Developing a performance management system for non-profit organisations based on the Building Blocks Model

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ABSTRACT

Title: Developing a performance management system for non-profit organisations based on the Building Blocks Model

Keywords: Employee(s); Fitzgerald and Moon's Building Blocks Model; Non-profit organisation(s); Performance management; Performance management system(s); STEPS model; Volunteer(s).

Many academics claim that there is a big gap in literature regarding the management of performance. In non-profit organisations performance management is not a primary concern as labour are mostly volunteers. Non-profit organisations do not want to lose volunteers by applying performance management, but do not consider that the volunteers want their performance to be managed. The purpose of this research study was to develop a performance management system specifically for non-profit organisations based on an existing model, namely the Fitzgerald and Moon's Building Blocks Model, to manage the performance of volunteers as well as employees, as non-profit organisations also make use of permanent labour. In order for the performance management system to be developed, data was collected by means of interviews with managers of a selected non-profit organisation called the Society for the Prevention of Cruelty to Animals (SPCA), and other selected animal shelters whom are not part of the SPCA. The data collected from the interviews together with relevant literature was used and applied in the development of a performance management system for non-profit organisations, namely the STEPS model. The STEPS model can be used by any non-profit organisation to manage the performance of volunteers and employees, as it was specifically developed based on factors which are important to non-profit organisations.

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LIST OF ABBREVIATIONS

BBM	Fitzgerald and Moon’s Building Blocks Model
LRA	Labour Relations Act, No. 66 of 1995
NPO	Non-profit organisations
NSPCA	National council of Society for the Prevention of Cruelty to Animals
PMS	Performance management systems
SPCA	Society for the Prevention of Cruelty to Animals
UK	United Kingdom

CHAPTER 1: THE RESEARCH PROPOSAL

1 INTRODUCTION

Management accounting can be defined as the process of preparing management reports and accounts that provide accurate and timely financial and statistical information required by managers to make day-to-day and short-term decisions (Anon., 2019c). Thus, it is the process of analysing business costs and operations to prepare internal financial reports, records, and accounts to assist managers in their decision-making process in achieving business goals (Anon., 2019e). Performance management systems can be seen as part of the "operations" of the management accounting process.

A performance management system can be defined as a tool which is used to communicate the organisational goal to the employees individually, allot individual accountability towards that goal, tracking of the progress in the achievement of the goals assigned, and evaluating their individual performance (Anon., 2019d). Performance management systems reflect the individual's performance or the accomplishment of an employee, which evaluates and keeps track of all the employees of the organisation (Anon., 2019d).

Traditionally, performance management systems have been implemented as a means of managing and measuring the performance of individuals or teams by providing clear accountability and measures on which to assess performance (Becker *et al.*, 2011). In non-profit organisations (hereafter "NPOs") performance management of employees are arguably not as important as that of for-profit organisations, because most of their workforce are volunteers and not permanent employees.

The motivation of employees in NPOs is an important factor since the main goal of the organisation is other than profit, therefore there needs to be a system in place to ensure that employees stay motivated to reach their goals as well as those of the organisation. These performance management systems are based on certain models, for example the Balanced Scorecard, which is very popular for research and practice.

The aim is to apply a model called the Fitzgerald and Moon Building Blocks Model (hereafter "BBM") to indicate the importance of motivating and developing skills of employees in NPOs. If the implementation is successful, then there will be an established framework for the BBM in NPOs.

1.1 Background to study

The term “performance management” was first developed by Frederick Winslow Taylor in 1908 by using scientific management principles to determine whether the work potential of individuals affected their productivity (Anon., 2018a). These Scientific Management Principles were used for mass production of cars in 1909 to 1913 by Henry Ford, the founder of Ford motor vehicles (Anon., 2018a).

The first performance management system (hereafter “PMS”) was formulated in the 1950s where companies used personality-based systems. Employee service records were maintained for controlling the behaviours of the employees and these reports provided substantial information on the performance of the employees (Chandel, 2016). During the 1970s PMS were used to give negative remarks to employees so that they can act upon it by correcting their mistakes (Anon., 2018a), and thus improving their performance.

Shortly after the development of the Balanced Scorecard by Kaplan and Norton in 1992, Fitzgerald and Moon’s Building Block Model was developed (Kaplan & Norton, 1992). During the 21st century, the PMS development expanded so much that the main focus did not only stay with employees, but became more open and flexible (Anon., 2018a). Today, performance management is crucial in any organisation, whether the main goal is financial gain or not. Resources have to be managed to reach their full potential, especially in NPOs, where the resources are limited (Source: Author).

NPO workforce is limited to very few permanent employees due to limited funding available. Not all NPOs receive financial support from government institutions or wealthy organisations, but only from the local community. These limitations cause an NPO to seek support from volunteers.

Currently volunteers can be regarded as one of the reasons that many NPOs are able to serve those who have a need in the community, whether it is working as a time keeper at a Parkrun event, playing with and feeding the animals at an animal shelter, or working in a soup kitchen to feed the homeless.

1.2 Literature review

This study focused on developing a PMS for employees at NPOs. This topic has been attracting interest from numerous academics, yet there seems to remain significant gaps in the literature on how to manage and measure performance (Boateng *et al.*, 2016).

The main goal of an NPO is generally not financial gain, but the effective performance of their mission statement (O'Boyle & Hassan, 2014). To succeed in this mission, the most precious resource of any NPO (besides donations) are the employees and volunteers, who need to be effective and efficient in their performance. This is where performance management is used. According to Bates and Holton (1995), “performance is a multi-dimensional construct, the measurement of which varies depending on a variety of factors”.

The focus should be to distinguish between performance management and performance measurement. Performance management is defined as a tool or system that aligns all organisational processes with the existing strategic imperatives within the organisation (Kaplan & Norton, 1992). Performance measurement is defined as the process of providing data to examine where behaviours can be altered to facilitate improved performance (Fryer *et al.*, 2009).

Usually, organisational performance is seen as a combination of effectiveness and efficiency within the organisation (Madella *et al.*, 2005). According to Arrington (1995), effectiveness refers to the relationship between the initial goals set by an organisation and the extent to which they have achieved them in their results. Efficiency, however, is traditionally defined as the comparison between the available means of an organisation and the results they achieve (Arrington, 1995). Both efficiency and effectiveness are important in defining organisational performance.

According to Simi (2011) and Winand *et al.* (2014), there are four stages to performance management:

1. Input: capture of financial data as well as the hours rendered by volunteers at events held by the NPO.
2. Output: the goals that were achieved by the use of input and throughput.
3. Throughput: capture of financial data as well as the hours rendered by volunteers at events held by the NPO.
4. Feedback: commenting on the performance of volunteers and employees.

Out of all four stages of performance management, feedback seems to have a lack of management. According to O'Boyle and Hassan (2014), NPOs sometimes assume that volunteers and employees do not want feedback on their performance. This may be due to fear that volunteers will not return to assist at future events if they were assessed on their performance and they did not meet the expectations of the NPO. Although this may be an acceptable reason, volunteers may feel underappreciated and not return to future events of the NPO regardless.

This is the gap that has been identified for this study: To develop a system where effective feedback can be given to employees and volunteers using a unified model, Fitzgerald and Moon’s Building Blocks Model. In previous studies, researchers have used the Balanced Scorecard approach as a PMS (Becker *et al.*, 2011), but this approach is recommended for use by for-profit organisations.

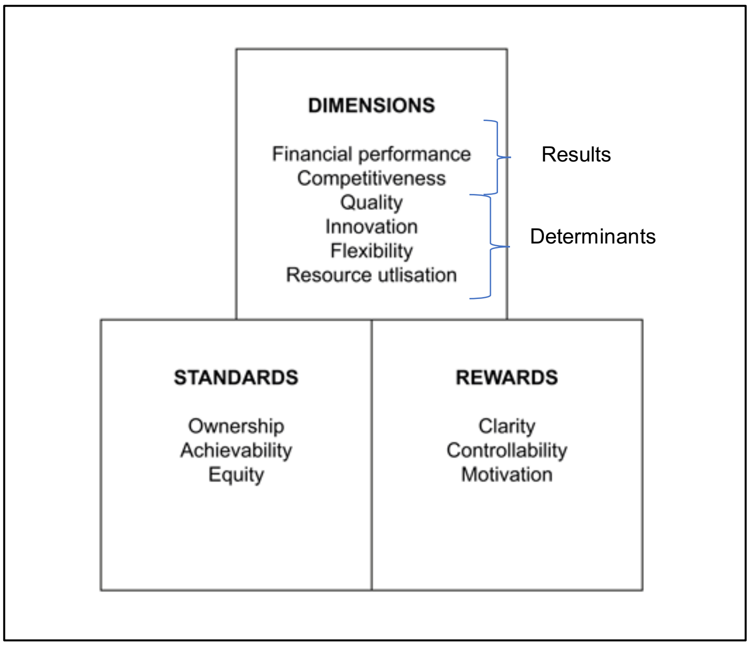
As already mentioned, the Balanced Scorecard was developed in 1992 by Kaplan and Norton (Kaplan & Norton, 1992), which can be used in any type of organisation but is recommended to be used by for-profit organisations, since the Balanced Scorecard contains a financial perspective which is limited in a non-profit organisation (Source: Author).

The Balanced Scorecard views an organisation from four different angles (Anon., 2019f):

1. Financial: It is very important to keep stakeholders of the organisation happy through generating profits.
2. Customer: The individuals the product or service is actually sold to. Customers' happiness is a good indicator on success of the organisation.
3. Internal Business Processes: This perspective indicates how efficient the organisation is run and whether the product or services rendered are actually what the customers want.
4. Learning and Growth: The overall corporate culture of the organisation. All the employees of the organisation have access to training and education opportunities.

Each of these elements focuses on a different side of the organisation, creating a balanced view of the organisation (Anon., 2019f). However, as can be seen from the above four elements, it weighs more towards creating a financial balance.

Figure 1: Fitzgerald and Moon’s Building Blocks Model



(Source: Willis, 2019)

The Fitzgerald and Moon’s Building Block Model is an evolution of the Balanced Scorecard and was specifically developed to measure performance in service industries (Willis, 2019). The Balanced Scorecard is used to bring a balance in the organisation as a whole regarding performance management from a financial perspective, while the BBM’s emphasis lies on performance management of employees. The BBM is used to develop a performance management system to bring the organisation’s mission and vision together with employee targets and motivation (Willis, 2019).

Willis (2019) summarises the BBM as a three-tier approach, namely:

1. “Dimensions”
   Dimensions are divided into two categories: results and determinants. “Dimensions” are based on the financial aspect of the organisation.
2. “Standards”
   Standards, which includes ownership, achievability, and equity, are based on how the goals of the organisations can be achieved.
3. “Rewards”
   Rewards, which include clarity, controllability, and motivation, are based on the rewards staff receive and how these rewards motivate them to achieve their goals.

1.3 Motivation of topic actuality

As previously mentioned, this topic has been attracting interest from numerous academics, yet there seems to remain significant gaps in the literature on how to manage and measure performance (Boateng *et al.*, 2016). The purpose of the proposed study is to establish a framework to implement a performance management system in NPOs based on the BBM. According to Cullom and Cullom (2011), many NPOs are established and led by individuals who see an unfilled need for the well-being of others. Some NPOs solely rely on volunteers as a workforce. NPOs are sometimes so desperate to keep volunteers happy or do not care at all about their performance, that no feedback is conducted to measure volunteers' performance. The assumption lies in that volunteers do not want any feedback, but it does not take note that some of them do.

2 PROBLEM STATEMENT

In NPOs the primary goal is not to generate profit, but to achieve the mission statement. This can result in performance management being regarded as unimportant by management because of the lack of financial motivation, and therefore performance management systems are not implemented by managers at NPOs. Many studies have been performed about implementing the Balanced Scorecard as an approach to performance management, but no previous studies could be found that was done in South Africa where the BBM was implemented as an approach to performance management.

This study will focus on implementing the BBM as performance management system due to the focus on performance management of employees and being specifically designed for service industries. An NPO can be regarded as a service industry.

3 RESEARCH QUESTION

How can a performance management system, based on Fitzgerald and Moon's Building Blocks Model, be developed for non-profit organisations?

4 RESEARCH OBJECTIVES

4.1 Primary objectives

The primary objective is to develop a PMS for employees and volunteers at NPOs using the BBM.

4.2 Secondary objectives

4.2.1 Planning a suitable research design and determining applicable methodology to assist in answering the research question. This will be done in chapter two.

4.2.2 Discussing BBM and the results of the interviews with selected SPCA and animal shelter branches, which will be done in chapter three.

4.2.3 Developing a PMS for employees and volunteers of an NPO using the information obtained in secondary objective number 4.2.2. This will be done in chapter four.

4.2.4 Concluding with recommendations for future research based on results of the research, which will be done in chapter five.

5 RESEARCH DESIGN AND RESEARCH METHODOLOGY

For purposes of the research proposal a basic background of the design and methodology is discussed. A detailed explanation and application will be deliberated on in chapter two.

5.1 Research design

Employees and volunteers of an organisation can be seen as stakeholders of the organisation. A stakeholder is defined as a person such as an employee, customer or citizen who is involved with an organisation or society, and therefore has responsibilities towards it and an interest in its success (Anon., 2019b). Due to this fact, the Stakeholder Theory will be applicable to this study. The Stakeholder Theory is defined as an establishment of a framework for examining the connections (if any) between the practice of stakeholder management and the achievement of various corporate performance goals (Donaldson, 1995). The Stakeholder Theory is applicable to this study because of the development of a performance management system for employees and volunteers at an NPO, which may lead to a system motivating the employees and volunteers. This will in turn result in the NPO reaching its mission statement.

The definitions of ontology and epistemology are considered. Ontology can be defined as a philosophical belief system about the nature of the social reality – what can be known and how (Hesse-Biber & Leavy, 2011b). In this study, the ontology can be described as knowing that PMSs are not important to NPOs. The researcher can come to know whether this is the truth or not by conducting this research.

Epistemology is defined as the philosophy of knowledge or of how you come to know (Trochim & Donnelly, 2008). Using a quantitative research design, samples will be collected and analysed to determine how many principles of the BBM are applicable in an NPO. A qualitative research design will be implemented together with interviews with management of an NPO, using the questionnaire in Annexure A to determine whether performance management is applicable to the employees and volunteers of the organisation. In this study, epistemology will be seen as using the interviews as a way of how the researcher will come to know whether a PMS can be developed for NPOs based on the BBM.

Paradigms are also considered for the research design. The term paradigm refers to the different forms a word can take in various languages, being a verb or noun (De Vos *et al.*, 2011). A paradigm can be defined as a model or pattern containing a set of legitimated assumptions and designs for collecting and interpreting data (Barker, 2003).

The different paradigms are classified as:

a) Positivism, post-positivism or empirical

Positivism combines deductive reasoning with an accurate quantity of quantitative data (numbers and statistics) to discover and confirm fundamental laws that might predict human nature (Struwig & Stead, 2008). Positivism is therefore considered to be quantitative research. As the main aim of this study is to develop a PMS, the acquisition of empirical data is not necessary because it is not a fundamental law that will be tested, but rather information that will be interpreted to create something new. This is also the reason why this paradigm will not be applicable to this study.

b) Interpretive or non-empirical

The outcome for this paradigm is to understand the research that is being done (Struwig & Stead, 2008). Since the main purpose of this paradigm is to understand the research done, this paradigm is classified as qualitative (Struwig & Stead, 2008). By utilising interviews to obtain information (non-empirical) which will be interpreted in order to develop a PMS, this study will be qualitative in nature.

5.2 Methodology

Qualitative and quantitative methodology were both considered.

Qualitative data consists of textual or visible data, for example; textbooks, policy documents, and minutes of meetings (Bertram & Christiansen, 2014). According to Miles and Huberman (1994), data analysis is defined as consisting of three stages of activity: data reduction, data display and conclusion drawing, and verification. Utilising literature and the information gathered via the interviews, textual data will be dealt with during the data reduction phase, and the data display and conclusion phase.

Quantitative data is a form of conclusive research involving large representative samples and fairly structured data collection procedures. The primary role of quantitative data is to test a hypothesis (the proposition regarding the relationship between two or more variables) (Struwig & Stead, 2008). This study is not based on a hypothesis to be tested, thus there are no structured data collection procedures nor does it involve large representative samples.

For the purposes of this study a qualitative research approach will be followed because the data to be collected will be non-empirical, with a specific set of questions applicable to a selected NPO; which will be interpreted by the researcher.

5.2.1 Data collection

To gather the data for this study, the relevance of performance management had to be tested in the selected NPO, which was to be assessed using the BBM as PMS. The BBM was deemed to be the most relevant PMS for this study because it was designed for organisations in the service industry as well as focusing on the performance management of employees.

Using relevant literature, a questionnaire was developed for an interview with the management of a selected NPO based on the BBM. The interview will be carried out in person with management at the respective branches of the selected NPO, to determine the relevance of performance management of employees and volunteers in the organisation.

5.2.2 Sampling

The selected NPO was located in the North-West and Gauteng-region. The reason for selecting this type of NPO was mainly due to minimal ethical risks, as the researcher did not work with sensitive data.

There are two major sampling methods: probability and non-probability methods. Non-probability methods are not based on principles of randomness as probability methods are (Maree and Pietersen, 2017). Regarding this study, the most appropriate method will be the non-probability sampling method due to the selection of a specific NPO.

There was no random selection of non-profit organisations, which is one of the characteristics of non-probability sampling methods. However, when utilising this method, it is not advised to draw important conclusions about the population (NPOs) selected. Non-probability sampling methods can be divided into four subcategories:

a) Convenience sampling;
b) Quota sampling;
c) Snowball sampling; and
d) Purposive sampling. (Maree & Pietersen, 2017).

The researcher chose convenience sampling as a method because the main reason was that the selected NPO was easily and conveniently available. The researcher was also aiming to get an inexpensive and quick approximation of the truth (Maree & Pietersen, 2017): Did the selected NPO have a PMS in place, and if not can a PMS be developed using the BBM? It was also argued that purposive sampling played a role, due to the fact that the researcher selected a specific NPO.

According to Maree and Pietersen (2017), there are three factors that largely determine the sample size: the type of statistical analyses planned; accuracy of the results required; and the characteristics of the population. Although for this study the biggest issue is that the sample be representative of the population. For a sample to be representative of a population, it depends on the degree of uniformity of the population. In this study, the members of the population were similar to the variables important to this study, thus a smaller sample may be deemed to be an adequate representation.

Between five to ten interviews will be performed or until a point of saturation has been reached. According to Grady (1998), data saturation is the point at which new data tend to be redundant of data already collected. In interviews, when the researcher begins to hear the same comments again and again, data saturation had been reached … It is then time to stop collecting information and to start analysing what has been collected" (Saunders *et al*., 2011).

The selected NPO was not limited to a specific demographic area such as a city or a town. The sample contained data from both the selected NPO in cities as well as towns, as the possibility of cities having implemented measures applicable to the selected NPOs in towns, which has not yet been considered by these towns, exist. The differences at the selected NPO in a town and city was to be compared to identify any differences (if any) in their respective existing PMS.

The information collected was analysed on the relevance of performance management in the NPO based on the BBM. The results and findings were used to develop a PMS for employees at NPOs using the BBM.

6 ETHICAL CONSIDERATIONS

According to Kovacs (1985) and Blumberg *et al.* (2005), ethics is "a branch of philosophy that deals with the conduct of people and guides the norms or standards of behaviour of people and relationships with each other". Akaranga and Makau (2016) are of the opinion that the consideration of ethics steers to the notion of social norms, which concentrates on the behaviour which a person is expected to maintain in a specific situation. "These norms of behaviour which guide moral choices can allow for a wide range of ethical positions" (Saunders *et al.*, 2011). The reason why people interpret ethical norms differently among themselves, lies in the concept that moral values are taught progressively during the life of an individual (Resnik, 2011).

Research ethics as a branch of applied ethics has well-established rules and guidelines that define their conduct. Research ethics is important in our daily lives as research endeavours and requires that researchers should protect the dignity of their subjects and publish the information that is researched (Fouka & Mantzorou, 2011).

Two dominant philosophical approaches exist with regards to research ethics: teleology and deontology (Blumberg *et al.*, 2005). Teleology can be described as the ends served by the research justify the means, while deontology state that "the ends served by the research can never justify the use of research which is unethical". Thus, emphasizing considerations which make an action or rule right beside the virtue or depravity of its consequences (Frankena, 2001).

This study's ethical considerations fall within the teleological philosophical approach; the interviews with the NPOs' management (the means) might result in a performance management system for NPOs (the end).

In order for the interviews to be conducted by the researcher, permission to interview some of the selected NPOs' managers were requested, and an application was lodged with the North-West University's Application for Economic and Management Sciences Research Ethics Committee. As the following individuals did not take part in this study, the risk that this study poses were considered as insignificant:

1. Minors (<18 years of age)
2. Adults with incapacities
3. Persons in dependent relationships (e.g. prisoners)
4. Students
5. Persons with physical disabilities
6. Collectives (individuals who are considered in the research as a whole group, e.g. a trade union's members)
7. Research naïve communities (e.g. participants in townships)

As mentioned in the above paragraphs, the researcher did not work with sensitive data, the participants stayed anonymous, and their responses remained confidential.

6.1 Permission and informed consent

Permission to interview the managers of the selected NPO was requested from said NPO's head office. Permission to use the questionnaire in Annexure A in the interviews with the respective selected NPOs were applied for at the North-West University.

6.2 Anonymity

All data gathered from the individuals in the interviews with the respective selected NPOs remained anonymous. Should any individual require the contact details of contact persons, they can request so by contacting the author.

6.3 Confidentiality

The information gathered at the respective selected NPOs remained confidential and was only used for the purposes of this study.

7 OVERVIEW

7.1 Chapter 1: Introduction and Background

7.2 Chapter 2: Research design and research methodology which will achieve secondary objective number 4.2.1.

7.3 Chapter 3: Discussion of the BBM and results of the interviews which will achieve secondary objective number 4.2.2.

7.4 Chapter 4: Developing a PMS for employees at NPOs which will achieve secondary objective number 4.2.3.

7.5 Chapter 5: Concluding with recommendations for future research based on results of the research which will achieve secondary objective number 4.2.4.

CHAPTER 2: RESEARCH DESIGN AND RESEARCH METHODOLOGY

The aim of this chapter was to develop a suitable research design and methodology in order to achieve secondary objective number 4.2.1, paragraph 4.2, Chapter 1. The various designs and methodologies as well as the theoretical framework were discussed before laying out the design and methodology that assisted in achieving the primary objective.

1 INTRODUCTION

NPOs all around the world rely on volunteers to help out the community in their own unique way, and these volunteers contribute to achieve the mission statement of these NPOs. Anon. (2019a) states that volunteering in your local community is not the same feeling you get from simply donating money to a cause. Once you start getting involved with volunteering at NPOs, it is likely going to become a lifelong commitment (Anon., 2019a), and due to this, volunteers are regarded as a lifelong commitment to the NPO as well.

Volunteers have to stay motivated to keep on doing what they do to change the lives of others. To keep volunteers motivated, NPOs need to have a system in place to do so. However, there is a lack of these systems due to performance management not being regarded as important to NPOs, because of their subjective opinion that volunteers might not return if their performance is managed.

A stakeholder is a person or group of people who own a share in a business, or a person such as an employee, customer, or citizen who is involved with an organisation or society, and therefore has responsibilities towards it and an interest in its success (Anon., 2019b). Volunteers can be regarded as one of the primary stakeholders of an NPO, thus the Stakeholder Theory was applied.

The Stakeholder Theory suggests that the purpose of a business is to create as much value as possible for stakeholders, and in order to succeed and be sustainable over time, executives must keep the interests of stakeholders aligned and going in the same direction (Freeman, 2010). Stakeholders of an organisation can be divided into two sections, namely internal stakeholders and external stakeholders. Internal stakeholders include owners, managers and employees. External stakeholders include customers, creditors, the government, shareholders, the society, and suppliers (Freeman, 2010). The Stakeholder Theory was applicable to this study because the BBM was used to develop a PMS focusing mainly on employees and volunteers, with the aim to add value in order to increase NPOs' successes.

The rest of this chapter is dedicated to developing the research design and research methodology most suitable for this study in order to achieve the primary objective (paragraph 4.1, Chapter 1).

2 RESEARCH DESIGN

A research design is a plan or strategy that moves from the underlying philosophical assumptions to specifying the selection of participants, the data-gathering methods to be used, and the data-analysis to be done. The choice of the research design is based on the researcher's ontological and epistemological perspective, research skills and research practices, and influences the way data is collected. (Creswell *et al.*, 2016).

The type of research design that is going to be used for this study is "Grounded Theory". This design was developed by Glaser and Strauss (1967) as an alternative approach to positivism. Strauss and Corbin (1998) state that the development of a theory does not come by itself but is "Grounded" in data collection from participants who have experienced the phenomenon themselves. The theory is therefore discovered, developed and verified through data collection and analysis relating to that phenomenon (Strauss & Corbin, 1990). Data collection techniques in Grounded Theory uses an interactive process between the researcher and the participant until a point of saturation has been achieved (Creswell *et al.*, 2016). These techniques include interviewing and observation.

Data was collected by the use of interviews with management staff of selected NPOs. The data collected was analysed and interpreted to develop a PMS for NPOs. The data analysis in Grounded Theory uses "theoretical sensitivity", which is defined by Creswell *et al.* (2016) as the development of basic knowledge of the nature of the area under investigation by the researcher, but has not developed any preconceived notions about what they may discover. Coding procedures are very important in Grounded Theory, as it is considered to be the data collection tool in the qualitative study (Strauss & Corbin, 1990).

The research style applicable to this study was "action research". According to Creswell *et al.* (2016), action research is a collaborative mode of inquiry that seeks to find solutions to existing problems and challenges. It can effectively be used in health care settings, educational environments, businesses, or community settings (Creswell *et al.*, 2016). The practice that is going to be reached is the development of a PMS for NPOs, which is a business and community setting, that is going to allow NPOs to successfully implement performance management in the organisation. According to Denscombe (2003), action research uses key characteristics, such as the following:

a) It contributes to knowledge creation (science) and improved practice (social change) simultaneously

Action research is aimed at developing solutions to practical problems which is then turned into practice (Ho, 2013). Therefore, action research is a strategy of enquiry for self-development and self-determination (Stringer, 1999). The practical problem in this study is performance management being irrelevant to NPOs. The solution for the problem is developing a performance management system for NPOs.

b) Action research is a cyclical process

Action research consists of an interactive cycle between practical challenges, the formulation of research questions and reporting research findings in a manner that may inform further practice (Seale, 2000). The data collected in the interviews with management staff of the selected NPOs using the questionnaire in Annexure A was analysed and interpreted to develop a PMS for NPOs.

c) Action research has a participatory character

Action research recognises the interconnectedness of human interaction and the power of working together towards shared goals (Glassman *et al.*, 2012). The interviews with managing staff of the selected NPOs were used to gather data to develop a PMS for NPOs, which is a shared goal of the researcher and the participant, as both will benefit from this objective. The participant having a PMS in the NPO, and the researcher being able to complete this study.

d) Action research as an interactive form of knowledge development

Democratic processes, egalitarian decision making and deeper mutual understanding on the sides of both the researcher and the participant are integral to action research (Glassman *et al.*, 2012). According to Ponte *et al.* (2004), there are three forms of knowledge interaction in the action research process:

1. Interaction between theoretical and practical knowledge
2. Interaction between the application and development of professional knowledge
3. Interaction between individual and collective knowledge

The researcher and the participants interacted with each other during the interviews, which enabled the researcher to develop a PMS for NPOs.

3 METHODS, METHODOLOGY AND PARADIGMS

According to Hesse-Biber and Leavy (2011a), methods are the tools that researchers use to collect data. This enables the gathering of data about social reality from individuals, groups, artefacts and texts in any medium (Creswell *et al.*, 2016). The method used to collect data in this study was a questionnaire (Annexure A) to conduct interviews with managing staff at the selected NPOs.

Methodology is described by Hesse-Biber and Leavy (2011a) as the bridge that brings philosophical standpoint (on ontology and epistemology) and method (perspective and tool) together. It focuses on the research process and the kind of tools and procedures to be used (Mouton, 2001). Research methodology includes how researchers follow procedures to collect data, analysing, describing, and explaining phenomena (Creswell *et al.*, 2016). The methodology used in this study was to do interviews with the managers of a selected NPO to collect data to develop a PMS for NPOs.

Sandelowski (2000) states that method and methodology entail some understanding of the world and how to know it, variously referred to as theory, philosophy, or paradigm. A paradigm can be defined as a set of assumptions or beliefs about fundamental aspects of reality which gives rise to a particular world view – it addresses fundamental assumptions taken on faith, such as beliefs about the nature of reality (ontology), the relationship between knower and known (epistemology), and assumptions about methodologies (Creswell *et al.*, 2016).

3.1 Ontology

According to Ritchie and Lewis (2003) there are three distinct ontological positions that could be taken:

- **Realism:** There is a distinction between the way the world is and the meaning and interpretation of that world held by individuals. This is a position held by positivists and post-positivists.
- **Materialism:** Also claims that there is a real world but that only material features, such as economic relations, or physical features of that world hold reality. Values, beliefs or experiences are regarded as "epiphenomena" – that is features that arise from, but do not shape, the material world.
- **Idealism:** Reality is only knowable through the human mind and through socially constructed meaning. This is a position held by most qualitative researchers following an interpretivist or critical theory perspective (Ritchie & Lewis, 2003).

The ontological position taken by the researcher was idealism, because this study used a qualitative research design in the development of a PMS for NPOs through interviews with managing staff of the selected NPOs.

3.2 Post-positivism

According to Guba and Lincoln (1994), post-positivism and critical theory are described as two research traditions which occupy the space between positivism and interpretivism (also referred to as constructivism). The post-positivism paradigm follows a critical realist ontology – the crux of critical realism being that "all knowledge is fallible, but not equally fallible" and that reality does exist but can never be perfectly understood (Yeung, 1997).

Post-positivism makes use of empirical data collection. Empirical research normally strive to develop parsimonious theories with a limited number of variables that explain phenomena across a wide range of organisations, settings, and contexts (Daft & Lewin, 1990). For the purposes of this study, the post-positivism paradigm was not used because a PMS was developed, which did not entail the collection of any empirical data.

3.3 Interpretivism

Berg (2007) states that neither qualitative research nor interpretivism are precise or agreed-on terms. The interpretivism paradigm is basically an "anti-positivist" paradigm, as it was developed as a reaction to positivism, and some authors describe interpretivism in terms of what it is not (Mack, 2010). Interpretivism makes use of non-empirical data collection. Non-empirical methods consider that reflection, personal observation and authority or experience are just as valuable for knowledge acquisition as that of empirical (Dan, 2017).

Non-empirical data was collected to create something new. The interpretivism paradigm was used in this study because data was collected by conducting interviews, which in turn were interpreted to develop a PMS for NPOs.

3.4 Epistemology

Epistemology is defined as the concern with ways of knowing and learning about the social world, and focuses on questions such as: How can reality be known, and what is the basis of our knowledge? (Ritchie & Lewis, 2003). There seems to be an interactive relationship between the researcher and the researched, because people are affected by the process of the study which can cause the researcher to be biased, as well as not reaching objective conclusions but rather subjective conclusions (Creswell *et al.*, 2016).

These subjective conclusions may cause the findings of the study to not be generalisable, which means that the use of the scientific method does not provide answers that are neutral and technical and can therefore be universalised and generalised to all historical and cultural contexts (Creswell *et al.*, 2016). Contrary to this, qualitative researchers argue that precise, systematic, and theoretical answers to complex human problems are not possible, but assert that every cultural and historical situation is different and unique (Creswell *et al.*, 2016).

The epistemology in this study was using the questionnaire (Annexure A) to conduct interviews with the management of the selected NPOs to determine whether performance management is applicable or not.

4 RESEARCH METHODOLOGY

A quantitative and qualitative research design was considered for this study. According to Creswell *et al.* (2016), quantitative research is defined as a process that is systematic and objective in its ways of using numerical data from only a selected subgroup of a population to generalise the findings to the population that is being studied.

Qualitative research is defined as an existing interdisciplinary landscape comprising of diverse perspectives and practices for generating knowledge (Hesse-Biber & Leavy, 2011a). Qualitative research methods today are a diverse set of ideas encompassing approaches such as empirical phenomenology, grounded theory, ethnography, protocol analysis and discourse analysis (Miles & Gilbert, 2007).

Figure 2 displays a comparison between quantitative and qualitative approaches:

Figure 2: The comparison between quantitative and qualitative approaches:

Quantitative	Qualitative
Epistemological roots in positivism.	Epistemological roots in phenomenology.
Purpose is testing predictive and cause-effect hypotheses about social reality.	Purpose is constructing detailed descriptions of social reality.
Methods utilise deductive logic.	Methods utilise inductive logic.
Suitable for a study of phenomena which are conceptually and theoretically well developed; seeks to control phenomena.	Suitable for a study of a relatively unknown terrain; seeks to understand phenomena.
Concepts are converted into operational definitions; results appear in numeric form and are eventually reported in statistical language.	Participants' natural language is used in order to come to a genuine understanding of their world.
The research design is standardised according to a fixed procedure and can be replicated.	The research design is flexible and unique and evolves throughout the research process. There are no fixed steps that should be followed and design cannot be exactly replicated.
Data are obtained systematically and in a standardised matter.	Data resources are determined by information richness of settings; types of observation are modified to enrich understanding.
The unit of analysis is variables which are atomistic (elements which form part of the whole).	The unit of analysis is holistic, concentrating on the relationships between elements and contexts. The whole is always more than the sum.

(Source: De Vos *et al.*, 2011)

After considering the characteristics of qualitative and quantitative approaches as illustrated in Figure 2, this study used a qualitative research method due to new knowledge that was gained by developing a PMS for NPOs using an existing model namely the BBM. If the development is successful, a PMS will be available to be used by NPOs for the performance management of volunteers and employees.

4.1 DATA COLLECTION

The data collection technique applied to this study consisted of a questionnaire (Annexure A) that was used in the interviews. An interview is when the researcher wants to obtain information with direct interchange with an individual or group that has the knowledge they seek (DePoy & Gibson, 2008). The interview is a social relationship designed to exchange information between the participant and the researcher (De Vos *et al.*, 2011).

Active interviewing does not only consist of asking questions and recording answers, but it also includes other instances of ordinary conversation, trouble-free exchanges relying on mutual attentiveness, monitoring, and responsiveness (Holstein & Gubrium, 1994). De Vos *et al.* (2011) suggest that various communication techniques are utilised during interviewing. These techniques are illustrated in Figure 3:

Figure 3: Communicating techniques for interviewing

Technique	Interviewing	Example
Minimum verbal responses	Verbal responses show the participant the researcher is listening.	“Mm-mm, yes, I see.”
Paraphrasing	A verbal response in which the researcher will enhance meaning by stating the participant’s words in another form with the same meaning.	“So, in other words you are saying that it means …”
Clarification	A technique used to get clarity on unclear statements.	“So, if you had to describe this in other words, how would you state it?
Reflection	Reflect back on something important the participant just said to get them giving more information on the idea.	“So, you believe that suicide is sinful?”
Encouragement	Encourage the participant to pursue a line of thought.	“That sounds interesting. Please tell me more.”
Comments	The researcher should inject his own idea to stimulate the participant into saying more.	“I always thought that …”
Spur on	Say something to challenge the participant into saying more.	“But isn’t it true that …”
Reflective summary	The researcher should give a summary on the participant’s ideas and thoughts to confirm that he clearly understood what the participant was saying.	“So, what you are saying is…”
Listening	Interviewers should have superb listening skills.	Make eye contact with the participant to indicate that you are listening.

Probing	Probing is used to give the participant cues on giving more information about the issue under discussion.	Contradicting Linking Encouraging
Showing understanding and allowing time for elaboration	Letting the participant feel that their comments are understood and valued and allowing time for further comments.	"Thank you very much for your participation, are there any further questions or comments you want to add?"
Acknowledging	Repeat the participant's answer to show attention.	"I am going to repeat your answer to make sure I understand right …"
Direct questions	Asking questions to get more information and detail.	N/A

(Source: De Vos *et al*., 2011)

During an interview, everything might not go according to plan and certain obstacles may occur. The following table displays common pitfalls in interviewing that may occur according to De Vos *et al.* (2011). A short explanation of the pitfall as well as how the researcher will deal with it, should it occur in the interviews, is addressed in Figure 4.

Figure 4: Common pitfalls in interviewing:

Pitfall	Description	Author suggestion
Interruptions	Participants are distracted which leads to thoughts being lost and time being wasted to determine where the conversation was prior to the interruption. Cellphones are the most common interrupter.	The researcher will ask the participant to please switch their cellphone off until after the interview. There will also be asked that the participant will not be disturbed until after the interview.
Competing distractions	High-quality interviews require concentrated energy from both the researcher and participant. Too many interviews should not be planned for one day.	The interviews with managing staff at the selected NPOs will be conducted a reasonable time from each other, due the SPCAs identified for this study being a distance from each other.
Stage fright	Using a tape recorder and open-ended questions can make the participant feel vulnerable.	The participant will be asked if they are comfortable that the researcher is using a tape recorder and will be told that the interview is not an interrogation, but simply questions with no right or wrong answer.
Awkward questions	As part of the interview, some questions might be asked that will not be asked in a normal conversation and it could make the participant feel awkward.	Questions that could make the participant feel uncomfortable will be kept to a minimum, if any.
Jumping	Questions that are asked in an illogical order.	The questionnaire has been developed and reviewed so that the questions' relevance follow on each other.
Teaching and preaching	The researcher can be trapped into teaching mode when the participant is asking a question on a term they do not understand.	A second can be taken to handle the issue at the end of the interview.

Counselling	It is easier for a participant to agree with the researcher than to explain how it really is.	Most of the questions' answers in the questionnaire are based on the knowledge of the participant, not the researcher.
Revealing one's own response	The participant could be testing the researcher by giving information in the third person and observing the researcher's response.	The participant will be asked to reveal the information from their own point of view. The researcher will trust that the participant will do so.
Superficial interviews	No time is spent to give attention to verbal cues and also to getting to know the participant.	A casual conversation will be conducted with the participants before the start of the interview to make them feel comfortable towards the researcher.
Unclarity of concepts	The participant may not understand certain concepts and definitions and it may take up some time to explain them to the participant.	Should something be unclear to the participant during the interviews, the researcher will give a quick explanation to the participant.

(Source: De Vos *et al.,* 2011; author)

4.1.1 Interviewing methods

4.1.1.1 One-to-one interviewing

Qualitative research usually makes use of one-to-one interviewing (De Vos *et al.*, 2011). The different one-to-one interviewing methods that were considered for this study are:

a) The unstructured one-to-one interview

Unstructured interviews are interviews with purpose, it is focused and discursive, and allows the researcher and participant to explore an issue. It is used to determine individuals' perceptions, opinions, facts and forecasts. Unstructured interviews do not intend to give answers to specific questions nor to test a hypothesis, and not to define the usual sense of a term. (De Vos *et al.*, 2011).

b) The semi-structured one-to-one interview

Researchers use semi-structured interviews to gain a detailed picture of a participant's beliefs or perception of a particular topic. It is suitable when more information has to be gathered on a complex process. The researcher will have a set of predetermined questions on an interview schedule, but the interview will be guided rather than dictated by the schedule. (De Vos *et al.*, 2011).

4.1.1.2 Convergent interviewing

Convergent interviewing is primarily used for organisational change and development processes and combines certain features of structured and unstructured interviews. It uses a systematic process to refine the information collected (Dick, 1990). Convergent interviewing is the most appropriate technique for building theory in an unexplored area and allows the researcher to apply his own ideas on the data collected (De Vos *et al.*, 2011). Convergent interviewing is applicable to this because performance management in NPOs is considered to be an unexplored area, and the researcher's own ideas can be applied to the information collected to make the information more valuable.

4.1.1.3 Telephone and e-mail interviewing

Telephone and e-mail interviewing are convenient ways for the researcher to collect data from participants, although the value of this method has not been thoroughly reviewed and assessed (Hunt & McHale, 2008). Telephone interviewing can save the researcher much time and money due to the researcher not having to travel to meet up with participants.

There are some disadvantages regarding e-mail and telephone interviewing. According to Hunt and McHale (2008), the interview takes too long to complete when using e-mail interviewing and loses focus over time. The researcher could also be busy with more than one interview at a time. Ruben and Babbie (2001) state that organising a suitable time with the participant for the phone call may be difficult, as well as that the duration of these calls being much shorter than a one-to-one interview. Interruptions may also occur due to a weak satellite signal. This interviewing technique was not used because data collected might not be as valuable as one-to-one interviewing, as the chance of expanding the interview questions to other related areas is lost due to limited time available on the telephone and responding to e-mails.

4.1.1.4 Other considerations

a) Tape recordings

Smith *et al.* (1995) state that a recording allows a much more complete record than notes taken during the interview and allows the researcher to focus on how the interview is proceeding rather than missing important information while making notes. Permission was granted to the researcher by the participants to use a voice recording in the interviews to capture data when one-to-one interviewing was performed.

b) Field notes

According to Babbie (2007) it is important to make notes as the interview takes place. The researcher should not try to remember everything that was said in the interview but write down impressions such as observations immediately, to get most of the information that will be used in the study.

Field and Morse (1995) suggest some crucial points that the researcher should use to minimise the loss of data:

1. Getting to the task right after the interview;
2. Not talking about the observation until it is recorded;
3. Finding a quiet place to write;
4. Setting aside adequate time to complete the notes;
5. Sequencing events in the order they occurred; and
6. Letting the events and conversation flow from the mind onto the paper.

The researcher made immediate notes in the car after the interview was completed, listening to the tape recordings to confirm that no important data was left out.

4.1.1.5 Conclusion

For the purposes of this study a convergent interview method was utilised. It was the most appropriate technique for building theory in terms of performance management in unexplored areas, such as NPOs. Performance management in NPOs are considered to be a complex process, therefore using a combination of structured and unstructured interviews obtain maximum information to develop a PMS for NPOs. The researcher also used his own ideas on the data that was collected during the interviews with management staff from the selected NPOs.

The researcher conducted the interviews using the one-to-one interviewing method as well as using a voice recording device during the interview. The participant granted permission to the researcher to use it. Due to convergent interviewing using features of unstructured and semi-structured interviewing, it was applicable to this study being that predetermined questions were developed based on the BBM for the one-to-one interview regarding performance management of the NPO. The participant's general view of the NPO (unstructured) was also considered for this study because there were other factors contributing to a lack of performance management in the NPO, other than what the questionnaire may have stated (structured). Should one-to-one interviewing not have been possible for the participant, the researcher would have used e-mail or telephone interviewing to collect the data from participants for this research study. The interviews with management of the selected NPOs have taken place where the participant felt comfortable to give more information regarding performance management in the NPO.

4.2 SAMPLING

Qualitative research also makes use of sampling, although it is less structured, less quantitative and less strictly applied (De Vaus, 2002). De Vaus (2002) states that sampling in qualitative research is relatively limited, based on saturation, not representative, the size not statistically determined, and involving low cost and less time.

According to Patton (2002), there are no rules in qualitative research regarding sampling size. The sample size depends on what we want to know, what will be useful, what will have creditability, and what can be done with available time and resources.

Therefore, qualitative research makes use of non-probability sampling almost without exception. In non-probability sampling the odds of selecting a particular individual are not known because the researcher does not know the population size or the members of the population (Gravetter & Forzano, 2003). According to Denzin and Lincoln (2000), individuals, groups and settings are chosen by the researcher where the process being studied is most likely to occur.

There are various types of non-probability sampling techniques in qualitative research. These techniques are stated in Figure 5:

Figure 5: Non-probability sampling techniques:

Sampling technique	Description	Reference
Purposive	A particular case is chosen by the judgement of the researcher to illustrate a feature of process that is of interest for a particular study – though this does not simply imply any case chosen.	Silverman (2000)
Theoretical	A sample is chosen to assist the researcher to understand the situation under study and to highlight the researcher's emerging theory.	Neuman (2003)
Deviant case	The researcher selects cases that differ from the dominant pattern or characteristics of other cases where the range of experience of a particular social phenomenon are already known.	Morris (2006)
Sequential sampling	Sequential sampling is similar to purposive sampling, except that in purposive sampling the researcher tries to find as many relevant cases as possible until all resources are exhausted, in other words, when a point of saturation has been reached.	Neuman (2003)
Snowball	This sampling method is used when there is no knowledge of the sampling frame and limited access to appropriate participants for the intended study. A single individual is chosen to get information for the particular case and the individual finds other participants in the population.	Babbie (2007) Alston and Bowles (2003)
Key informant	Sampling relies on people in the community identified as experts in the particular field of interest.	Marlow (2005)
Volunteer	Volunteer sampling works well when participants (volunteers) are known to each other and motivate each other to participate in the study. It is often difficult to find volunteers for a study or suitable participants.	De Vos *et al.* (2011)

The sampling technique identified for this study was Sequential sampling, because this study focused on a specific process, which is the Purposive part of Sequential sampling. The sample size for this study was six interviews that were performed and was enough to reach a point of saturation.

The NPO identified for this study was the SPCA and animal shelter branches in the North-West and Gauteng-region. The North-West and Gauteng-region was chosen for the convenience of the researcher. The reason for selecting this type of NPO is mainly because there is minimal ethical risks, as the researcher will not be working with sensitive data, and no information was found that proved that a PMS for NPOs already exists.

The selected SPCAs were not limited to a specific demographic area, such as a city or a town. The sample contained data from both SPCA and animal shelter branches in cities as well as towns, as the possibility of cities having implemented measures applicable to SPCAs in towns, which has not yet been considered by these towns, existed.

The following SPCA and animal shelter branches were identified and permission was granted to the researcher for interviews with management staff:

Gauteng province:

- Benoni (SPCA)
- Carletonville (SPCA)
- Pretoria (SPCA)

North-West province:

- Klerksdorp (SPCA)
- Orkney (Animal shelter)
- Potchefstroom (Animal shelter)

A summary of the SPCA and animal shelter branches' details (Figure 10) and the results of the interviews with management of the selected SPCA and animal shelter branches will be discussed in detail in the next chapter.

CHAPTER 3: DISCUSSING THE BBM AND INFORMATION OBTAINED FROM INTERVIEWS WITH SPCA AND ANIMAL SHELTER BRANCHES

The aim of this chapter is to discuss the BBM and the results of the interviews with management staff of selected SPCA and animal shelter branches (secondary objective 4.2.2, Chapter 1). The background of the BBM and its purpose are discussed. The data collected from the interviews were analysed and discussed after which a PMS for an NPO was developed based on the data collected from the interviews.

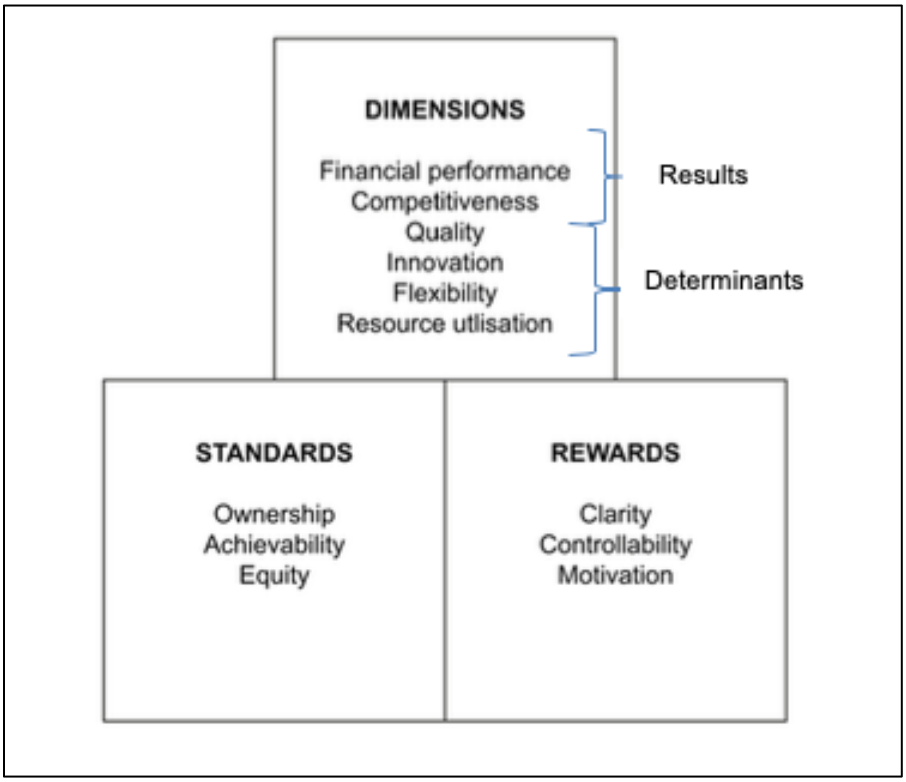
1 BACKGROUND OF THE BBM

The Fitzgerald and Moon's Building Blocks Model (BBM) was developed by Lin Fitzgerald and Philip Moon in 1996. The BBM is an advanced version of Kaplan and Norton's Balanced Scorecard, developed to focus on performance management in service industries (Kaplan & Norton, 1992). The Balanced Scorecard measures the company from four different perspectives: financial, customer, internal business processes, and learning and growth, which creates a balanced view, while the BBM focuses on the performance management of employees (Kaplan & Norton, 1992). In this study volunteers are regarded as employees of the organisation, as they contribute directly to an NPO's purpose statement and also complete tasks which are similar to those of employees.

2 DISCUSSION OF THE BUILDING BLOCKS MODEL

As already mentioned in Chapter 1, paragraph 1.2, Figure 6 illustrates the BBM:

Figure 6: Fitzgerald and Moon's Building Blocks Model:



(Source: Willis, 2019)

Dimensions

According to Willis (2019), there are some factors in service industries that cannot be measured by financial indicators. These indicators include quality, customer service, innovation, and flexibility (Lynch & Cross, 1991; Kaplan & Norton, 1992). Dimensions are divided into two categories: results and determinants, which can be explained as follows:

1. "Results" refer to what the outcome was of past actions taken by management. The first two dimensions, "financial performance" and "competitiveness" relate to results.
2. "Determinants" refer to how future success is to be achieved in terms of financial performance and competitiveness. This is where quality, innovation, flexibility and resource utilisation comes in as these dimensions are used to determine future success.

Dimensions are not applicable to this study, as this building block mainly concentrates on financial performance and indicators on how to improve financial performance, which is not an objective of this study. The purpose of this study is to develop a PMS applicable to the employees and volunteers of an NPO, not to improve financial performance of the organisation.

Standards

When the dimension of the organisation is understood, standards can be set for each component within dimensions. Standards set the target that needs to be achieved. There are three aspects to consider when setting standards:

1. Who is responsible for setting the standard? (Ownership)
   If accountability is unclear, managers and employees will not know who is responsible and performance management will fail.
2. At what level are the standards set? (Achievability)
   If goals are not achievable, managers and staff will not be motivated to reach their goals.
3. Can the standards be used as fair appraisal across the company? (Equity)
   If appraisal is not fair and transparent, employee morale will suffer. (Willis, 2019)

As in any organisation, employees have to have objectives to achieve to make the organisation successful. These objectives should be set by management of the NPO, and it should be fair and achievable to all employees and volunteers.

Rewards

Willis (2019) stated that rewards refer to the concept that the compensation employees and managers receive are motivating them to achieve their goals. There are three aspects:

1. Is the system clear to all employees? (Clarity)
   The system needs to be understood by every employee.
2. Will the system drive the employees to achieve their objectives? (Motivation)
   Rewards should be sufficiently desirable so that employees are motivated to achieve them.
3. Do employees have control over their areas of responsibility? (Controllability)
   If employees are assessed against factors out of their control, they will lose interest in achieving their rewards.

After an NPO has set out the objectives for their employees and volunteers, they have to be motivated to achieve these objectives. This is done using rewards. Rewards set for employees and volunteers has to be clearly understood and worth the effort to achieve.

The BBM was the basis to develop the questionnaire in Annexure A. The questionnaire was used for data collection by way of interviews with managing staff of selected SPCA and animal shelter branches (paragraph 4.2, Chapter 1).

The "dimensions" building block was not applicable to the questionnaire (refer to "dimensions" as discussed above). Therefore only the "standards" and "rewards" building blocks are applicable to the questionnaire.

3 A CASE STUDY ON BBM

Fitzgerald performed three case studies based on the BBM in the United Kingdom (hereafter "UK"). These case studies were based on three of the most profitable service industry companies in their respective fields. The companies measured were:

- **FR**: A leading UK food retail organisation.
- **Peugeot Talbot**: Manufacturer and distributor of motor vehicles, replacement parts and accessories.
- **Arthur Anderson**: Once one of the largest accountancy and consultation firms in the world.

Figure 7, 8 and 9 display a summary of the performance management systems each of the above mentioned companies used based on each building block of the BBM:

Figure 7: Dimensions of performance measured:

	FR	Peugeot Talbot	Arthur Anderson
Profit	By store and region; publicised via the league table.	By dealership.	By office.
Competitiveness: Market share at company level	Published market research data.	Published market research data.	Published UK fee income.
Competitiveness: Market share at the business unit level	Informal observation.	New car registration by post code.	Informally through business providers such as banks.
Quality of service: on specific transactions	Mystery shopper; compliments file.	Mystery shopper; post-transaction customer assessment.	Client evaluation interview.
Quality of service: overall	Customer service league tables.	Management inspection.	Not measured.
Resource utilisation	Sales per square foot; wastage.	Sales per employee.	Chargeable ratio; head count.

(Source: Fitzgerald, 2001)

All the companies examined in this case study show that each industry is unique and challenges differ from each other. Financial and non-financial indicators have to be closely monitored in reaching success in their respective industries. Figure 8 illustrates the setting of standards for performance:

Figure 8: Setting standards for performance:

	FR	Peugeot Talbot	Arthur Anderson
Profit Standards			
Ownership	Iterative process.	Iterative process.	Set independently by office.
Achievability	Seen as achievable.	Seen as achievable.	Seen as achievable.
Equity	Competitor impacts allowance.	Territory allowance.	Not applicable.
Quality Standards			
Ownership	Centrally driven.	Centrally driven.	Centrally driven.
Achievability	Seen as achievable; internal bench-marking.	Seen as achievable; internal bench-marking.	Formal measures not set.
Equity	No Allowances.	No allowances.	Formal measures not set.

(Source: Fitzgerald, 2001)

Each company has its own internal goals and motivation to reach those goals. Management is responsible for setting these standards and motivating the employees to achieve these standards. Figure 9 illustrates the rewards mechanisms that were adopted by the three companies:

Figure 9: Reward mechanisms adopted:

	FR	**Peugeot Talbot**	**Arthur Anderson**
Clarity	Managers are very aware of the company strategy.	High awareness of Peugeot strategy at dealer level.	Required standards of professionalism well understood.
Motivation: Financial	Store manager bonus plus “team” bonus.	Significant bonus on quality of the dealership.	Partners’ earnings dependent on world-wide profits.
Motivation: Non-financial	Pride in league table performance.	Working in the business of “a love for cars”.	Working for “number one” world-wide firm; high quality training.
Controllability	No controllability issues highlighted.	No control over product range.	Central cost allocated to departments.

(Source: Fitzgerald, 2001)

Rewards are a strategy used to motivate the employees to achieve the organisation’s and their personal goals. Rewards have to be reviewed and adapted from time to time to keep employees motivated.

4 DISCUSSION OF INFORMATION OBTAINED IN THE INTERVIEWS

4.1 Conducting the interviews

Figure 10 shows a summary on the branch, consent, time, date, and venue of the interviews that were conducted with the management staff of the selected SPCA and animal shelter branches:

Figure 10: Summary of interview details of SPCA and animal shelter branches:

SPCA *	Consent	Interview date	Venue of interview
Benoni	Approved via telephone on 3 June	Tuesday 18 June 10:00	Benoni SPCA 3 Klein Street Lakefield Benoni
Carletonville	Approved via telephone on 20 May.	Thursday 20 June 10:00	Carletonville SPCA Beerster Street Oberholzer Carletonville
Klerksdorp * Nigel Bethal	Approved via telephone on 27 May.	Friday 31 May 18:00	Wimpy @ Canal Crossing, Potchefstroom
Orkney	Approved via e-mail on 20 May.	Friday 7 June 10:00	Orkney Animal Shelter 1 Mines Road Orkney

Potchefstroom	Approved via telephone on 3 June	Tuesday 4 June 09:30	P.A.W.S 2 Viljoen Street Miederpark Potchefstroom
Pretoria (Tshwane) Centurion	Approved via e-mail on 22 May.	Wednesday 19 June 10:00	Tshwane SPCA Petroleum Street Silverton Pretoria

* Should any individual request the contact information of contact persons of the above mentioned branches, they can contact the author and he will provide it with consent of the contact persons.

** The contact person is the same for the Nigel (Gauteng) and Bethal (Mpumalanga) branches.

4.2 Information obtained

The information obtained for this study was collected by using the one-to-one interviewing method (refer to Chapter 2, paragraph 4.1.1.1) with managers from respective SPCA and animal shelter branches together with observation at these branches. Each interview was recorded by making use of type recordings (with consent from the interviewee) and field notes of observations (refer to Chapter 2, paragraph 4.1.1.4) to maximise the quality of information obtained from the interview.

Figure 11 displays a summary of the information obtained from the interviews with respective SPCA and animal shelter branches:

Figure 11: Summary of the information obtained from the interviews with SPCA and animal shelter branches:

Questionnaire questions (According to Annexure A)	Benoni	Carletonville	Klerksdorp	Orkney	Potchefstroom	Pretoria (Tshwane)
BUILDING BLOCK 2: STANDARDS						
OWNERSHIP						
1. Do you have permanent employees or solely volunteers?	Permanent employees and volunteers.	Permanent employees and volunteers.	Permanent and contractual employees, and volunteers.	Permanent employees and volunteers.	Permanent employees, contractual employees, and volunteers.	Permanent employees and volunteers.
2. How many permanent employees do you have?	Thirteen.	Seven.	Two permanent, two contractual.	Two permanent employees. Two permanent volunteers.	Five permanent, two contractual.	Thirty-five.
3. How often do you make use of volunteers?	Individuals mostly on Saturdays. Occasional learners from schools' visit for projects. Individuals who has to do community service.	Individuals mostly with fundraising events. Occasional learners from schools' visit for projects and during holidays.	Individuals mostly on Saturdays. Occasional learners from schools' visit for projects. Individuals who has to do community service.	Individuals mostly on Saturdays. Occasional learners from schools' visit for projects. Individuals who has to do community service.	Individuals mostly on Saturdays.	Individuals mostly on Saturdays. Occasional learners from schools' visit for projects. Individuals who has to do community service. ABSA Bank, Pretoria sends eight volunteers

						weekly to volunteer at the branch.
4. What are the responsibilities and job description of employees and volunteers?	**Inspectors and field officers:** Cruelty inspections and animal complaints. **Receptionist**: Admin, calls, appointments. **Kennel hands**: Feeding animals and cleaning cages. **Manager**: General management in the branch. **Volunteers**: Mainly helping kennel hands, are asked beforehand what they are comfortable doing.	**Inspectors and field officers:** Cruelty inspections and animal complaints. **Receptionist**: Admin, calls, appointments. **Kennel hands**: Feeding animals, cleaning cages, giving food. **Manager**: General management in the branch. **Volunteers**: Mainly helping kennel hands, are asked beforehand what they are comfortable doing.	**Field officer**: Collecting donations, cruelty investigations, reception. **Kennel hands**: Feeding animals, cleaning cages, giving food.	**Permanent employees** do inspections, adaptions, cleaning cages, feeding, call outs, financial. **Permanent volunteers** are also trained inspectors and help out with fund raisers and managing the shelter (they have full time jobs and only volunteer when available). **Casual volunteers**: Mainly helping permanent employees with kennels, are asked beforehand what they are comfortable doing.	**Manager**: General management of the branch. **Financial assistant**: Assisting with all donations. **Inspector**: Cruelty inspections and animal complaints. **Kennel hands**: Feeding animals, cleaning cages, giving food. **Kennel manager:** Management of kennel hands.	**Inspectors and field officers:** Cruelty inspections and animal complaints. **Receptionist**: Admin, calls, appointments. **Kennel hands**: Feeding animals, cleaning cages, giving food. **Manager**: General management in the branch. **Clinic & Vets**: Welfare of animal health. **Volunteers**: Mainly helping kennel hands, are asked beforehand what they are comfortable doing.

5. Who is responsible to determine these responsibilities?	The manager and managerial committee.	The National Council of SPCAs, branch chairperson and vice chairperson.	A managerial committee.	The manager and managerial committee.	The managers.	The managers.
6. Are these responsibilities available in writing and are they also available to employees and volunteers?	For **employees,** responsibilities are determined in an employment contract. **Volunteers'** responsibilities are provided to them by the manager on every visit.	For **employees,** responsibilities are determined in an employment contract. **Volunteers'** responsibilities are provided to them by the manager on every visit.	For **employees,** responsibilities are determined in an employment contract. None for **volunteers**.	For **employees,** responsibilities are determined in an employment contract. **Volunteers'** responsibilities are provided to them by the manager on every visit.	For **employees,** responsibilities are determined in an employment contract. **Volunteers'** responsibilities are provided to them by the manager on every visit.	For **employees,** responsibilities are determined in an employment contract. **Volunteers'** responsibilities are provided to them by the manager on every visit.
7. Which process is followed to confirm that these responsibilities are clear and fully understood by employees and volunteers?	**Employees** receive practical (but not formal) training to complete responsibilities and also have a manual to assist them. **Volunteers** are shown how to complete their responsibilities by employees or the manager.	**Employees and volunteers** give written consent that they understand their responsibilities.	**Employees** receive practical (but not formal) training to complete responsibilities and also have a manual to assist them. Each responsibility is discussed upon employment and employees sign as acknowledge-ment.	**Employees and permanent volunteers** have been working at the shelter for a long time and understand their responsibilities. **Casual Volunteers** are shown how to complete their responsibilities	**Employees**: Each responsibility is discussed upon employment and employees sign as acknow-ledgement. **Volunteers** are shown how to complete their responsibilities by employees or the manager.	**Employees** receive practical (but not formal) training to complete responsibilities and also have a manual to assist them. Each responsibility is discussed upon employment and employees sign as acknow-ledgment. Manager also

			Volunteers are shown how to complete their responsibilities by employees or the manager.	by employees or the manager.		has an open-door policy for employees. **Volunteers** are shown how to complete their responsibilities by employees or the manager.
8. Which process is followed if an employee or volunteer does not carry out a responsibility?	The branch applies Labour Law to all **employees**, thus a verbal warning, followed by written warnings and then dismissal. Any cruelty to animals result in immediate dismissal. **Volunteers** receive verbal warnings. After a number of offences volunteers might get banned to volunteer, with regards to how	The branch applies Labour Law to all **employees**, thus a verbal warning, followed by written warnings and then dismissal. Any cruelty to animals result in immediate dismissal. **Volunteers**: If the case is severe they can be asked to leave the branch/event.	For **employees** a code of conduct is applicable and different levels of punishment for the level of offence. Any form of cruelty to an animal is an immediate dismissal. **Volunteers**: None.	**Employees and permanent volunteers** will meet monthly and discuss which responsibilities have not been completed. Hereafter a disciplinary will follow. **Casual volunteers**: None.	The branch applies Labour Law to all **employees**, thus a verbal warning, followed by written warnings and then dismissal. Any cruelty to animals result in immediate dismissal. **Volunteers**: If the case is severe they can be asked to leave the branch/event.	The branch applies Labour Law to all **employees**, thus a verbal warning, followed by written warnings and then dismissal. Any cruelty to animals result in immediate dismissal. **Volunteers**: If the case is severe they can be asked to leave the branch/event.

	serious the offence is.					
ACHIEVABILITY						
9. What are the primary and secondary goals of employees and volunteers?	**Employees**: *Primary*: To minimise the number of cruelty offences to animals and to find a good home for every animal. *Secondary*: To educate individuals on how to prevent cruelty to animals. **Volunteers:** *Primary*: To give a lot of love to animals, looking after the well-being of animals. *Secondary*: Day to day activities, for example keeping premises clean.	**Employees and volunteers**: *Primary*: To minimise the number of cruelty offences to animals and to find a good home for every animal. *Secondary*: To do as much inspections as possible to spot areas of animal cruelty and to keep the kennels as hygienic as possible.	**Employees**: *Primary*: All general responsibilities to all employees because of a wide range of duties that have to be done. *Secondary*: Employees fill another employee's duty if that person is unavailable due to a certain reason. **Volunteers**: They are given specific tasks, as they are not 100% trusted at first, they have to prove themselves. No formal primary and secondary goals.	**Employees and permanent volunteers**: *Primary*: All duties as stated in their employment contracts. *Secondary*: Raising funds as far as possible, for example delivering and picking up donation cans at local shops. **Casual volunteers**: No primary and secondary goals stated.	**Employees**: *Primary*: Each employee has a specific department they are working in, for example cats and dogs. Employees should ensure that these responsibilities are carried out. *Secondary*: Keeping the environment clean where people are. **Volunteers**: Have only one goal, give love to the animals.	**Employees:** *Primary*: All duties as stated in their employment contracts. *Secondary*: To grow in the organisation, for example kennel hand to kennel manager. All duties as stated in their employment contracts. **Volunteers**: To complete the tasks that are given to them.

10. How are employees and volunteers motivated to achieve these goals?	**Employees**: No formal process. Employees encourage each other to prevent cruelty to animals. Self-motivation is also key as you have to be born to work with animal cruelty. **Volunteers**: No formal process. Volunteers are mainly motivated by recognition they receive when volunteering.	**Employees**: Annual bonus. **Volunteers**: None.	**Employees**: Annual bonus. **Volunteers**: The more volunteers visit, the more trust they earn. They start off with general duties and can later on get their own animal to walk and play with.	**Employees and permanent volunteers** have been friends and working together for a long time and they motivate each other to achieve their goals. **Casual volunteers** are animal lovers and are motivated by giving love to the animals and finding them a good home.	**Employees**: Financial rewards, for example paid double time for overtime worked and days off. **Volunteers**: Recognition for volunteering.	**Employees**: Annual bonus and the chance to grow in the organisation. **Volunteers**: None.
11. Are there different levels of achievement?	No	Yes	Yes	No	No	Yes
12. Why are there or are there not different levels of achievement?	All **employees and volunteers** work towards one goal: preventing animal cruelty.	Animal cruelty is a difficult job mentally and physically, and therefore **employees** have to prove themselves in their work.	**Employees**: They can work themselves upwards so they never stay in the same position forever. **Volunteers**: The more trust they gain the more	Staff members are very limited so it will be irrelevant to implement levels of achievement.	Due to limited staff members, management does not want competition under employees, for example employee of the month. They are all there to	It allows the employees to be happy and grow in their jobs.

			responsibility they will receive.		prevent animal cruelty, not to see who the best in doing so is.	
13. What are the different levels of achievement?	N/A	**Employees** can start off as a kennel hand and work themselves upwards to a welfare assistant, field officer or inspector. **Volunteers**: None.	**Employees** can start off as a kennel hand and work themselves upwards to a welfare assistant, field officer or inspector. **Volunteers**: None.	N/A	N/A	Different qualifications allow **employees** to grow in their jobs and receive a higher salary. **Volunteers**: None.
EQUITY						
14. To emphasise fairness, are all goals set to achieve the same for every employee and volunteer in the specific department?	**Employees**: Yes, every employee in a specific department has the same job description. Employees will sometimes assist each other in responsibilities which are not theirs, to	**Employees**: Yes, every employee in a specific department has the same job description. **Volunteers**: Every volunteer allocated to the same department receive the	**Employees**: Yes, every employee in a specific department has the same job description. **Volunteers**: None.	**Employees**: Employment contract is set up fairly. **Volunteers**: None, as they feel volunteers can stay as long as they wish to complete a task.	**Employees**: Employment contract is set up fairly. Any secondary duties are set up using a time table. **Volunteers**: None.	**Employees**: Specific departments have a section manager who delegate tasks fairly to employees. **Volunteers**: None.

	complete tasks on time. **Volunteers**: Every volunteer allocated to the same department receive the same responsibilities.	same responsibilities.				
BUILDING BLOCK 3: REWARDS						
CLARITY						
15. Are there any rewards for employees and volunteers when they achieve their goals?	**Employees**: Yes **Volunteers**: No	**Employees**: Yes **Volunteers**: Yes	**Employees**: Yes **Volunteers**: No	**Employees**: No **Volunteers**: No	Except for overtime and days off, there is no rewards system.	**Employees**: Yes **Volunteers**: No
16. If yes, what are the rewards?	**Employees**: Salary and annual bonus. **Volunteers**: None.	**Employees**: Salary and annual bonus, days off, an occasional all-expenses paid dinner. **Volunteers**: Recognition of volunteering by means of a photo in the local newspaper.	**Employees**: Salary and annual bonus, days off. Bonus is determined on an assessment, the more points they receive for doing good work, the bigger the bonus. **Volunteers**: None.	N/A	N/A	**Employees**: Salary and annual bonus. **Volunteers**: None.

17. Is the reward system available in writing, and is it known and understood by employees and volunteers?	Salaries yes, as in their employment contract. Bonus no, as it all depends on the funds available at the time.	Salaries yes, as in their employment contract. Bonus no, as it all depends on the funds available at the time.	Salaries yes, as in their employment contract. Bonus no, as it all depends on the funds available at the time.	N/A	N/A	Bonus no, as it all depends on the funds available at the time.
18. If yes, is the reward system flexible or fixed?	Bonus is flexible, due to limited funds. Salary is fixed.	Bonus is flexible, due to limited funds. Salary is fixed.	Bonus is flexible, due to limited funds. Salary is fixed.	N/A	Bonus is flexible, due to limited funds. Salary is fixed.	Bonus is flexible, due to limited funds. Salary is fixed.
MOTIVATION						
19. Which process is followed to ensure that this reward system will motivate employees and volunteers to achieve their goals?	No formal process as rewards are limited.	**Employees**: Managing staff discusses certain rewards when a certain goal is achieved. **Volunteers**: None.	**Employees**: The assessment process for employees' bonuses are not strict. If management can see employees are doing more than expected, they will receive a bigger bonus. **Volunteers**: None.	N/A	There is no formal process of motivation.	**Employees & Volunteers** should give their best to the SPCA, so that more funds are available for a higher bonus.

20. What will you, from a manager's point of view, do to improve the current reward system?	To give rewards to volunteers, for example a formal function on a quarterly basis to say thank you for their support. Although it should be controlled, as the branch does not want individuals to volunteer for reward, but for the love of the animals.	To increase the number of fundraisers to have more funds available to reward employees and volunteers.	To keep employees and volunteers more positive, which will lead to more donations and more rewards.	N/A	Giving rewards to volunteers, for example a key ring for every five times they visit to volunteer.	Manager states that current reward system is working fine.
CONTROLLABILITY						
21. Do employees and volunteers have control over the department they are assessed upon?	No, if each employee has control over their own work, there are no procedures to follow to determine the basis of a problem, should one occur.	No.	No.	**Employees and permanent volunteers**: Yes, as staff members are very limited, they have control. **Casual volunteers**: No.	**Employees**: Yes, as staff members are very limited, they have control. **Volunteers**: No.	No.

22. What are the procedures if they do not have control over the department they are assessed upon?	Formal inspections from the manager on a daily basis to confirm that each employee and volunteer are completing their responsibilities.	All employees are under the supervision of managers. Managers are under the supervision of the chairperson.	Formal inspections from the manager on a daily basis to confirm that each employee and volunteer are completing their responsibilities.	N/A	N/A	All employees are under the supervision of managers.

4.3 Discussion of similarities and differences identified among SPCA and animal shelter branches

4.3.1 Introduction

Every manager of the respective SPCA branch and animal shelter answered the questions in terms of how it is applicable to the respective branch, therefore there is no right or wrong answer. This section explains the similarities and differences identified among these branches based on each building block of the BBM.

4.3.2 Building block two: Standards

Ownership

All the SPCA and animal shelter branches make use of permanent employees. Klerksdorp and Potchefstroom are the only branches that make use of contractual employees. This is because of limited funds available to pay wages and salaries and only needing additional assistance for a short period of time. Permanent employees are limited because of limited funds available and the services rendered differ in nature, with exception to the Pretoria branch. Pretoria is the largest geographical area of all the branches, rendering more diverse services to animals than any other branch that participated in this study.

All the SPCA and animal shelter branches make use of volunteers, with Orkney as the only branch who have permanent volunteers. These volunteers are a couple who have full time jobs, but work after hours for the animal shelter. Casual volunteers visit mostly on Saturdays. Learners from local schools and individuals who are obligated by Law often visit the branch to do community service as part of a project or sentence respectively. Pretoria is the only branch who receives volunteers from local businesses on a regular basis.

Employees of the SPCA and animal shelter branches all have the same job titles and descriptions, as these job titles and descriptions are determined by the National Council of SPCAs (hereafter “NSPCA”) and managers. Although animal shelters do not form part of the SPCA, they still have to adhere to all the regulations of the NSPCA. The job titles are: inspectors, field officers, managers (general and kennels), kennel hands, veterinarians and receptionists. Due to limited staff members at the branches, some employees fill more than one job title at a time. Volunteers do not have a specific job description, as their duties fluctuate every time they visit. These duties are mainly related to the welfare of the animals, for example cleaning the kennels, feeding, and giving love to the animals.

The responsibilities of the employees are determined by the managers or managerial committees at all the branches, as this is also a requirement from the NSPCA. These responsibilities are stated in their employment contracts, whereas volunteers' duties are not contract based. Managers mainly give tasks to the volunteers on arrival. To confirm that employees understand their responsibilities, each branch makes use of a unique method. These techniques are used by the respective managers of each branch and do not form part of the NSPCA's requirements. To confirm that volunteers' responsibilities are clearly understood, the employees working in the same department or the branch manager show them how to complete the task.

Labour Law is applicable to all employees at the interviewed branches. This is also a requirement by the NSPCA. When volunteers do not carry out a responsibility, the manager determines how severe the case is and will make a decision using his/her own discretion.

Achievability

Every branch has primary and secondary goals for employees, as stated in question nine of the questionnaire. Although the managers of each branch gave a different answer to the question, every answer came down to one primary goal: to prevent animal cruelty. Every branch has their own strategy in doing so. Secondary goals are mainly to train employees so that they can grow in their careers, and to raise more funds. Volunteers' primary goals are to give a lot of love to the animals and to keep the animals' environment as clean as possible.

The main aspect which motivates employees to achieve their goals is financial rewards. These rewards are not guaranteed, as it all depends on the financial position of the branch. Orkney is the only branch which does not give financial rewards. The second aspect is days off where employees do not have to apply for annual leave. The only reward for volunteers is recognition. There seems to be a lack of rewards for volunteers at NPOs. Managers stated that there are simply not enough funds available to reward volunteers.

With regards to levels of achievement; Benoni, Orkney, and Potchefstroom stated that they do not have different levels of achievement, while Carletonville, Klerksdorp, and Pretoria have different levels of achievement. The three branches not implementing different levels of achievement is due to limited staff members and them not wanting to create a competitive environment under employees, as all employees work toward the same goals. The explanation behind the three branches implementing different levels of achievement, is for employees to improve their careers. Employees can start off as a kennel hand and be promoted to a kennel manager, field officer, or inspector. There seems to be no different levels of achievement for volunteers, because of the inconsistency in the same individuals visiting.

4.3.3 Building block three: Rewards

Equity

All the branches gave the exact same answer to question fourteen of the questionnaire, every employee's responsibilities are determined by means of their employment contract. All employees working in the same department receive the same responsibilities. Volunteers' equity is not applicable because of their inconsistent presence, but they can request a department to work in when volunteering. Only Benoni gives the same responsibilities to volunteers who work in the same department.

Clarity

All the branches have a rewards system in place for employees, except for Orkney and Potchefstroom. These rewards are financial in terms of salary and annual bonus, and leave as previously mentioned. The employees' remuneration are available in writing in terms of their employment contracts. The annual bonus is not available in writing as it is a flexible reward system which depends on funds available.

Carletonville is the only branch who rewards volunteers by means of a photograph in the local newspaper when they have visited the branch a certain number of times.

Motivation

Carletonville, Klerksdorp, and Pretoria are the only branches who have a motivation system in place for employees to achieve their goals and gain rewards. These processes include discussing the rewards with employees and motivating them verbally that a reward awaits when a certain goal is achieved. Klerksdorp uses an assessment process for employees who receive "points" when a goal is reached which contributes to the determination of their bonus. None of the six branches have motivational processes for volunteers.

Managers of all branches stated that they would like to improve the current reward system by rewarding volunteers as well. The only reason they are not doing so is because of limited funds.

Controllability

Orkney and Potchefstroom are the only branches who let employees have control over the department they are working in. The reason for this is that staff members are very limited and they have to take charge of their department. This does not mean employees have carte blanche, there is just not enough time available for managers to check up on employees on a regular basis. Benoni, Carletonville, Klerksdorp and Pretoria do not give department control to employees, as managers do regular check-ups on employees. The main reason for this is to determine the core of a problem, should one persist. Volunteers do not have any control over a department they are working in, because they are not permanent employees.

4.3.4 Conclusion

After analysing and discussing the similarities and differences among respective SPCA and animal shelter branches, there do not seem to be any major differences between operations in geographical areas, as all SPCAs and animal shelters of South Africa operate under The SPCA Act No. 169 of 1993 (Garden Route SPCA, 2019). It occurs that performance management of employees are regarded as important, but not for volunteers.

5 CODING IN QUALITATIVE RESEARCH: THEMATIC NETWORK ANALYSIS VERSUS ATLAS.TI

Coding is a way of indexing or categorising the text in order to establish a framework of thematic ideas about it (Gibbs, 2007). Thematic Network Analysis and Atlas.ti are two methods available to apply coding in qualitative research. Atlas.ti is used for large textual, graphical, audio, and video data in qualitative analysis on large sample sizes (Atlas.ti, 2019). Thematic network categorises textual levels into themes and then structure these themes in qualitative research. It is also based on small sample sizes (Attride-Stirling, 2001). This research study does not have graphical or video data, nor a large sample size, but only text obtained from the interviews with SPCA and animal shelter branches, as well as a small sample size (6). Therefore the Thematic Network method was used to analyse data.

5.1 Thematic Network Analysis

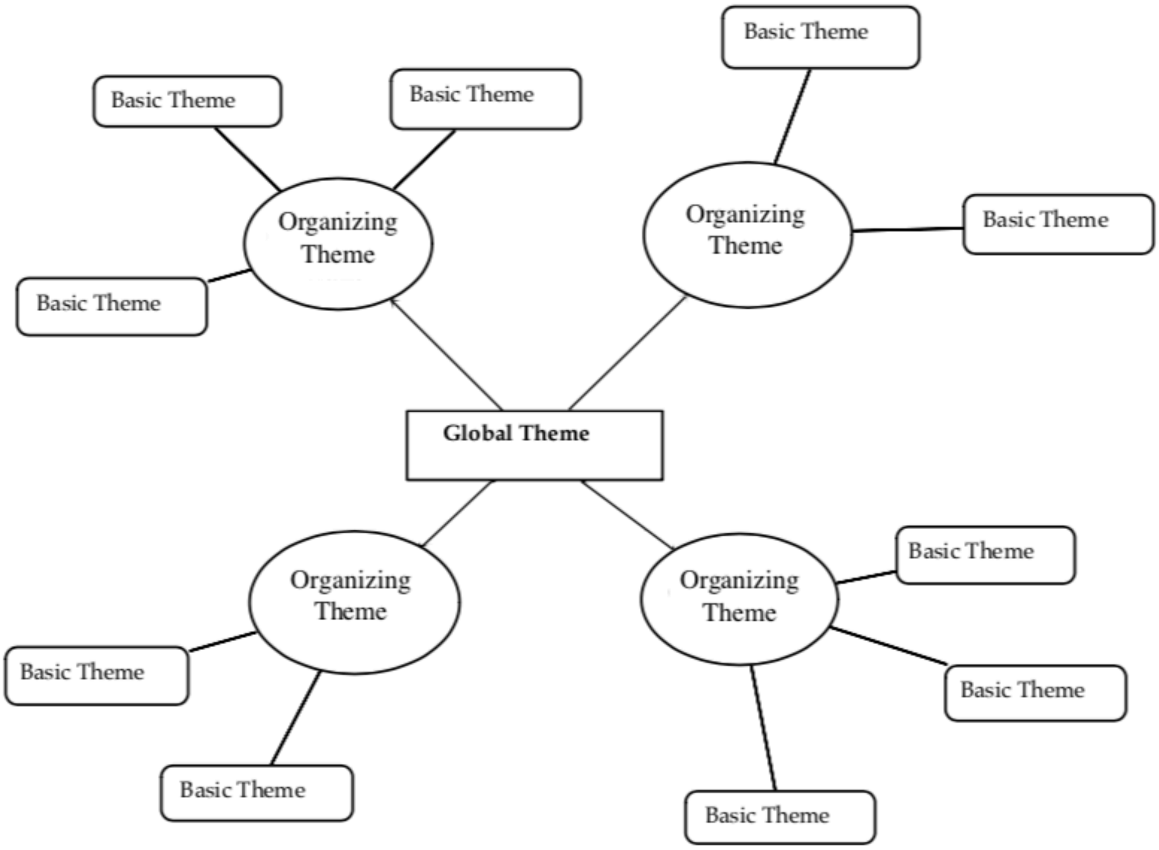
According to Attride-Stirling (2001), the thematic network method does not intend to start new arguments or to end rationalisations, but is a method for breaking up text to simplify explicit rationalisations. Attride-Stirling (2001) states that there are three classes of themes, which are:

1. **Basic theme**: The most basic or lowest-order theme of textual data and tells very little about the text as a whole, therefore it has to be read together with organising themes.

2. **Organising themes**: These are middle-order themes which organise and summarise the principal assumptions of Basic themes. It is more revealing of what is going on in the texts.
3. **Global themes**: A brief description of principal metaphors in the data as a whole. Global themes and Organising themes together present an argument.

Figure 12 displays a graphical illustration of the above mentioned:

Figure 12: Structure of a Thematic Network:



(Source: Attride-Stirling, 2001)

Figure 13 displays the thematic network developed from this study, the BBM. Figure 14 displays a summary of the themes applicable to the BBM.

Figure 13: Thematic Network based on the BBM:

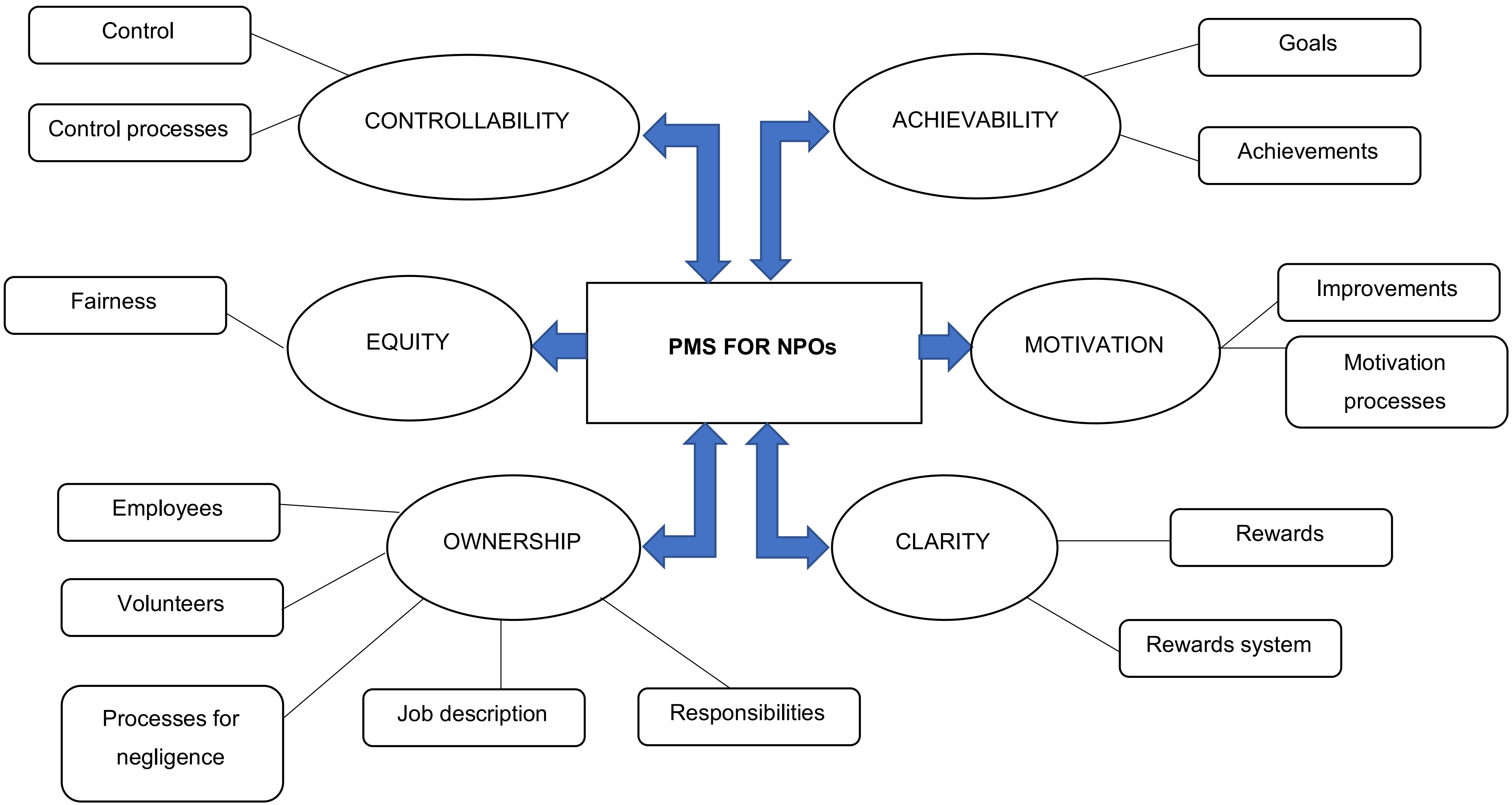


Figure 14: Thematic Network analysis:

GLOBAL THEME: PMS FOR NPOs	
ORGANISING THEME: OWNERSHIP	
BASIC THEME:	EXPLANATION:
Employees	All branches have permanent employees, between seven and thirty-five per branch.
Volunteers	All branches have volunteers who visit on Saturdays, do community service or school projects.
Job description	Various job descriptions for employees include: inspectors, field officers, managers, kennel hands, receptionists, vets and clinics. Job description for volunteers include: helping kennel hands to keep the animals' environment clean.
Responsibilities	Employment contract determines employees' responsibilities. Branch manager determines volunteers' responsibilities.
Processes for negligence	Employees receive training upon employment and acknowledge the training by signing. Labour Law is applicable if responsibilities are not carried out. Volunteers are shown how to complete responsibilities by managers and might be asked to leave the branch if a responsibility is not carried out, depending on how severe the case is.
ORGANISING THEME: ACHIEVABILITY	
BASIC THEME:	EXPLANATION:
Goals	Employees' primary objective is to prevent animal cruelty and their secondary objective is to grow in their careers. They are motivated to achieve these goals by an annual bonus, depending on funds available. Volunteers' primary objective is to give lots of love to animals and they mainly do not have a secondary objective. There are very view rewards available for volunteers.
Achievements	The main achievement for employees is similar to their secondary objectives, to gain promotion in their careers.

	There are no primary achievements for volunteers.
ORGANISING THEME: EQUITY	
BASIC THEME:	EXPLANATION:
Fairness	All employees working in the same department receive the same responsibilities in their employment contracts. Volunteers working in the same department receive the same responsibilities from the manager.
ORGANISING THEME: CLARITY	
BASIC THEME:	EXPLANATION:
Rewards	The main reward for employees is the same as their motivation, an annual bonus, depending on funds available. Volunteers have very few rewards given to them.
Rewards system	The current reward systems are flexible due to limited funds available.
ORGANISING THEME: MOTIVATION	
BASIC THEME:	EXPLANATION:
Improvements	Rewarding volunteers.
Processes	Managers discuss reward system with employees. No formal process for volunteers.
ORGANISING THEME: CONTROLLABILITY	
BASIC THEME:	EXPLANATION:
Control	Employees and volunteers have little to no control over the department they are working in.
Control processes	Managers mainly have control over departments, delegating to employees and volunteers.

(Source: Author)

5.2 Conclusion

The discussion of the BBM is used as a foundation for the development of the PMS for NPOs. The information obtained in the interviews were analysed and coded by using the Thematic Network method, as it is considered to be more applicable to this study. The Global, Organising and Basic themes will be used as foundation for the development of a PMS for NPOs.

CHAPTER 4: DEVELOPING A PERFORMANCE MANAGEMENT SYSTEM FOR A NON-PROFIT ORGANISATION

Chapter four contains the development of a PMS for NPOs based on the knowledge and information obtained in Chapter three (secondary objective 4.2.3, Chapter 1). The content of the PMS is based on the information obtained from the interviews, sections that need improvement, and relevant literature. The PMS also contains aspects of business that is more important to NPOs than for-profit organisations.

1 INTRODUCING THE "STEPS" MODEL AS A PMS

This section will focus on the BBM used as the foundation in compiling the questionnaire for the interviews with managing staff of selected SPCA and animal shelter branches, and by using the information obtained in Chapter three to develop the STEPS model. The dimensions building block, which includes financial performance, competitiveness, quality, innovation, flexibility and resource utilisation, was not considered for the STEPS model as these factors are based on financial performance management.

The STEPS model is based on the employees and volunteers of an NPO, therefore only the "standards" and "rewards" building blocks were considered. The following synonyms were used for the organising themes and basic themes as stated in Figure 14, Chapter 3 for the STEPS model, as a new PMS is developed based on an existing model, the BBM:

Organising themes:

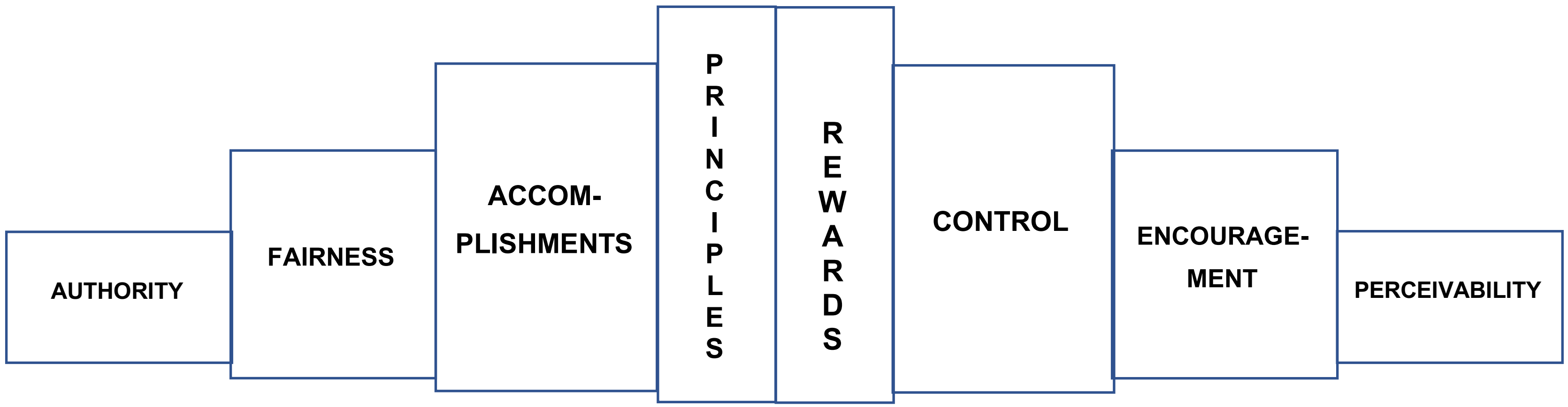
- Standards = Principles
- Rewards = Rewards

Basic themes:

- Ownership = Authority
- Equity = Fairness
- Achievability = Accomplishments
- Clarity = Perceivability
- Motivation = Encouragement
- Controllability = Control

Figure 15 displays an illustration of the STEPS model:

Figure 15: The STEPS model:



(Source: Author)

2 EXPLANATION OF THE STEPS MODEL'S ILLUSTRATION

In the middle of the illustration are the two foundational steps, namely "Principles" and "Rewards", which have to work alongside each other to achieve employee and volunteer satisfaction. These two steps are the two organising themes of the STEPS model. The foundational steps are then divided into six smaller steps (three steps per side), which are the basic themes of the STEPS model. "Authority" and "Perceivability" are the primary steps. Once the primary steps' requirements are met, the secondary steps to be taken are "Fairness" and "Encouragement". Once these two steps' requirements are met, the tertiary steps can be taken, "Accomplishments" and "Control". Once the tertiary steps' requirements are met, the final steps are taken towards the foundational steps to complete the PMS for employees and volunteers.

2.1 The "Principles" step

The "Basics" step is based on the "Standards" building block of the BBM. The "Basics" step sets out the goals and targets that the employees and volunteers need to achieve. The "Basics" step is divided into three supportive steps:

2.1.1 Authority

"Authority" is based on "Ownership" of the BBM, as the management staff of an NPO has authority over employees and volunteers. Authority is defined as: "the power or right to give orders, make decisions, and enforce obedience" (Oxford Dictionary, 2019). As confirmed by the interviews, NPOs make use of employees and volunteers. The managers of the NPO have authority over employees by means of an employment contract. The job description and responsibilities in this contract are determined by NSPCA. Managers also have authority over volunteers as they determine the responsibilities of volunteers when they visit the NPO. Volunteers do not receive an employment contract or a job description, as they visit the NPO by their own will and complete different tasks with each visit.

If an employee does not complete a responsibility, managers may use regulations as stated in the Labour Relations Act No 66 of 1995 (LRA). According to Fouche and Du Plessis (2014), the following warnings are suggested if an employee does not carry out a responsibility:

1. verbal warnings which remain valid for three months;
2. written warnings which remain valid for six months;
3. a final warning which remains valid for twelve months.

An employee may be dismissed for the following reasons after a final warning has been received (Fouche & Du Plessis, 2014):

1. **Misconduct:** An employee is guilty of theft, being absent without authorisation, or refusing to obey the employer's requirements;
2. **Incapacity:** If an employee does not meet the employer's performance standard, or fails to complete the work he/she was employed to do because of illness;
3. **Operational requirements:** When the employer can no longer afford to keep the individual employed (retrenchment).

It is therefore very important for an NPO to give employees training upon their employment to carry out their responsibilities. Employees should also acknowledge that they understand these responsibilities upon employment; this is usually done by signing the employment contract. Managers should also make use of other methods for employees to understand their responsibilities, for example an open-door policy so that employees can visit the manager if they do not understand a responsibility.

It can also happen that volunteers do not carry out responsibilities when they are volunteering. This is a more difficult process than that of employees, as they are working out of free will, although they still need to be managed and obey the rules of the NPO. Therefore NPOs should ask the volunteer beforehand whether they have knowledge of the responsibility given to them, and if not the NPO should offer informal training.

Feedback is important, as it makes volunteers feel valued (Hudson, 2014). Volunteers should receive feedback on a regular basis to ensure their responsibilities are carried out to their potential, and if not they can receive training or be given advice to do so.

"No" is not a word associated with an NPO, but one that is necessary (Arneal, 2014). There needs to be dismissal procedures in place for volunteers. Some NPOs work with sensitive groups, for example, the SPCA with abused animals and CANSA with cancer patients, and therefore if a volunteer shows signs of unacceptable behaviour, an immediate "dismissal" should take place. This "unacceptable behaviour" depends on the NPO where the individual volunteers.

Sometimes when a volunteer does not carry out a responsibility the case is not so severe; thus verbal warnings can be given in a kind manner. The number of verbal warnings before dismissal is by the discretion of the manager. Arneal (2014) states that there is a three step process NPOs can use to kindly dismiss volunteers:

1. **Make it clear that the dismissal is not personal**

If the manager dismisses the volunteer improperly, the volunteer may feel rejected as a person. Managers should give the dismissed volunteer a clear and respectful explanation for their dismissal, making it clear the dismissal is not personal.

2. **Be prepared to offer them alternatives**

Sometimes volunteers lack the skill or training of the responsibility given to them. For example, an individual volunteers to work at the SPCA, but is allergic to animal hair. In this case working with animals might make them feel uncomfortable. Not to be rude, managers can kindly suggest to the volunteer to take antihistamine or the volunteer should rather consider volunteering at an NPO whose target group is not animals.

3. **Follow-up on volunteers**

Managers should not allow volunteers to become strangers. They should keep in touch with them, by sending e-mails to these volunteers to let them know they are still cared for and they are welcome to participate again at future events.

NPOs can only take the foundational step of “Authority” if all employees and volunteers clearly understand their roles and the procedures that will be followed if they neglect their responsibilities. Once these requirements are met, NPOs can take the “Fairness” step.

2.1.2 Fairness

Once the managers of the NPO have determined the responsibilities of the employees and volunteers, the next step is “Fairness”. Managers should be aware that fairness is key to employee and volunteer morale. Treating employees unfairly will decrease employee productivity and morale (Nicholson, 2012). Not only should fairness be considered when drawing up the employment contract or in the verbal communications to volunteers, it should be applicable in the NPO as a whole. According to Reh (2018), treating employees and volunteers in a fair and respectful manner are just two key elements to morale, and suggests managers can use the following to promote fairness:

1. **The golden rule:** Treat employees the way you want to be treated;
2. **No favourites:** Employees should be treated equally with no exception;
3. **Do not take advantage:** Managers should not take advantage of their position as manager; managers should complete their own tasks;
4. **Model the rules and behaviours:** The manager’s actions should match their “words”, otherwise employees will lose trust in the manager;

5. **Change the rules:** A manager can change the rules if the rules seem unfair or inappropriate to a situation. It should not be abused to benefit an individual.
6. **Be honest:** Explain to employees why something is done the way it is.

NPO managers should remember that it is not necessarily the aspiration of employees to work at an NPO; it might be that currently it was the only employment they could find, and that volunteers sacrifice their personal time to assist.

Morale among employees and volunteers will automatically increase once they feel that they are respected and appreciated. Once the “Fairness” step is accounted for, the “Accomplishments” step can be taken.

2.1.3 Accomplishments

The next step is “Accomplishments”, they are determined by the employees’ and volunteers’ primary and secondary goals. In Fitzgerald’s (2001) case study on the BBM (Chapter 3, paragraph 3), as well as in the interviews conducted by the researcher, it was stated that these goals are determined by the NPOs themselves and differ from each other because of different missions and visions. The primary goal of all managers, employees, and volunteers should be the mission statement of the NPO. Examples are: preventing animal cruelty by SPCAs and animal shelters, promoting fitness by Park Run, or promoting religion by churches. Secondary goals are not essential but promote productivity, and once again can only be determined by the NPOs themselves. Secondary goals should include promotions for employees and volunteers. They should be motivated to improve their careers.

As a for-profit organisation, employees and volunteers need to be motivated to achieve the primary and secondary goals set for them. This can be done by giving rewards to employees and volunteers. According to Hamlin (2019) rewards and recognition that acknowledge contributions to the goals of the organisation and the show of appreciation are necessary for a high-performing workplace.

Achievability is defined as “a thing done successfully with effort, skill, or courage” (Oxford Dictionary, 2019). The responsibilities determined by the NPO, as discussed in the “Authority” step, need to be achievable and fair. In an NPO all employees and volunteers are working towards the mission. Therefore if NPOs want to implement different levels of achievements, do it in a way which will benefit all employees, volunteers, and the organisation. This can be done by promoting employees and volunteers.

Managers stated “if we implement levels of achievements, for example ‘employee of the month’, we will demotivate the other employees because they will feel that someone is the favourite”. If an NPO wants to implement levels of achievement, they should ensure that it is fair towards other employees and volunteers. Once the “Accomplishment” step is determined, the “Basics” steps are completed.

2.2 The “Rewards” step

The “Rewards” step is the same as the “Rewards” building block of the BBM. Rewards refer to the compensation employees and volunteers receive which motivate them to achieve their goals. The “Rewards” step is divided into three supportive steps:

2.2.1 Perceivability

“Perceivability” refers to employees and volunteers clearly understanding the reward system at the NPO. It is suggested that NPOs make use of a flexible reward system, as NPO funds are primarily donations, meaning limited funds will be available for applying it as a reward. It should be clearly explained to employees that rewards are flexible, as it may have a negative effect on their morale if their understanding of the reward system is that it is incorrect. Volunteers’ rewards is to the discretion of the NPO, and also depends on funds available. Employees’ rewards should be included in their employment contracts.

The most common reward for employees is an annual financial bonus. This reward is a good motivation as they receive the same reward as in most for-profit organisations. Some rewards can be given to employees which do not have financial implications for the NPO; this reward is called recognition. Hamlin (2019) states that employees want to be recognised for their accomplishments, and also increasing responsibility gives them a sense of contributing to the organisation. Recognition is defined as “appreciation for an achievement, service, or ability” (Oxford Dictionary, 2019). Recognition does not mean a thank you for every task completed, but to receive recognition for exceeding expectations.

Rewards given to volunteers are not too common in NPOs. According to Johnson (2009), giving rewards to volunteers may lead to an increase in the number of volunteers, but it also diminishes the value of community service. Verkitus (2014) states that the reward for volunteers is in volunteering itself, but it is important that volunteers feel appreciated both publicly and privately. It is therefore important for NPOs to monitor a volunteer reward system once they decide to implement one. Volunteer reward systems are also very limited because of limited funds, but as with employees, these rewards do not need to be financial. Hudson (2014) states that volunteers have to be shown appreciation for their time sacrificed. Recognition is a good start for rewarding volunteers, as this may seem to be the reason for volunteering (Hamlin, 2019). Appreciation for long service volunteers can be shown by publishing a photo and an article in the local newspaper or social media, or providing them with a bigger role in the organisation as they gain experience in volunteering. The main aim of appreciating volunteers is to let them feel the time they invested in volunteering was valuable.

To increase morale amongst employees and volunteers, the NPO can occasionally host an informal event, such as a barbeque, so that they can get to know each other better. The NPO can provide side dishes and the employees can bring their own meat and drinks.

Once employees and volunteers clearly understand the reward system in the organisation, the next step, “Encouragement”, can be taken.

2.2.2 Encouragement

The employees and volunteers should by now understand the reward system of the organisation. Fitzgerald (2001) stated that NPOs should note that a reward system can quickly become outdated and morale can decrease just as quickly as it may increase. NPOs are therefore encouraged to review and improve their reward system at least on an annual basis to determine which rewards are appreciated by employees and volunteers and which are not. Employees and volunteers have to be kept up to date with the reward system to encourage them by knowing what they are working towards. If the requirements of this step are confirmed, the “Control” step may be considered.

2.2.3 Control

“Control” refers to managers having control over the reward system for employees and volunteers. It is important that rewards for employees and volunteers remain focused on the department they are assessed upon. Once an employee or volunteer is denied a reward because of factors outside their department, they will be demotivated to achieve their goals. Once this step’s requirements are met, all steps of “Rewards” are completed.

2.3 The One Minute Manager

The One Minute Manager is a book which relates to the management of an organisation, regardless whether it is non-profit or for-profit. The content of this book is relevant to the STEPS model as it is based on managers to successfully manage their employees. Blanchard and Johnson (1983) state that there are three secrets to successful management:

2.3.1 The first secret: One minute goal setting

The big problem in practice nowadays is that employees are not always sure what is expected of them. This is where One Minute Goals are applicable. The manager explains exactly to employees what are expected of them and the employee writes out the goals on a piece a paper in not more than 250 words, as it should only take one minute to read the goal. The goal should be re-read on a regular basis to confirm that the employee's goal is still in line with their behaviour and performance (Blanchard & Johnson, 1983).

One Minute Goal Setting is applicable to non-profit organisations because it is important that employees know exactly what is expected from them, because the workforce of an NPO is very limited. If employees know exactly what they need to do, they will be more efficient. The same principal applies to volunteers, as they are also limited, and if it is clear to them what their responsibilities are during their visit, it makes more time for more tasks which they can complete.

2.3.2 The second secret: One minute appraisals

The theme of this secret is not to catch employees doing something wrong, but to catch them doing something right. Managers should let employees know from the start they will receive feedback. The appraisal should be done immediately after the employee was caught doing something right and it should be specific. The appraisal should not take more than one minute and should include touching a shoulder or a handshake, so they can "feel" the appraisal. A compliment on how their good work contributes to the organisation should be given, as well as motivation to keep up the good work (Blanchard & Johnson, 1983).

As mentioned above, the workforce is very limited at an NPO. Giving appraisals to employees and volunteers is regarded as a feedback strategy as they will know immediately if they are doing a good job or not. Appraisals will give employees and volunteers more motivation to complete their tasks, because they will feel valued at the NPO.

2.3.3 The third secret: One minute reprimands

One minute reprimands should be given to employees if they are doing something wrong or out of their character. By this time the one minute goal setting and appraisals should be working well, but if a mistake arises, a one minute reprimand should be given. It is important to criticise the behaviour of the employee and not the person him- or herself, as this is not the theme of a reprimand. The whole reprimand should not take longer than one minute.

The reprimand is divided into two parts. The first part, as with one minute appraisals, should be done immediately and should be specific. The employee should know exactly how the mistake makes the manager feel.

The second part of the reprimand is assuring the employee that the manager is still supporting them and that they are on their side, by again touching the person. The employee should be reminded that they are of value to the organisation and that it is their performance that is the problem, not them. The manager and employee should then both understand that if the reprimand is over, it is over, and no hard feelings should remain (Blanchard & Johnson, 1983).

One minute reprimands are applicable to NPOs as situations will occur where an employee or volunteer does not complete a task correctly. As it is necessary to confront them regarding this matter, the one minute reprimand according to Blanchard and Johnson (1983) is most applicable, as it is done in a reasonable matter.

3 CONCLUSION

In this chapter a PMS for NPOs was developed, which was the primary objective of this research study. The BBM served as the primary source in the development of the PMS. NPOs' approach toward the STEPS model should be to consider the separate steps individually, starting at the primary steps, followed by the secondary and tertiary steps, and finally taking the foundation steps. Once all these steps are accounted for, the PMS is completed. The STEPS model was designed for employees and volunteers of NPOs and does not consider any financial performance systems. Using the STEPS model may encourage NPOs to realise that performance management is important to the organisation. In Chapter 5 conclusions and recommendations will be discussed of the findings in this study.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

As stated in secondary objective 4.2.4, Chapter 1, the purpose of this chapter was to conclude with recommendations for future research. A conclusion for each chapter based on the objectives and findings is discussed. The potential areas for future research is also identified and discussed.

1 CONCLUSIONS

1.1 Chapter 1: The research proposal

The aim of Chapter 1 was to compile a research proposal to present to a scientific committee at the School of Accounting Sciences of the North-West University, Potchefstroom campus.

1.1.1 Introduction

Performance management is used to manage financial and employee performance of an organisation. In previous studies performance management was researched in for-profit organisations using existing PMS models, but not in non-profit organisations. This is why this study was conducted, to use an existing PMS model to develop one based on NPOs.

1.1.2 Background

Performance management was first introduced in the early 1900s. The development of performance management increased drastically during the 20th century as organisations realised the importance thereof for the success of the organisation. The Balanced Scorecard, a very famous PMS model, was developed by Kaplan and Norton in 1992. Fitzgerald and Moon developed the BBM in 2001, based on the Balanced Scorecard, specifically designed for service industries.

1.1.3 Literature review

Academics state that there is a big gap in literature regarding performance management. Numerous performance management studies have been performed in for-profit organisations based on the Balanced Scorecard. Studies regarding performance management based on a specific model are very few to none, especially in non-profit organisations. This is the “gap” in literature identified to conduct this study.

1.1.4 Motivation of topic actuality

The motivation for this study was to develop a unique model for NPOs to use to manage the performance of employees and volunteers, as there is not a specific model based on the aspects which are important for NPOs.

1.1.5 Problem Statement

Profit is not a primary objective for an NPO, but the well-being of the community. NPOs' staff are very limited and they count on the community to volunteer to raise funds to address a socio-economical matter. NPOs do not consider performance management as important as they are afraid that volunteers may not return if their feedback is negative. If NPOs have a PMS specifically designed for them, they can address this matter.

1.1.6 Research objectives

The primary objective of this study was to develop a PMS for NPOs based on an existing PMS, namely the BBM. In order to achieve the primary objective, secondary objectives were set. The secondary objectives are linked to Chapters 2, 3, 4 and 5.

1.1.7 Ethical considerations

The risk of this study was regarded as insignificant, as there were no sensitive data collected. The data collected for this study will be kept confidential and participants will stay anonymous.

1.2 Chapter 2: Research design and methodology

The aim of Chapter 2 was to develop a suitable research design and methodology in order to achieve secondary objective 4.2.1. The management accounting theoretical theory linked to this study was the Stakeholder Theory, as managers, employees and volunteers are regarded as stakeholders of the NPO.

The research design was based on the ontological and epistemological assumptions. The ontological assumption to this study was that performance management is not regarded as important to NPOs, as it became clear through the epistemological assumption, conducting interviews with a selected NPO. The type of research design used was "Grounded Theory", as it uses an interaction approach for data collection, which were the interviews conducted. The data collection technique used to gather information in this study was one-to-one interviewing and using an “action research” style. Action research was applicable as it seeks solutions for existing problems, being to develop a PMS for NPOs.

Regarding methodology, a qualitative method was used because of the data collected being non-empirical. Therefore the post-positivism paradigm was not considered, but rather interpretivism. The non-empirical data collected was analysed and interpreted to develop a PMS for NPOs. Idealism was also considered to be the Ontological assumption due to the research method being qualitative.

The sample size for the interviews was based on six SPCA and animal shelter branches based in the Gauteng and North-West province region. Six interviews were enough to reach a point of saturation, as all SPCA and animal shelter branches have to adhere to the NSPCA’s requirements.

A successful research design and methodology were applied to this study to conduct the interviews with managing staff of selected SPCA and animal shelter branches. The information obtained from the interviews was analysed and discussed in Chapter 3.

1.3 Chapter 3: Discussing the BBM and information obtained from interviews

The aim of Chapter 3 was to briefly discuss the BBM and analysing the information obtained from the interviews in order to achieve secondary objective 4.2.2. The BBM was used as the foundation for this study as it was specifically designed for performance management in service industries. An NPO is regarded as a service industry because they render services to improve the life of others without a price tag. Therefore the PMS developed in this study was based on the BBM.

The BBM consists of three “Building Blocks”, namely: Dimensions, standards, and rewards. The dimensions building block was not considered as it is based on the financial performance of an organisation. Financial performance was not considered for this study as it is not the primary objective of an NPO to generate profit. Standards and rewards are applicable as this study is based on the performance management of employees and volunteers. Standards refers to setting the target that has to be achieved. Rewards refers to the compensation employees receive when goals are reached.

The interviews with management staff was based on four SPCA and two animal shelter branches respectively using the questionnaire in Annexure A. The interviews were conducted using a one-to-one interview method and was tape-recorded to improve the quality of the information obtained. A summary of the interviews was performed in Figure 11.

The biggest shortcoming identified was the rewards given to volunteers. NPOs do not reward volunteers on a regular basis due to limited funds and that the majority of volunteers are only temporary. The biggest differences at the respective branches are the services they render to animals and the number of employees. There did not seem to be any major differences in operations amongst SPCAs and animal shelters, as they all operate under the requirements of the NSPCA.

A Thematic Network Analysis and Atlas.ti were considered as coding techniques. Thematic Network Analysis was used as the coding method to analyse the information obtained from the interviews, as it is based on small sample sizes and textual data. The basic and organising themes of a PMS model for NPOs were identified by using the BBM as the foundation. These themes were used in Chapter 4, which was to develop a PMS for NPOs.

1.4 Chapter 4: Developing a performance management system for NPOs

The aim of Chapter 4 was to develop a PMS for NPOs based on the BBM in order to achieve secondary objective 4.2.3. The information obtained from the interviews, by means of the basic and organising themes of the Thematic Network Analysis, were used to develop the PMS for NPOs, namely the STEPS model. The STEPS model contains two foundation steps, namely principles and rewards. Principles are used to set the standards for employees, and is based on the "standards" building block of the BBM. Rewards are the compensation employees and volunteers receive when they reach a certain goal.

Each foundation step is divided into six smaller steps, three steps per side, containing two primary steps, two secondary steps, and two tertiary steps. The primary steps are authority and perceivability. Authority is based on managers having the authority to determine the duties of employees and volunteers. Perceivability is employees and volunteers clearly understanding the rewards system.

The secondary steps are fairness and encouragement. Fairness is based on every employee and volunteer being treated fair by managers, and that no "favourites" are accommodated above other employees and volunteers. Encouragement is based on managers of NPOs motivating employees and volunteers to reach their goals to receive rewards.

The tertiary steps are accomplishments and control. Accomplishments are the goals set being reached. The primary goal of every manager, employee, and volunteer is to achieve the mission statement of the NPO. Secondary goals are determined by the NPO themselves.

Once the primary, secondary, and tertiary steps are completed, the foundation steps are completed and the PMS has been implemented successfully. The STEPS model is regarded as the PMS which NPOs can use to keep their employees and volunteers motivated in achieving their personal as well as the organisation's goals. It is important that managing staff of NPOs revise their approach to performance management on a regular basis to keep it successful.

2 RECOMMENDATIONS FOR FUTURE RESEARCH

2.1 Implementing the STEPS model at an NPO

The STEPS model is a PMS model specifically designed for NPOs. Performance management is important to any NPO to increase the morale of managers, employees, and volunteers. Therefore the STEPS model is not only limited to SPCAs and animal shelters, as the quality of information obtained in the development of this model is based on information applicable to any NPO.

The suggestion for future research is to do research regarding the implementation of the STEPS model as PMS at a selected NPO, as the model has not been evaluated to determine whether it is efficient and effective. It is suggested that the NPO selected for implementation be one with a material number of employees and volunteers to determine the effectiveness and efficiency of the model.

The primary area of interest would be the rewards for volunteers, as this is the most lacked aspect in an NPO. Implementing the principles of the STEPS model will give an indication whether it has a positive effect on volunteers', employees' and managers' morale.

By implementing the STEPS model, it can be proven that the STEPS model can be a successful PMS.

ANNEXURE A: QUESTIONNAIRE

Interview questions with the respective SPCAs and animal shelters:

As stated in paragraph 2, Chapter 2, the "dimensions" building block of the BBM is not applicable to this questionnaire.

BUILDING BLOCK 2: STANDARDS

Ownership

1. Do you have permanent employees or solely volunteers?
2. How many permanent employees do you have?
3. How often do you make use of volunteers?
4. What are the responsibilities and job description of the volunteers and employees?
5. Who is responsible to determine these responsibilities?
6. Are these responsibilities available in writing and are they available to employees?
7. Which process is followed to confirm that these responsibilities are clear and fully understood by employees and volunteers?
8. Which process is followed if an employee and volunteer does not carry out a responsibility?

Achievability

9. What are the primary and secondary goals of employees and volunteers?
10. How are employees and volunteers motivated to achieve these goals?
11. Are there different levels of achievement?
12. Why are there or are there not different levels of achievement?
13. What are the different levels of achievement?

Equity

14. To emphasise fairness, are all the goals set to achieve the same for everyone in a specific department?

BUILDING BLOCK 3: REWARDS

Clarity

15. Are there any rewards for employees and volunteers if they achieve their goals?
16. If yes, what are the rewards?

17. Is this reward system available in writing, and is it known and understood by the employees and volunteers?
18. If yes, is the reward system flexible or fixed?

Motivation

19. Which process is followed to ensure that this reward system will motivate employees and volunteers to achieve their goals?
20. What will you, from a manager's point of view, do to improve the current system?

Controllability

21. Do employees and volunteers have control over the department they are assessed upon?
22. What are the procedures if they do not have control over the department they are assessed upon?

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