairness scale consisted of six subscales. Cronbach's alpha values for the five subscales confirm the reliability and internal consistency of the instrument.

3.5.3 T- test

A t-test was conducted to compare the mean performance scores on the effectiveness of the performance management system and performance appraisal fairness between the males and females.

3.5.4 Analysis of Variance (ANOVA)

This technique was used to compare the mean scores of employees' perception of the effectiveness of the performance management system and appraisal fairness between age groups, departments and positions occupied.

The one-way analysis of variance (ANOVA) is used to determine whether there are any significant differences between the means of three or more independent (unrelated) groups.

3.5.5 Pearson product moment correlation coefficient

The Pearson product moment correlation coefficient was used to measure the strength of the relationship between perceptions of employees on the effectiveness of the performance management system and performance appraisal fairness. The Pearson product moment correlation coefficient is a measure of the strength of a linear association between two variables and is denoted by *r*. Basically, a Pearson product moment correlation coefficient attempts to draw a line of best fit through the data of two variables and also indicate how far away all these data points are to this line of best fit.

3.6 SUMMARY

The research method chosen was quantitative, which is the most appropriate approach to the study. The survey was designed through self-administered e-mailed and hand delivered questionnaires to gather data from the respondents. A brief overview of the research methodology was provided to give a reader a clear picture of the processes and procedure that were followed. With regard to procedures for data collection, all questionnaires were administered and the data was explained. The data was analysed quantitatively through descriptive and inferential statistics. The SPSS was used for data analysis and statistical procedures were followed, namely, descriptive statistics such as tables, graphs, means and standard deviations. Cronbach's alpha coefficient was also used to measure the internal consistency of the instrument. Pearson's product moment correlation coefficient was used to measure the employee perception scores and appraisal fairness scores.

The results obtained and the interpretation thereof is discussed in Chapter Four.

CHAPTER 4: RESEARCH FINDINGS

4.1 INTRODUCTION

This chapter presents the analyses of the administered questionnaires and data obtained from the employees of the National Security Agency. The questionnaires were analysed with the purpose to achieve and answer the research objectives and research questions that were presented in Chapter One. This chapter will also outline the perceptions indicated by individuals through the questionnaires. With these perceptions, individuals are able to interpret the concepts and draw some conclusions. People perceive things differently, and individuals have the right to choose, organise and interpret factors within a particular environment that is affecting them.

At the National Security Agency, people perceive the performance management and appraisal system differently. Some believe that the system is very effective and it does benefit them, while others seem to differ and perceive the system as unfair and biased. The effective implementation of performance management system carries profound implications for both employees and organisations and has a direct implication for rewards and recognition.

The aim of this research was to answer the following research questions:

Primary Questions

- What are employee perceptions of the effectiveness of the performance management system?
- What are employee perceptions of performance appraisal fairness?

Secondary Questions

- Is there a difference in the mean perception scores of the effectiveness of the performance management system and performance appraisal fairness between the males and females?
- Is there a difference in the mean perception scores of the effectiveness of the performance management system and appraisal fairness between the different age groups, departments, and different positions?
- Is there a correlation between the mean perception scores of the performance management system and appraisal fairness?

4.2 EFFECTIVENESS OF THE PERFORMANCE MANAGEMENT SYSTEM AND EMPLOYEE PERCEPTIONS OF PERFORMANCE APPRAISAL FAIRNESS

Effective performance planning and management systems require a significant investment of time and resources. The effectiveness of the system has a positive impact towards the employees. Performance will be very high and employees will be motivated and keen to execute their tasks. NSA is one of the organisations that offer bonuses and incentives for good performance, which means the level of consistency, must be maintained.

The performance appraisal system is an integral part of its process, a system that is used for assessing whether the outcomes are being achieved. It is the system that measures the level of equity in ratings that are being awarded, identify talent that it is nurtured and managed and ensure that poor performance is dealt with fairly. It also acknowledges and compliments good performance management in the workplace; and supports the organisation in achieving its business goals and objectives.

The study focused on nine factors. Three factors/dimensions related to the performance management system and they are employee involvement, performance oriented culture and management commitment. Six factors/dimensions related to performance appraisal. These factors are appraiser's knowledge, employee participation, employee development, goal establishment, appraisal follow-up and goal discussion.

Tables 4.1 and 4.2 illustrate the responses by members of NSA regarding their perception of the effectiveness of the performance management system and performance appraisal fairness.

Table 4.1: Employee Perception of the Effectiveness of the Performance Management System

	STATEMENTS	STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE	TOTAL
		1	2	3	4	5	
Employee Involvement							
1	Employees feel involved during the development of PMS	34 (42.0%)	31 (38.3%)	6 (7.4%)	10 (12.3%)	0 (0%)	81 (100)
2	Employees are informed about the development of PMS	38 (46.9%)	25 (30.9%)	11 (13.6%)	7 (8.6%)	0 (0%)	81 (100)
3	Employees are made accountable to their own development	39 (48.1%)	25 (30.9%)	8 (9.9%)	8 (9.9%)	1 (1.2%)	81 (100)
4	There is sufficient training provided on PMS	46 (56.8%)	19 (23.5%)	9 (11.1%)	6 (7.4%)	1 (1.2%)	81 (100)
5	There is strong support from top management about involving employees in PMS	47 (58.8%)	26 (32.5%)	5 (6.3%)	2 (2.5%)	0 (0%)	81 (100)
Performance Oriented Culture							
6	Employees are encouraged to monitor their performance	37 (45.7%)	22 (27.2%)	13 (16.0%)	7 (8.6%)	0 (0%)	79 (100)
7	Everyone is concerned with meeting performance targets	17 (21%)	16 (19.8%)	16 (19.8%)	31 (38.3%)	1 (1.2%)	81 (100)
8	There is a strong drive towards performing well	34 (42%)	26 (32.1%)	15 (18.5%)	6 (7.4%)	0 (0%)	81 (100)
9	Employees understand how their work contributes to the NSA performance	24 (29.6%)	16 (19.8%)	17 (21%)	20 (24.7%)	4 (4.9%)	81 (100)

	STATEMENTS	STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE	TOTAL
		1	2	3	4	5	
	Management Commitment						
10	The PMS is perfect to evaluate if the job has been done	9 (11.1%)	5 (6.2%)	6 (7.4%)	59 (72.8%)	2 (2.5%)	81 (100)
11	It assists staff adapting to change and any innovation	10 (12.3%)	13 (16%)	6 (7.4%)	51 (63%)	1 (1.2%)	81 (100)
12	Managers constantly monitors activities performed by staff through PMS	28 (34.6%)	37 (45.7%)	12 (14.8%)	4 (4.9%)	0 (0%)	81 (100)

The majority 80.3% (42.0% & 38.3%) of the respondents indicated that they did not feel involved during the development of the PMS, while 77.8% (46.9% & 30.9%) of the respondents disagreed that employees were informed about development of PMS. The majority, 79.0% (48.1% & 30.9%) of the respondents disagreed that employees were made accountable to their own development. According to 80.3% (56.8% & 23.5%), there was sufficient training provided on PMS, while 91.3% (58.8% & 32.5%) of the respondents strongly disagreed that there was strong support from top management about involving employees in PMS.

The majority 74.6% (46.8% & 27.8%) of the respondents disagreed that employees were encouraged to monitor their performance. In response to question seven, 40.8% (21% & 19.8%) of the respondents disagreed that everyone was concerned with meeting performance targets. The majority, 75.3% (42% & 33.3%) of the respondents disagreed that there was a strong drive towards performing well. In response to question nine 49.4% (29.6% & 19.8%) of the respondents disagreed that employees understand how their work contributes to the NSA performance.

The majority 75.3% (72.8% & 2.5%) of the respondents agreed that the PMS was perfect to evaluate if the job has been done, while 64.2% (63.0% & 1.2%) agreed that it assisted staff in adapting to change and any innovation. In response to question twelve, 76.3% (34.6% & 41.7%) of the respondents disagreed that managers constantly monitored activities performed by staff through PMS.

In summary, the vast majority of respondents did not feel like they were a part of the PMS development process and disagreed that the employees were informed about the development of PMS. The majority, on one hand, agreed that sufficient training was provided on PMS, but indicated that there was no support from the top management about the PMS and; employees were not encouraged to monitor their performance.

Table 4.2 below presents the responses to the questions relating to employee perception of performance appraisal fairness at the NSA. The respondents were requested to respond to twenty-one (21) statements. The scoring key was as follows: 1=strongly disagree; 2 = disagree; 3 = neither agree nor disagree, 4 = agree and 5 = strongly agree. As already indicated four items in Section C have been negatively worded and was reversed scored. The scoring key for the negatively stated items was as follows: 5=strongly disagree; 4 = disagree; 3 = neither agree nor disagree, 2 = agree and 1 = strongly agree.

Table 4.2: Employee Perceptions of Performance Appraisal Fairness at the National Security Agency

STATEMENTS		STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE	TOTAL
		1	2	3	4	5	
Appraiser Knowledge							
1	My appraiser has a good understanding of the skills required to perform my job	23 (28.4%)	12 (14.8%)	22 (27.2%)	20 (24.7%)	4 (4.9%)	81 (100)
2	My appraiser is familiar with all aspects of my work	11 (13.6%)	26 (32.1%)	23 (28.4%)	16 (19.8%)	5 (6.2%)	81 (100)
3	My appraiser has excellent personal knowledge of my performance level in my current position	17 (21%)	29 (35.8%)	21 (25.9%)	12 (14.8%)	2 (2.5%)	81 (100)
4	My appraiser does not have a good knowledge of my key performance areas *	16 (19.8%)	14 (17.3%)	38 (46.9%)	11 (13.6%)	2 (2.5%)	81 (100)
5	My appraiser has observed my performance under both routine and pressured conditions	28 (34.6%)	30 (37.0%)	13 (16.0%)	8 (9.9%)	2 (2.5%)	81 (100)
Employee Participation							
6	I am given the opportunity to state my side of all the issues discussed during my performance appraisal feedback	35 (43.2%)	24 (29.6%)	10 (12.3%)	12 (14.8%)	0 (0%)	81 (100)
7	I am given the opportunity to express my feelings during my	38 (46.9%)	21 (25.9%)	6 (7.4%)	16 (19.8%)	0 (0%)	81 (100)

STATEMENTS		STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE	TOTAL
		1	2	3	4	5	
	performance appraisal feedback with my appraiser						
8	There is ample opportunity to discuss all aspects of my job during my appraisal feedback	40 (49.4%)	20 (24.7%)	13 (16.0%)	8 (9.9%)	0 (0%)	81 (100)
9	I am encouraged to express my opinion on how my duties could be more efficiently performed	34 (42.0%)	24 (29.6%)	13 (16.0%)	9 (11.1%)	1 (1.2%)	81 (100)
Employee Development							
10	I have a clear understanding of the reasons behind the appraisals I receive	20 (25.3%)	11 (13.9%)	26 (32.9%)	21 (26.6%)	1 (1.3%)	79 (100)
11	Possible means of self-improvement which I could take in my current position are not discussed during my performance appraisal.	13 (16.0%)	15 (18.5%)	40 (49.4%)	13 (16.0%)	0 (0%)	81 (100)
12	My personal development needs are discussed during my performance appraisal feedback	29 (36.3%)	24 (30.0%)	19 (23.8%)	8 (10.0%)	0 (0%)	80 (100)
13	Goals for my job are not discussed during my appraisal *	18 (22.2%)	16 (19.8%)	35 (43.2%)	9 (11.1%)	3 (3.7%)	81 (100)
Goal Establishment							
14	Possible actions that I could take to improve performance in my present position are discussed	20 (24.0%)	37 (45.7%)	18 (22.2%)	6 (7.4%)	0 (0%)	80 (100)

STATEMENTS		STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE	TOTAL
		1	2	3	4	5	
	during my performance appraisal						
15	My performance appraisal is based on specified performance standards for my position	26 (32.5%)	31 (38.8%)	14 (17.5%)	8 (10.0%)	1 (1.3%)	80 (100)
16	My performance is appraised according to previously established responsibilities, standards and goals	26 (32.5%)	27 (33.8%)	18 (22.5%)	8 (10.0%)	1 (1.3%)	80 (100)
Appraisal Follow-up							
17	Any plans or objectives for my job are established and mutually agreed upon by my appraiser and myself	33 (41.8%)	19 (24.1%)	16 (20.3%)	11 (13.9%)	0 (0%)	79 (100)
18	My formal appraisals are connected to informal meetings between my appraiser and me, which take place throughout the entire year	38 (47.5%)	27 (33.8%)	9 (11.3%)	5 (6.3%)	1 (1.3%)	80 (100)
Goal Discussions							
19	Discussions and review of my performance is a continuous process, not one that occurs only during my formal performance appraisal	34 (42.5%)	35 (43.8%)	5 (6.3%)	6 (7.5%)	0 (0%)	80 (100)
20	The overall goals of the NSA are not discussed during my performance appraisal *	22 (27.2%)	20 (24.7%)	23 (28.4%)	13 (16.0%)	3 (3.7%)	81 (100)

STATEMENTS		STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE	TOTAL
		1	2	3	4	5	
21	The goals of my department or unit are discussed during my performance appraisal	27 (33.8%)	21 (26.3%)	21 (26.3%)	11 (13.8%)	0 (0%)	81 (100)

The majority 43.2% (28.4% & 14.8%) of the respondents disagreed that their appraiser had a good understanding of the skills required to perform their job, while 45.7% (13.6% & 32.1%) disagreed that their appraiser was familiar with all aspects of their work. In response to question 3, 56.8% (21% & 35.8%) of the respondents disagreed that their appraiser has excellent personal knowledge of my performance level in their current position. The majority 46.9% (19.8% & 17.3%) of the respondents neither agreed nor disagreed that their appraiser did not have a good knowledge of their key performance areas. The majority of respondents, namely 71.6% (34.6% & 37%) disagreed that their appraiser has observed their performance under both routine and pressured conditions.

The majority 72.8% (43.2% & 29.6%) of the respondents disagreed that they were given the opportunity to state their side of all the issues discussed during their performance appraisal feedback. In response to question seven, 72.8% (46.9% & 25.9%) of the respondents disagreed that they were given the opportunity to express their feelings during their performance appraisal feedback with their appraiser. The respondents 74.1 (49.4 & 24.7%) disagreed that there is ample opportunity to discuss all aspects of their job during the appraisal feedback. The majority 71.6 (42.0% & 29.6%) of the respondents disagreed that they were encouraged to express their opinions on how their duties could be more efficiently performed.

The majority 39.2 (25.3% & 13.9%) of the respondents disagreed that they have a clear understanding of the reasons behind the appraisals they receive, while 49.4% of the respondents neither agreed nor disagreed that possible means of self-improvement which they could take in their current position were not discussed during their performance appraisal. The respondents 66.3% (36.3% & 30.0%) disagreed that their personal development needs were discussed during their performance appraisal feedback. The majority 43.2% of the respondents neither agreed nor disagreed that the goals for their jobs were not discussed during their appraisal.

The majority 69.7% (24% & 45.7%) of the respondents disagreed that possible actions that they could take to improve performance in their present position were discussed during their performance appraisal. In response to question 16, 71.3% (32.5% & 38.8%) of the respondents disagreed that their performance appraisal was based on specified performance standards for their position, while 66.3% (32.5% & 33.8%) of the respondents disagreed that their performance is appraised according to previously established responsibilities, standards and goals.

The majority 65.4% (42.3% & 23.1%) of the respondents disagreed that any plans or objectives for their job were established and mutually agreed upon by their appraiser and myself. The respondents 81.3% (47.5% & 33.8%) disagreed that their formal appraisals were connected to informal meetings between their appraiser and them, which take place throughout the entire year.

The majority 86.3% (42.5% & 43.8%) of the respondents disagreed that discussions and review of their performance was a continuous process, not one that occurs only during their formal performance appraisal. In response to question twenty, 51.9% (27.2% & 24.7%) of the respondents disagreed that the overall goals of the

NSA were not discussed during their performance appraisal and 60.5% (33.3% & 27.2%) of the respondents disagreed that the goals of their department or unit were discussed during their performance appraisal.

Most of the employees disagreed with many statements above. They feel that performance management and appraisal system is not fairly implemented.

4.3 COMPARISONS OF THE MEAN PERCEPTION SCORES OF THE EFFECTIVENESS OF THE PERFORMANCE MANAGEMENT SYSTEM AND APPRAISAL FAIRNESS BETWEEN DIFFERENT GROUPS

A t-test was conducted to compare the mean perception scores of the effectiveness of the performance management system and performance appraisal fairness between the males and females. An independent-samples t-test was conducted to compare the mean perception score of the effectiveness of the performance management system for males and females. There was no significant difference in the scores for males (M = 25.03, SD = 5.16 and females (M = 24.58, SD = 4.56; t (79) = .411, p = .682, two-tailed) (see Table 4.3 and 4.4). In terms of the perception of the fairness of the appraisal system, there was also no significant difference in scores for males (M= 50.76, SD = 11.83 and females (M = 45.54, SD = 14.18; t (79) = .411, p =.086, two-tailed) (see Table 4.5 and 4.6).

A one-way between-groups analysis of variance was conducted to explore the impact of age groups on the perception levels of the performance management system. There was statistically no significant difference in the mean scores of the four age groups (see Table 4.7 and 4.8). Post-hoc comparisons, using the Scheffe tests, indicated no significant differences between the four age groups. The mean scores for age groups were: 25-34 (M =25.00, SD 3.37), age group 35-44 (M = 24.85, SD = 5.50), age group 45-54 (M = 24.75, SD = 4.50) and age group 55 -64 (M = 24.77, SD = 4.78) (see Table 4.9).

An ANOVA was conducted to determine the impact of age groups on the perception scores of appraisal fairness. There was statistically no significant difference between the four age groups (see Table 4.10 and 4.11). Post-hoc comparisons using the Scheffe test indicated no significant difference between the four age groups. The mean scores for age groups were: = 44.30, SD = 10.17), 35 – 44 (M = 47.95, SD = 13.70), 45 – 54 (M = 48.75, SD = 14.58) and 55 – 64 (M = 45.75, SD = 12.84) (see Table 4.12).

A One-way between-groups analysis of variance was conducted to explore the impact of departments on the perception of the effectiveness performance management system. There was statistically no significant difference between the five departments (see Table 4.13 and 4.14). Post-hoc comparisons using the Scheffe test indicated no significant difference between the five departments. The mean scores for departments were: Training (M = 25.26, SD = 3.26) Human Resources (M = 25.20, SD = 7.90), Finance (M = 25.75, SD 4.13) Assets & Facilities (M= 23.97, SD = 4.80) and Supply Chain (M = 25.33, SD 4.84) (see Table 4.15).

An ANOVA was conducted to determine the impact of departments on the perception scores of the appraisal fairness system. There was statistically significant difference at the $p < .05$ level in the appraisal fairness scores between the five departments: $F (4, 76) = 4.67$, $p = .002$ (see Table 4.16 and 4.17). Post-hoc comparisons using the Scheffe test indicated that the mean score for the Human Resources Department ($M = 59.30$, $SD = 15.22$) was significantly different from the Assets and Facilities Department ($M = 42.05$, $SD = 13.48$) (see Table 4.18).

An ANOVA was conducted to explore the impact of positions on the perception levels of the performance management system. There was statistically no significant difference between the three positions (see Table 4.19 and 4.20). Post-hoc comparisons using the Scheffe test indicated that the mean scores for the different positions were: manager ($M = 24.50$, SD 3.93), professional ($M= 25.90$, $SD = 4.77$) and general ($M = 24.07$, SD 4.89) (see Table 4.21).

An Anova was also conducted to explore the impact of position on the perception of the appraisal fairness system. There was a statistically significant difference at the $p < .05$ level in the appraisal fairness scores between the three positions: $F (2, 78) = 7.67$, $p = .001$ (see Table 4.22 and 4.23). Post-hoc comparisons using the Scheffe test indicated that the mean score for the manager position ($M = 57.00$, $SD = 10.88$) was significantly different from the general position ($M = 42.84$, $SD = 13.22$). The mean score for the professional position ($M = 52.42$, $SD = 11.56$) was also significantly different from the general position ($M = 42.84$, $SD = 13.22$) (see Table 4.24).

Table 4.3: Descriptive statistics of the mean of perception scores of the effectiveness of the performance management system between males and females

Total performance management system					
	Gender	N	Mean	Std. Deviation	Std. Error Mean
	Male	33	25.0303	5.15682	.89769
	Female	48	24.5833	4.55619	.65763

Table 4.4: Independent samples test of the mean perception score of the effectiveness of the performance management system

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Total performance management system	Equal variances assumed	.035	.852	.411	79	.682	.44697	1.08737	-1.71739	2.61133
	Equal variances not assumed			.402	63.175	.689	.44697	1.11280	-1.77666	2.67060

Table 4.5: Descriptive statistics of the mean of perception scores of the appraisal fairness system between males and females

Total appraisal fairness	Gender	N	Mean	Std. Deviation	Std. Error Mean
	Male	33	50.7576	11.82960	2.05927
	Female	48	45.5417	14.17964	2.04665

Table 4.6: Independent samples test of the mean perception scores of the appraisal fairness

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
Total appraisal fairness		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
	Equal variances assumed	1.193	.278	1.737	79	.086	5.21591	3.00259	-.76059	11.19241
	Equal variances not assumed			1.797	75.972	.076	5.21591	2.90334	-.56663	10.99845

Table 4.7: Descriptive statistics of the mean scores of the performance management system of the four age groups

Total performance management system								
					95% Confidence Interval for Mean			
	N	Mean	Std. Deviation	Std. Error	Lower Bound	Upper Bound	Minimum	Maximum
25-34	10	25.0000	3.36650	1.06458	22.5917	27.4083	18.00	29.00
35-44	39	24.8205	5.50058	.88080	23.0374	26.6036	11.00	44.00
45-54	28	24.7500	4.50206	.85081	23.0043	26.4957	14.00	33.00
55-64	4	23.7500	2.98608	1.49304	18.9985	28.5015	20.00	27.00
Total	81	24.7654	4.78349	.53150	23.7077	25.8231	11.00	44.00

Table 4.8: One-way analysis of variance of the mean scores of the performance management system of the four age groups

Total performance management system	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	4.800	3	1.600	.067	.977
Within Groups	1825.744	77	23.711		
Total	1830.543	80			

Table 4.9: One-way between –groups Anova with Post-Hoc tests of the mean scores of the performance management system of the four age groups

Dependent Variable: Total appraisal fairness

Scheffe

(I) Age group	(J) Age group	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	95% Confidence Interval Upper Bound
25-34	35-44	-3.64872	4.82978	.903	-17.4538	10.1564
	45-54	-4.45000	5.01966	.853	-18.7978	9.8978
	55-64	-1.45000	8.06113	.998	-24.4913	21.5913
35-44	25-34	3.64872	4.82978	.903	-10.1564	17.4538
	45-54	-.80128	3.37511	.996	-10.4484	8.8459
	55-64	2.19872	7.15375	.992	-18.2490	22.6465
45-54	25-34	4.45000	5.01966	.853	-9.8978	18.7978
	35-44	.80128	3.37511	.996	-8.8459	10.4484
	55-64	3.00000	7.28329	.982	-17.8180	23.8180
55-64	25-34	1.45000	8.06113	.998	-21.5913	24.4913
	35-44	-2.19872	7.15375	.992	-22.6465	18.2490
	45-54	-3.00000	7.28329	.982	-23.8180	17.8180

Table 4.10: Descriptive statistics of the mean scores of appraisal fairness of the four age groups

Total appraisal fairness								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
25-34	10	44.3000	10.16585	3.21472	37.0278	51.5722	25.00	59.00
35-44	39	47.9487	13.69777	2.19340	43.5084	52.3890	24.00	80.00
45-54	28	48.7500	14.58214	2.75577	43.0956	54.4044	29.00	76.00
55-64	4	45.7500	12.84199	6.42099	25.3155	66.1845	32.00	63.00
Total	81	47.6667	13.44433	1.49381	44.6939	50.6395	24.00	80.00

Table 4.11: One-way analysis of variance of the mean scores of appraisal fairness of the four age groups

Total appraisal fairness					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	164.003	3	54.668	.294	.829
Within Groups	14295.997	77	185.662		
Total	14460.000	80			

Table 4.12: One-way between –groups Anova with Post-Hoc tests of the mean scores of appraisal fairness of the four age groups

Dependent Variable: Total appraisal fairness

Scheffe

(I) Age group	(J) Age group	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
25-34	35-44	-3.64872	4.82978	.903	-17.4538	10.1564
	45-54	-4.45000	5.01966	.853	-18.7978	9.8978
	55-64	-1.45000	8.06113	.998	-24.4913	21.5913
35-44	25-34	3.64872	4.82978	.903	-10.1564	17.4538
	45-54	-.80128	3.37511	.996	-10.4484	8.8459
	55-64	2.19872	7.15375	.992	-18.2490	22.6465
45-54	25-34	4.45000	5.01966	.853	-9.8978	18.7978
	35-44	.80128	3.37511	.996	-8.8459	10.4484
	55-64	3.00000	7.28329	.982	-17.8180	23.8180
55-64	25-34	1.45000	8.06113	.998	-21.5913	24.4913
	35-44	-2.19872	7.15375	.992	-22.6465	18.2490
	45-54	-3.00000	7.28329	.982	-23.8180	17.8180

Table 4.13: Descriptive statistics of the mean scores of the performance management system of the five departments

Total performance management system								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Training	23	25.2609	3.26437	.68067	23.8492	26.6725	18.00	31.00
Human Resources	10	25.2000	7.89937	2.49800	19.5491	30.8509	14.00	44.00
Finance	8	25.7500	4.13176	1.46080	22.2958	29.2042	18.00	33.00
Assets & Facilities	34	23.9706	4.79574	.82246	22.2973	25.6439	11.00	32.00
Supply chain	6	25.3333	4.84424	1.97765	20.2496	30.4171	17.00	32.00
Total	81	24.7654	4.78349	.53150	23.7077	25.8231	11.00	44.00

Table 4.14: One-way analysis of variance of the mean scores of the performance management system of the five departments

Total performance management system					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	38.705	4	9.676	.410	.801
Within Groups	1791.839	76	23.577		
Total	1830.543	80			

Table 4.15: One-way between –groups Anova with Post-Hoc tests of the mean scores of the performance management system of the five departments

Dependent Variable: Total performance management system

Scheffe

(I) Department	(J) Department	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Training	Human Resources	.06087	1.83923	1.000	-5.7460	5.8678
	Finance	-.48913	1.99303	1.000	-6.7816	5.8034
	Assets & Facilities	1.29028	1.31092	.914	-2.8486	5.4292
	Supply chain	-.07246	2.22588	1.000	-7.1001	6.9552
Human Resources	Training	-.06087	1.83923	1.000	-5.8678	5.7460
	Finance	-.55000	2.30321	1.000	-7.8218	6.7218
	Assets & Facilities	1.22941	1.74675	.973	-4.2855	6.7443
	Supply chain	-.13333	2.50742	1.000	-8.0499	7.7832
Finance	Training	.48913	1.99303	1.000	-5.8034	6.7816
	Human Resources	.55000	2.30321	1.000	-6.7218	7.8218
	Assets & Facilities	1.77941	1.90802	.928	-4.2447	7.8035
	Supply chain	.41667	2.62232	1.000	-7.8626	8.6960
Assets & Facilities	Training	-1.29028	1.31092	.914	-5.4292	2.8486
	Human Resources	-1.22941	1.74675	.973	-6.7443	4.2855
	Finance	-1.77941	1.90802	.928	-7.8035	4.2447
	Supply chain	-1.36275	2.15009	.982	-8.1511	5.4256
Supply chain	Training	.07246	2.22588	1.000	-6.9552	7.1001
	Human Resources	.13333	2.50742	1.000	-7.7832	8.0499
	Finance	-.41667	2.62232	1.000	-8.6960	7.8626
	Assets & Facilities	1.36275	2.15009	.982	-5.4256	8.1511

Table 4.16: Descriptive statistics of the mean scores of the appraisal fairness system of the five departments

Total appraisal fairness								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Training	23	48.0000	9.64836	2.01182	43.8277	52.1723	35.00	70.00
Human Resources	10	59.3000	15.22461	4.81445	48.4090	70.1910	34.00	80.00
Finance	8	50.0000	10.01428	3.54058	41.6279	58.3721	32.00	64.00
Assets & Facilities	34	42.0588	13.47712	2.31131	37.3564	46.7612	24.00	73.00
Supply chain	6	55.6667	12.46863	5.09030	42.5816	68.7517	42.00	74.00
Total	81	47.6667	13.44433	1.49381	44.6939	50.6395	24.00	80.00

Table 4.17: One-way analysis of variance of the mean scores of the appraisal fairness system of the five departments

Total appraisal fairness					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	2852.684	4	713.171	4.670	**.002**
Within Groups	11607.316	76	152.728		
Total	14460.000	80			

Table 4.18: One-way between –groups Anova with Post-Hoc tests of the mean scores of the appraisal fairness system of the five departments

Dependent Variable: Total appraisal fairness

Scheffe

(I) Department	(J) Department	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Training	Human Resources	-11.30000	4.68115	.224	-26.0795	3.4795
	Finance	-2.00000	5.07260	.997	-18.0155	14.0155
	Assets & Facilities	5.94118	3.33652	.534	-4.5930	16.4754
	Supply chain	-7.66667	5.66524	.766	-25.5532	10.2199
Human Resources	Training	11.30000	4.68115	.224	-3.4795	26.0795
	Finance	9.30000	5.86206	.643	-9.2080	27.8080
	Assets & Facilities	17.24118*	4.44576	**.008**	3.2048	31.2775
	Supply chain	3.63333	6.38180	.988	-16.5156	23.7823
Finance	Training	2.00000	5.07260	.997	-14.0155	18.0155
	Human Resources	-9.30000	5.86206	.643	-27.8080	9.2080
	Assets & Facilities	7.94118	4.85623	.616	-7.3911	23.2735
	Supply chain	-5.66667	6.67425	.948	-26.7389	15.4056
Assets & Facilities	Training	-5.94118	3.33652	.534	-16.4754	4.5930
	Human Resources	-17.24118*	4.44576	**.008**	-31.2775	-3.2048
	Finance	-7.94118	4.85623	.616	-23.2735	7.3911
	Supply chain	-13.60784	5.47235	.198	-30.8854	3.6697
Supply chain	Training	7.66667	5.66524	.766	-10.2199	25.5532
	Human Resources	-3.63333	6.38180	.988	-23.7823	16.5156
	Finance	5.66667	6.67425	.948	-15.4056	26.7389
	Assets & Facilities	13.60784	5.47235	.198	-3.6697	30.8854

*. The mean difference is significant at the 0.05 level.

Table 4.19: Descriptive statistics of the mean scores of the performance management system of the three positions

Total performance management system								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Manager	8	24.5000	3.92792	1.38873	21.2162	27.7838	17.00	29.00
Professional	29	25.8966	4.76853	.88549	24.0827	27.7104	18.00	44.00
General	44	24.0682	4.88661	.73668	22.5825	25.5538	11.00	32.00
Total	81	24.7654	4.78349	.53150	23.7077	25.8231	11.00	44.00

Table 4.20: One-way analysis of variance of the mean scores of the performance management system of the three positions

Total performance management system					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	59.058	2	29.529	1.300	.278
Within Groups	1771.485	78	22.711		
Total	1830.543	80			

Table 4.21: One-way between –groups Anova with Post-Hoc tests of the mean scores of the performance management system of the three positions

Dependent Variable: Total performance management system						
Scheffe						
(I) Position	(J) Position	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Manager	Professional	-1.39655	1.90317	.765	-6.1459	3.3528
	General	.43182	1.83169	.973	-4.1392	5.0028

Professional	Manager	1.39655	1.90317	.765	-3.3528	6.1459
	General	1.82837	1.13988	.282	-1.0162	4.6729
General	Manager	-.43182	1.83169	.973	-5.0028	4.1392
	Professional	-1.82837	1.13988	.282	-4.6729	1.0162

Table 4.22: Descriptive statistics of the mean scores of the appraisal fairness system of the three positions

Total appraisal fairness

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Manager	8	57.0000	10.87592	3.84522	47.9075	66.0925	43.00	76.00
Professional	29	52.4138	11.55891	2.14644	48.0170	56.8106	32.00	80.00
General	44	42.8409	13.22074	1.99310	38.8214	46.8604	24.00	74.00
Total	81	47.6667	13.44433	1.49381	44.6939	50.6395	24.00	80.00

Table 4.23: One-way analysis of variance of the mean scores of the appraisal fairness system of the three positions

Total appraisal fairness

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	2375.079	2	1187.540	7.665	**.001**
Within Groups	12084.921	78	154.935		
Total	14460.000	80			

Table 4.24: One-way between –groups Anova with Post-Hoc tests of the mean scores of the appraisal fairness system of the three positions

Dependent Variable: Total appraisal fairness

Scheffe

(I) Position	(J) Position	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Manager	Professional	4.58621	4.97086	.655	-7.8186	16.9911
	General	14.15909*	4.78415	**.016**	2.2202	26.0980
Professional	Manager	-4.58621	4.97086	.655	-16.9911	7.8186
	General	9.57288*	2.97722	**.008**	2.1432	17.0026
General	Manager	-14.15909*	4.78415	**.016**	-26.0980	-2.2202
	Professional	-9.57288*	2.97722	**.008**	-17.0026	-2.1432

*. The mean difference is significant at the 0.05 level.

4.4 CORRELATION BETWEEN THE MEAN PERCEPTION SCORES OF THE PERFORMANCE MANAGEMENT AND APPRAISAL FAIRNESS SYSTEM

The relationship between the mean perception scores of the performance management and appraisal fairness system was investigated using Pearson product-moment correlation coefficient. There was a moderate positive correlation between the two variables, $r = .38$, $n = 81$, $p < .000$, with low levels of perception scores of the performance management system associated with low levels of perception scores of appraisal fairness.(see Table 4.25).

Table 4.25: Correlation between the mean perception scores of the performance management and appraisal fairness system

Correlations			
		Total performance management system	Total performance appraisal fairness
Total performance management system	Pearson Correlation	1	.382**
	Sig. (2-tailed)		.000
	N	81	81
Total performance appraisal fairness	Pearson Correlation	.382**	1
	Sig. (2-tailed)	.000	
	N	81	81
**. Correlation is significant at the 0.01 level (2-tailed).			

4.5 SUMMARY

Chapter Four presented the results by employees and managers of NSA. The data was analysed for easy presentation and interpretation. However, the raw data had been processed through the SPSS system, and the SPSS (Statistical Packaging for Social Science) output was input into the tables. The results from the study show that NSA is facing many challenges in the implementation of the performance management system. Many employees perceive the system as unfair and not gaining anything out of it. Poor interaction with management rendered the system ineffective.

Factors that influence implementation of effective performance management system in the NSA were outlined. There is a lack of commitment by management. For NSA to increase effectiveness of PMS, this factor needs serious attention and consideration. The results show that employees still believe in the system and their attitudes towards appraisals system can change if they are given the opportunity to participate in the process.

CHAPTER 5: DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

Chapter Five presents and discusses findings from the study. The discussion is based on the results obtained on each of the research objectives. Based on the discussions, conclusions and recommendations are made. Finally, areas that need further research are proposed.

5.2 DISCUSSION OF THE FINDINGS

The purpose of this study was to investigate employee perceptions of the effectiveness of the performance management system and appraisal fairness at NSA, to identify performance factors related to the managerial and professional employee's opportunities to express their feelings, the existence of a formal appraisal system, the knowledge of supervisor about the performance of subordinate, the existence of action plans to improve performance weaknesses and the frequency of evaluations.

There are a number of factors that often hampered the effectiveness of these performance management systems. The human factor is often attributed to their ineffectiveness, due to the fact that these systems are designed to measure people performance. Aguinis (2009: 179) argues that there are two key stakeholders in the developmental process, the employees of the organisation, who are improving their own performance and managers, who help guide the process of employee development for their staff and support it so that it can successfully occur. Developmental planning is a joint activity entered into by both the employee and the manager. The overall objective of a developmental plan is to encourage continuous learning, performance improvement and personal growth, but there are other more specific objectives such as:

- Improve performance in current job;
- sustain performance;
- prepare employees' for advancement; and
- enrich employees' work experience.

The findings of the study are preceded by the two sections on the respondents' recent performance management experience as well as whether they thought the system was fair.

5.3 DISCUSSION ON EMPLOYEE PERCEPTIONS OF THE EFFECTIVENESS OF THE PERFORMANCE MANAGEMENT SYSTEM

There are three organisational factors identified that influence the effectiveness of a performance management system. They are:

- Employee involvement;
- performance oriented culture; and
- management commitment.

The three factors are designed and developed to measure the effectiveness of the performance management system.

5.3.1 Employee Involvement

Employees need to be actively engaged in the performance agreement process. Most organisations design the workplace approach to ensure that employees are committed to their goals, values and are highly motivated towards the success of their organisations and on the other had ensuring that they enhance their own sense of well-being. Schmidt and Hayes (cited by Gruman and Saks, 2011:125) define employee engagement as "the individual's involvement and satisfaction with as well as enthusiasm for work". Gruman *et al.* (2011:128) outline that goals are extremely important for initiating the employee engagement process because goals always stimulate energy and allow employees to focus and develop feelings of being engaged. Pulakos (cited by Gruman *et al.* 2011: 128) notes that even if employees' works goals support organisational objectives, it is also important for the organisation to consider individuals' development and consider them when establishing goals.

The findings indicate that most employees were not involved in the development of the system. The majority of the respondents indicated that they did not feel involved during the development of PMS; they did not agree that employees were informed about development of PMS or they were made accountable to their own development. The majority of employees feel that there was no sufficient training provided on PMS and no support from top management about involving them in the system. Selden and Sowa (2011:260) state that even if organisations may have performance management systems in place, the practice and meaning of those systems do not resonate with employees, as those systems have a significant impact on employee development and overall practice. Therefore, it is the responsibility of managers to ensure that employees understand the system and what is expected from them. Managers must educate employees about the importance of a performance management system so that employees may view the system as a constructive process not as another management activity. On the other hand, training on the performance management system should also be applicable to supervisors and that will create support in the implementation of the system.

5.3.2 Performance Oriented Culture

Organisations must have a good performance culture that will acknowledge the successful performance of their employees. Strategic outcomes also drive the work of organisations with a performance oriented culture. It is also important to have supervising activities in progress to ensure that all the parties are on course and on schedule in meeting the objectives and performance targets. The results showed that the majority of the respondents disagreed that employees were encouraged to monitor their performance and also disagreed that everyone was concerned of meeting performance targets. There was no performance drive that will encourage employees to perform well in their respective areas.

Sole (cited by Mansor et al. 2012) stated that "culture can be determined by people's total beliefs, ideologies, behaviours and values that are prevalent in the organisations, and which can influence organisation power relationship and their response to change".

5.3.3 Management Commitment

A manager's job is to identify performance gaps and managers need to work closely with employees to eliminate any problems. A manager needs to observe performance quality and provide feedback on what appears to be going well and going poorly. The performance management system is there to ensure that the task is accomplished, measured and has clear standards of accuracy.

The findings indicated that most of employees at the NSA feel that the PMS was a perfect system to evaluate the job. They feel that if implemented fairly, the system can be very satisfactory to all the parties. Furthermore, the majority of the respondents agreed that the system can assist employees to adapt to change and any innovation. The manner in which it is implemented pose a serious unfairness and the system become ineffective.

The results showed that at the NSA managers did not frequently monitor activities performed by employees using the PMS. They did assessments to simply complete the process. They did not value the system or have any interest in the system. The system was not monitored during the year; it means there was no performance monitoring system. Employees' involvement and motivation during the development of the performance measurement and management system are very important and may have a great impact on its success. It could encourage employees' accountability, learning, motivation and contribution to solutions.

Narcisse *et al.* (2008:1160) use three factors namely, distributive justice, procedural justice and interactional justice. Distributive justice refers to the perceived fairness of an actual appraisal rating. Procedural justice refers to the perceived fairness of an actual appraisal rating and, Interactional justice refers to the perceived fairness of the rate's interpersonal treatment of the ratee during the appraisal process. The findings were consistent with those in the study by Matlala (2011:62) who used the three dimensions. Her argument was based on the expectations by employees in their workplace; to be fair and also judge their relationship with the organisation they serve using fairness of processes and system as a fundamental base. These factors contribute to the fairness of an appraisal system.

The vast majority of respondents did not feel like they were a part of the PMS development process and disagree that the employees were informed about the development of PMS. The majority agreed that sufficient training was provided for on PMS, but hints that there was no support from the top management about the PMS and that they were not encouraged to monitor their performance. Contrary to the common believe on the PMS, employees had a negative perception towards how the system was implemented from the development phase throughout.

Sole (cited by Mansor et al., 2009:3) states that "in every organisation leadership is very important in designing and developing effective performance measurement system but managers should not bring formality to the performance management reviews and as a consequence, as that could influence employee's commitment to achieving targets and improving performance".

The first primary research question was: What are employee perceptions of the effectiveness of the performance management system? The mean perception score of the performance management system was 24.77 out of a possible maximum score of 60.00. This was indicative that employees at the NSA perceived the performance management system as ineffective.

5.4 DISCUSSION ON THE EMPLOYEE PERCEPTION OF THE PERFORMANCE APPRAISAL FAIRNESS

The findings show that there are six dimensions identified in this chapter that address the perceptions of the performance appraisal fairness, which are:

- Appraiser knowledge;
- employee participation;
- employee development;
- goal establishment;
- appraisal follow-up; and
- goal discussion.

5.4.1 Appraiser Knowledge

Goodhew, Cammock and Hamilton (2008) find that there is lot of inconsistency in performance management processes even amongst experienced managers. This study revealed that the majority of the respondents disagreed that their appraiser has a good understanding of the skills required to perform their job, but they are not skilled to do the right thing. In many instances the appraiser seems to be familiar with all aspects of employees' work, but fail to set standards that will accommodate all the parties involved. There is confusion about performance levels in employees' current positions and that posed a question if the appraiser has a good knowledge of the key performance areas of employees. There is inconsistency in the whole process and it shows that supervisors lack knowledge on the system as well as fair application.

5.4.2 Employee Participation

The majority of the respondents disagreed that they were given the opportunity to state their side of all the issues discussed during their performance appraisal feedback. They also disagreed that they were given the opportunity to express their feelings during their performance appraisal feedback with their appraiser. Furthermore, they disagreed that there was ample opportunity to discuss all aspects of their job during their appraisal feedback and disagreed that they have a clear understanding of the reasons behind the appraisals they receive.

These findings resonate with the findings by Saeed and Shahbaz (2011: 58) that one important factor to emerge from their results is from the case of employee's knowledge about how they are doing. Regular and accurate feedback during the non-evaluation periods provides deeper insights into performance of employees.

5.4.3 Employee Development

The majority of the respondents neither agreed nor disagreed that possible means of self-improvement which they could take in their current position were not discussed during their performance appraisal. But, the majority of the respondents disagreed that their personal development needs were discussed during their performance appraisal feedback. At the NSA, respondents were not sure about their goals, whether they were discussed during the appraisal. Lastly, the majority of the respondents disagreed that possible actions that they could take to improve performance in their present position were discussed during their performance appraisal.

Chompukum (2008:11) poses a comment that, during performance evaluation review employees tend to hear only the negative outcomes that are tied to their performance; they do not hear the kind of feedback that will help them to develop their skills they listen to information that that will help them to achieve their goals and their unit's goals. While feedback giving and coaching set supporting tones, employees listen to information. As a result, both linkage between consequences and targeted performance and coaching have high indirect effects on perceived performance management effectiveness through each other.

5.4.4 Goal Establishment

Performance standards were not clearly specified for employees' positions. The majority of the respondents disagreed that their performance was appraised according to previously established responsibilities, standards and goals, and also disagreed that there were plans or objectives for their job established and mutually agreed upon by their appraiser and themselves. Narcisse *et al.* (2008:1160) find that "employee participation in setting standards is highly uncommon, as many participants in their study complained that standards were generally lacking and wanted more action in standard setting. Employee participation in such discussions means that each employee knows what the standards are, and performance limitations are taken into considerations in setting realistic targets".

5.4.5 Appraisal Follow-up

Performance meetings are very important, as they enhance work quality and increases job satisfaction. The respondents of NSA disagreed that their formal appraisals were connected to informal meetings between their appraiser and them, which take place throughout the entire year, and also disagreed that, the discussions and review of their performance is a continuous process, not one that occurs only during their formal performance appraisal. Many employees were the victims of recency effect; they focus on the most recent event as the basis for analysing the past year's performance.

Aguinis (2009:226) explains that this is a very challenging stage where many supervisors who manage performance often feel uncomfortable to conduct performance reviews because managing performance requires that they judge and coach at the same time. Furthermore, he (Aguinis, 2009:226) mentions that performance reviews are very important as they allow employees to improve their performance through identifying performance problems and solutions.

5.4.6 Goal Discussions

The majority of the respondents feel that they did not have an understanding of the overall goals of the NSA as they were not discussed during their performance appraisal and also the goals of their department or unit were not discussed during their performance appraisal. Employees must have an understanding about the objectives of their organisations and their units. The mission and vision must be clearly spelt to the employees. Locke and Latham (2002) state that a goal drives performance as it affects direction, effort and persistence of employees, which means where there is direction employees will put their attention towards action and that will brings goal establishment, it will leads employees to adjust and persists their efforts and stimulates the development of task strategies to attain such goal.

Goals should be specific and not difficult, In other words, "a specific and challenging goal leads to higher performance than general goals such as 'do your best'. It may be presumed that participating in goal setting enhances its effectiveness, goal setting is likely to be more effective when people participate in setting goals than when goals are assigned to them" (Seijts & Latham, 2005).

The second primary research question was: What are employee perceptions of performance appraisal fairness? The mean perception score of appraisal fairness was 47.67 out of a possible maximum score of 105.00. Therefore, it can be concluded that employees perceived the appraisal system as unfair.

5.5 DISCUSSION ON THE COMPARISON OF THE MEAN SCORES OF THE PERFORMANCE MANAGEMENT SYSTEM AND APPRAISAL FAIRNESS BETWEEN DIFFERENT GROUPS

The first secondary question was: Is there a difference in the mean perception scores of the effectiveness of the performance management system and performance appraisal fairness between the males and females? There was no significant difference in the mean perception scores of the effeteness of the performance management system between males and females. In terms of the perception of fairness of the appraisal system, there was also no significant difference in the mean scores between males and females. The second secondary question was: Is there a difference in the mean perception scores of the effectiveness of the performance management system and appraisal fairness between the different age groups, departments, and different positions? Anovas was conducted to explore the impact of age groups, departments and positions on the perception levels of the performance management system and appraisal fairness. There was statistically no significant difference in the mean perception scores of the performance management system between the four age groups. There was statistically no significant difference in the perception scores of appraisal fairness between the four age groups.

There was statistically no significant difference in the mean perception scores of the performance management between the five departments. However, there was statistically significant difference at the $p < .05$ level in the appraisal fairness scores between the five departments. The mean score for the Human Resources Department was significantly different from the Assets and Facilities Department. Therefore, it can be concluded that the employees in the Assets and Facilities department perceptions of the effectiveness of the appraisal fairness system were lower than those of their colleagues in the Human Resource Department.

The results also indicated that there was statistically no significant difference in the mean perception scores off the effectiveness of the performance management system between the three positions .There was a statistically significant difference at the $p < .05$ level in the appraisal fairness scores between the three positions. The mean score for the manager position was significantly different from the general position. The mean score for the professional position was also significantly different from the general position. Respondents occupying general positions view the appraisal fairness system as more unfair and inadequate than their colleagues in managerial and professional positions.

Looking at the challenges at the NSA, employees perceived the performance management system as inadequate. Therefore, the relationship between managers and employees seem to be lacking and these forces employees to resist change. The involvement of employees in the performance management process must be emphasized. Many employees in the NSA feel that they were excluded during the performance review. Employees have a role to play in the performance assessment process. They must gather any documentation regarding their performance throughout the year. They should review their job descriptions and prepare questions they would want to ask their supervisor and be prepared to talk about their performance. Performance oriented culture needs to be seriously considered and involves beliefs, ideologies and values. Values should be included in individual's performance plans. Management commitment is the third critical factor, where few employees agreed that the system was perfect to evaluate the job that has been done and also it can assists employees adapting to change and any innovation. But the biggest challenge is implementing the system effectively; hence, there was a strong disagreement that managers constantly monitor activities performed by employees through PMS.

The respondents disagreed that their appraiser was familiar with their aspect of work and had knowledge of their performance level in their current positions and also observe their performance. The majority of respondents strongly disagreed that they were given an opportunity to participate fully during the appraisal processes. This finding is in line with Greller (1998) who states that participation has been associated with increased employee satisfaction where the employees are encouraged to share ideas, discuss problems and help determine the issues to be addressed. Some are not sure about their development. The majority also disagreed that there was no discussion about their improvement, specific standards and responsibilities for them to improve their level of performance. Without a standard, there is no logical basis for making a decision or taking action. Most organisations understand this to some degree, but many persist in measuring performance by the wrong standards, using unsubstantiated or ineffective metrics that ultimately lead nowhere.

The majority of respondents strongly disagreed that there were appraisal follow-ups. Performance management at its best should be a positive focused on engaging employees through meaningful feedback and discussions. In fact, Gallup (as cited by Wagner and Harter, 2008) has done extensive research on managerial performance discussions with subordinates and has found that employee's engagement is vital during the feedback sessions, because when employees receive feedback on their progress, they are not only more engaged, but also more likely to perceive the performance management process to be fair and valuable. A mixed feeling about goal discussions was also outlined. The results show that many respondents did not receive appraisal follow-ups.

According to Nel *et al.* (2011:422) performance management is a strategic implementation, a vehicle for culture change that revolves around the amount of value employees contribute to the overall organisational performance. Furthermore, they state that managers and subordinates must regularly meet and jointly discuss and agree on the adaptation and adoption of organisational goals, action plans to achieve the individual goals and the amount of values that will be added if the goals are achieved.

5.6 DISCUSSION ON THE CORRELATION BETWEEN THE MEAN SCORES OF THE PERFORMANCE MANAGEMENT SYSTEM AND APPRAISAL FAIRNESS

The third secondary question was to determine whether there is a relation between the mean perception scores of the effectiveness of performance management system and appraisal fairness (see Table 4.25). There was a moderate positive correlation between the two variables. This showed that low levels of perception scores of the performance management system associated with low levels of perception scores of appraisal fairness.

5.7 IMPLICATIONS FOR NATIONAL SECURITY AGENCY

NSA requires an effective performance management and fair appraisal system which will be very essential to retain valuable employees. However, it is the responsibility of managers to drive the process and conduct it without holding any grudges or any bias against any member. The process should be well established and straightforward to avoid any kind of doubt. Employee engagement is very crucial and procedures should be followed where employees engage in processes that will enable them to be part on their organisation. Effective communication is another tool to make the process run smoothly. The appraisal process is the opportunity that can be used by the appraiser to applaud the positive achievements of the appraisee. Regular discussions elevate motivation levels and strengthen the trust of employees.

Another effective way to ensure fair appraisal is through using tools that can hold and process data. NSA can purchase a system that will allow regular communication between managers and employees. Managers will define goals and standards to employees for any project and that will assist employees to evaluate and improve their own work from time to time. Another process of appraisal can be improved though proper training of the appraiser. Training will teach the appraiser to present performance expectation for employees in a systematic and planned way. It will also educate the appraiser to have more understanding on the importance of regular feedback in a diplomatic way to maintain objectivity and at the same time not to hurt the sentiments of the employees. The feedback given should be to the point and without criticism. The appraiser should share his/her view with the appraisee.

5.8 RECOMMENDATIONS FOR FUTURE RESEARCH

The current study outlined various challenges experienced with regard to the implementation of the performance management and appraisal system in the NSA (department of training). The results showed that many employees were dissatisfied with the performance management and appraisal system and there has to be a serious intervention. The NSA has branches all over South Africa; therefore, the study can be expanded to all other remaining departments within the NSA in order to get a more holistic view of employee perceptions of the effectiveness of performance management and appraisal fairness system.

The researcher can still utilise the same questionnaire and gather more information regarding the system. The information will be able to assist the organisation to:

- Understand the feeling of employees holistically;
- to measure their system and close all gaps identified; and

- the future outcomes will promote a fair and non-biased system within the agency.

The findings of the study could also be used to expand the body of work and literature on employee perceptions of the effectiveness of performance management and appraisal fairness system.

5.9 LIMITATIONS OF THE STUDY

The NSA (Department of Training) is a training academy that is very security conscious. Therefore, permission to conduct research in the organisation was prolonged and that imposed a challenge for the researcher to conduct her research with the specific period agreed upon between herself and the supervisor.

Many employees did not support the PMS and that attitude made them reluctant to complete the questionnaire. The questionnaire was written in English and some members of the agency did not understand the language properly. An arrangement was made with line managers to assist members with translation of the questionnaire in their home languages and that was time consuming. The study was limited only to the training department but not to any other department within the agency or any other government department. All information collected was analysed using the SPSS system, and the outcomes were outlined and discussed. The findings will be used as a corrective measure to improve the performance management and appraisal system in the NSA.

The conclusions drawn from the findings were based on the employees' perceptions of the system and the researcher was fair and not biased as the researcher is also a member of the agency.

5.10 CONCLUSION

The main objective of this study was to investigate the employees' perception about PMS and PAS fairness. The researcher used a quantitative approach and collected data through validated and reliable questionnaires. The major hindrance regarding successful implementation of PMS was failure from management to consider change management as a first step, followed by communication and training of employees about the whole process of PMS in order to ensure that there is a buy-in by employees. Besides the negative perception alluded by employees, there was a general consensus from the respondents that there are possibilities that the system can be successfully implemented if what has been raised as concerns and suggested solutions can be addressed and implemented by the management.

Implementation of the system will require more time and efforts than expected. Therefore, nine factors used in this study can assist NSA to have a better understanding of employees, perception on the effectiveness of performance management and appraisal system fairness, because it is very clear that employee perceptions on the fairness of the system are influenced by the organisational factors as outlined in the findings.

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ANNEXURE A: QUESTIONNAIRE

Employee Perception of the Effectiveness of the Performance Management System and Performance Appraisal Fairness in the National Security Agency, Department of Training

Letter of Consent

Dear Participant

My name is Mpho Makhubela, a student at the North West University. I am currently studying for a Master Degree in Human Resources. The study will be conducted at the National Security Agency (Department of Training).

The purpose of the study is to investigate employee perceptions of the effectiveness of the performance management system and performance appraisal fairness in the National Security Agency. For the purpose of this study, you are requested to participate in the completion of the questionnaire. All permanent members are requested to participate. I wish to assure you that all information I receive will remain confidential and that your participation will remain anonymous. Your contribution to this study is extremely important to ensure the success of the project.

The questionnaire has been structured in such a way that it facilities quick and easy complexion. In trial runs it was determined that it will only take 30 minutes to complete. Your task is to work through the questionnaire as quickly as you can, and answer the questions as accurately and honestly as possible. Full details are provided on how to complete the questionnaire.

The questionnaires consist of the following sections:

Section A: Demographic information

Section B: Employee Perception on the Effectiveness of the Performance management system

Section C: Employee Perception on the Performance Appraisal Fairness

Instructions on how to complete the questionnaire:

- *Read all questions or statement and answer all questions*
- *Use a black pen*
- *Give your first and natural answer- try not to dwell much on each question*
- *Base your answer on how you have been feeling recently (or the last cycle), unless the question asks you to do otherwise.*

However, note that your participation in this research study is voluntary. You may choose not to participate and you may withdraw your consent to participate at any time. You will not be penalized in any way should you decide to withdraw from this study.

It is very important to note that once the data have been analysed, a summary of the findings will be presented to you. The value and outcome of the research depends on your willingness to take part.

Kindly return the completed questionnaire before 30th November 2012 (via e-mail to mphomakhu@yahoo.com.au or submit by hand in office F17). Should you have any enquiries, kindly do not hesitate to contact Ms CM Makhubela at 018 386 4127 or 0766626263.

Yours sincerely

CM Makhubela (Researcher)

Employee Perception on the Effectiveness of the Performance Management System and Performance Appraisal Fairness at the National Security Agency, Department of Training

Section A - Demographic Information

Please tick the appropriate box with an **X**

1. **Gender**

Male	01
Female	02

2. **Age**

Under 25	01
25- 34	02
35-44	03
45-54	04
55 and above	05

3. **Number of Years employed by NSA**

0-4 years	01
5- 9 years	02
10-19 years	03
20-29 years	04
30 years or more	05

4. Indicate in which Department you work in

Core (Training)	01
HR	02
Finance	03
Assets & Facilities	04
Supply Chain	05

5. Indicate your Highest Qualification

PhD	01
Masters	02
Honours	03
Degree	04
Grade 12/ Matric	05
Other	06

6. Please indicate your position

Manager	01
Professional	02
General	03

7. I had an annual performance interview with my immediate supervisor

Yes	01
No	02

8. My rating in 2011-2012 Cycle was

Below Average (1-2)	01
Satisfactory (3)	02
Above Average (4)	03
Outstanding (5)	04

9. I believe that my performance during the past year (cycle) was

Below Average (1-2)	01
Satisfactory (3)	02
Above Average (4)	03
Outstanding (5)	04

10. At the beginning of new cycle (2011) my performance agreement was completed

Yes	01
No	02

11. A self- appraisal was conducted in consultation with my immediate supervisor

Yes	01
No	02

12. My Personal Developmental Plan was completed in the beginning of 2011-12 cycle

Yes	01
No	02

13. I am familiar and knowledgeable with the performance management directive of NSA

Yes	01
No	02

Section B- Employee Perception on the Effectiveness of the Performance Management System

Instructions: Please rate the following statements on a scale 1-5, where

1= strongly disagree
2= disagree
3= neither agree nor disagree
4= agree
5= strongly agree

	Item Statement	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
	Employee Involvement					
1.	Employees feel involved during the development of PMS	1	2	3	4	5
2.	Employees are informed about development of PMS	1	2	3	4	5
3.	Employees are made accountable to their own development	1	2	3	4	5
4.	There is sufficient training provided on PMS	1	2	3	4	5
5.	There is strong support from top management about involving in PMS	1	2	3	4	5
	Performance Oriented Culture					
6.	Employees are encouraged to monitor their performance	1	2	3	4	5
7.	Everyone is concerned of meeting performance targets	1	2	3	4	5
8.	There is a strong drive towards performing well	1	2	3	4	5
9.	Employees understand how their work contributes to the NSA performance	1	2	3	4	5
	Management Commitment					
10.	The PMS is perfect to evaluate the job has been done	1	2	3	4	5
11.	It assists staff adapting to change and any innovation	1	2	3	4	5
12.	Managers constantly monitors activities performed by staff through PMS	1	2	3	4	5

Section C- Employee Perception on Performance Appraisal Fairness at the National Security Agency

Instructions: Please mark with an X the number that best identifies your response to each statement

1= strongly disagree
2= disagree
3= neither agree nor disagree
4= agree
5= strongly agree

	Item Statement	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
	Appraiser's Knowledge					
1.	My appraiser has a good understanding of the skills required to perform my job	1	2	3	4	5
2.	My appraiser is familiar with all aspects of my work	1	2	3	4	5
3.	My appraiser has excellent personal knowledge of my performance level in my current position	1	2	3	4	5
4.	My appraiser does not have a good knowledge of my key performance areas (R)	1	2	3	4	5
5.	My appraiser has observed my performance under both routine and pressured conditions	1	2	3	4	5
6.	I am given the opportunity to state my side of all the issues discussed during my performance appraisal feedback	1	2	3	4	5
	Employee Participation					
7.	I am given the opportunity to express my feelings during my performance appraisal feedback with my appraiser	1	2	3	4	5
8.	There is ample opportunity to discuss all aspects of my job during my appraisal feedback	1	2	3	4	5
9.	I am encouraged to express my opinion on how my duties could be more efficiently performed	1	2	3	4	5
10.	I have a clear understanding of the reasons behind the appraisals I receive	1	2	3	4	5
	Employee Development					
11.	Possible means of self-improvement which I could take in my current position are not discussed during my performance appraisal (R)	1	2	3	4	5
12.	My personal development needs are discussed during my performance appraisal feedback	1	2	3	4	5
13.	Goals for my job are not discussed during my appraisal (R)	1	2	3	4	5
14.	Possible actions that I could take to improve performance in my present position are discussed during my performance appraisal	1	2	3	4	5
	Goal Establishment					
15.	My performance appraisal is based on specified performance	1	2	3	4	5

	Item Statement	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
	standards for my position					
16.	My performance is appraised according to previously established responsibilities, standards and goals	1	2	3	4	5
17.	Any plans or objectives for my job are established and mutually agreed upon by my appraiser and myself	1	2	3	4	5
	Appraisal Follow-up					
18.	My formal appraisals are connected to informal meetings between my appraiser and me, which take place throughout the entire year	1	2	3	4	5
	Goal Discussion					
19.	Discussions and review of my performance is a continuous process, not one that occurs only during my formal performance appraisal	1	2	3	4	5
20.	The overall goals of the NSA are not discussed during my performance appraisal (R)	1	2	3	4	5
21.	The goals of my department or unit are discussed during my performance appraisal	1	2	3	4	5

Note: R indicates reverse scored items

Thank you for your participation