



**EMPLOYEES' PERCEPTIONS OF THE PERFORMANCE MANAGEMENT  
SYSTEM AT A SELECTED PUBLIC SECTOR INSTITUTION IN KWAZULU-  
NATAL**

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## EMPLOYEES' PERCEPTIONS OF THE PERFORMANCE MANAGEMENT SYSTEM AT A SELECTED PUBLIC SECTOR INSTITUTION IN KWAZULU-NATAL

I, Kgomotso Nelly Selepe, hereby declare that the content of this thesis represents my own unaided work, and that all the sources I have used or quoted have been indicated and acknowledged by means of complete references and that the thesis has not previously been submitted for academic examination towards any qualification.

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*“Ask and it will be given to you; seek and you will find; knock and the door will be opened to you.” Matthew 7:7*

First, I thank God for giving me the strength to complete this dissertation. It was extremely tough but through His grace, I have had the mental, physical and emotional will power to complete my studies.

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## **ABSTRACT**

The Performance Management System (PMS) was introduced into the South African public services sector with the intention of monitoring, reviewing and assessing performance, developing underperformers and recognising and rewarding good performance. This study was undertaken to assess employees' perceptions of PMS on the management of their performance. The research was qualitative and a case study approach was followed. The study used a non-probability sampling design known as purposive sampling. Purposive sampling was used because the researcher wanted to obtain information from specific members of the population who could provide the desired information. Data were collected from a total of 72 participants through semi-structured interviews conducted with ten ordinary workers and 62 in-depth questionnaires were distributed to participants comprising eight Shop Stewards from each of the four Trade Unions, three Directors, ten Deputy Directors (DDs) and 17 Assistant Directors (ASDs).

Findings revealed that PMS methods may differ across various countries. However, the practices that are deemed effective for PMS are shared and so similarities between countries were noted. For the primary study, a significant discovery revealed that the PMS was being implemented to a certain extent; however, there exist major gaps and flaws in its implementation that threaten its usefulness within the Department. It was evident that the perception exists that the system is unfairly and poorly implemented. This, consequently, impacts negatively on employees' motivation, commitment, team collaboration, employee-supervisor relationships and performance.

The study found that effective performance management could result in employee motivation, improved job performance, satisfaction and commitment. The reviewed data also revealed that PMS could be more effective if employees were involved in the process. The importance of training supervisors and all other stakeholders involved in the performance management process was also acknowledged. Despite flaws, most respondents considered the performance management system to be a useful tool for enhanced employee performance. The study offers informed recommendations on the need to train managers in managing the performance management process and systems and concludes with suggestions for future research.

## **Glossary of Acronyms and Abbreviations**

ANC	African National Congress
APP	Annual Performance Plan
ASD	Assistant Directors
CIP	Compulsory Induction Programme
CSF	Critical Success Factors
D	Director
DD	Deputy Directors
DLC	Durban Labour Centre
DOL	Department of Labour
DPMEA	Department of Performance Monitoring, Evaluation and Administration
DPSA	Department of Public Service and Administration
EPMDS	Employee Performance Management and Development System
GDE	Gauteng Department of Education
GW	General Workers
GWM&EF	Government-Wide Monitoring & Evaluative Framework
HR	Human Resources
HRM	Human Resources Management
IDP	Individual Development Plan
KPI	Key Performance Indicators
KZN	KwaZulu- Natal
LRA	Labour Relations Act
MBO	Management by Objectives
M & E	Monitoring and Evaluation
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NEHAWU	National Education and Health and Allied Workers Union
NPM	New Public Management
NSG	National School of Government
NUPSAW	National Union of Public Service and Allied Workers
PA	Performance Agreement
PDP	Personal Development Plan

PMDS	Performance Management and Development System
PMS	Performance Management System
PSA	Public Service Association
PSC	Public Service Commission
PSR	Public Sector Reform
SASAWU	South African State and Allied Workers Union
SMS	Senior Management Services
SONA	State of the Nation Address
WSP	Workplace Skills Plan

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# **CHAPTER 1**

## **INTRODUCTION AND OVERVIEW OF THE STUDY**

### **1.1 Introduction**

Public institutions are under pressure to provide more and better services by increasing transparency in public management and therefore the monitoring of their results. There is relentless pressure on managers in public services to improve the quality of their services. It is therefore necessary for managers to monitor employees' performance, to have a clear understanding of organisational objectives and to ensure the achievement of these objectives (Arnaboldi, Lapsley and Steccolini, 2015). The ineffectiveness of service delivery by many public service institutions has, consequently, resulted in the application of the Performance Management System (PMS). Government institutions are employing performance management systems to improve efficiency and effectiveness of service delivery, as well as to reinforce accountability (Rogan & Boaden, 2017).

Whether in the public or private sector, an organisation's performance management is a crucial aspect of employee self-development, objectives and for meeting the goals of the organisation, all of which result in increased effectiveness and productivity (Adkins, 2006). There is sufficient evidence to suggest that, where management has adopted performance measurement systems, performance tends to be better than those institutions where such systems have not been used (Rogan & Boaden, 2017). The rationale behind the study was to investigate the extent to which public sector performance management system contributes to the improvement in departmental productivity and employee commitment. The study aimed to answer research questions relating to perceptions of performance management and aimed to address any relationship that may exist between employees' perceptions of the system and their commitment.

The potential benefits of answering the research questions should assist public sector institutions and practitioners for whom this topic is of interest, and answers could potentially be significant for the various government departments' success in meeting the needs of the public sector efficiently by providing high quality service while retaining good public-sector relations. It is hoped that this study will add to the field of

research on organisational behaviour and human resource management through the examination of associations between employees' perceptions of performance management system and organisational commitment. It is hoped that the research findings will also provide guidance to all stakeholders on how performance management system can be used as a mechanism for improving employees' performance and commitment.

## **1.2 Statement of the Problem**

Public sector institutions are currently under pressure to provide more and better services through immediate solutions to urgent problems (Jaaskela"inen & Sillanp"aa", 2013). As a result, many public institutions have, since the 1990s, implemented performance monitoring and evaluation systems. Despite the recent political developments, democratic public institutions are still experiencing extensive and continued distrust from citizens (Ensslin, de Oliveira Lacerda, Kr"uger, & Chaves, 2015). Public sector organisations experience challenges relating to employee commitment and retention of their best employees for the job due to fairness issues regarding performance evaluations by supervisors (Arasli & Tumer, 2008). Organisations operating under these circumstances therefore need to find a more effective way of handling the issue of dissatisfied employees.

Although performance measures are now widely used within the public sector, there remains doubt about their effectiveness and whether managers attain the goals set by government policy makers (Rogan & Boaden, 2017). There is a determination to develop more performance indicators, even though little evidence is shown that they have had a positive effect on decision-making, improved public services, or demonstrated their overall positive effect or value (Rogan & Boaden, 2017). Branham (2005) states that sometimes employees have the feeling that it is not fair to receive the same pay increment as those who contribute far less to the organisation. This results in employees feeling completely neglected and for this reason they start to reduce their working capability and pace. Attitudes are based on the fact that they are earning the same salary and are on the same notch as their less effective counterparts. Currently, for example, the Department of Labour (DoL) inspectors feel that they are not equally remunerated for work of similar value. According to Branham (2005), the relationship and trust between employer and employees is negatively affected in cases



where employers do not show an interest and do not take the wellbeing of employees into consideration. This ultimately has a negative effect on the entire working environment, productivity and performance of employees, and, in fact the organisation as a whole (GDE Annual Report, 2010). At present, a larger problem is that the PMS is typically defined too narrowly as only being about better strategy, budgeting, planning, and finance with an emphasis on measurement, whereas it is much more (Adkins, 2006). Lack of trust by subordinates during performance evaluations creates conflict between supervisors and subordinates, stress among staff members (supervisors and subordinates), low morale and a lack of commitment (Branham, 2005). For some employees there is little or no objectivity from their Senior Managers regarding performance reviews and appraisals. They construe low ratings during performance appraisals as being due to subjectivity or inconsistency on the part of their Senior Managers.

As earlier highlighted, the question of the implementation of performance management has become an important consideration for government departments in South Africa. This is guided by the Department of Public Service and Administration. However, literature clearly documents government's inability to effectively implement the PMS. This is supported by Kgwefane (2013), who states that policy implementation in South Africa has not been as successful as policy formulation. This failure of many government departments to translate PMS into proper outputs has also tarnished the image of the public sector. The Department of Labour (DoL) has not been an exception. This national government department has also struggled to ensure the successful implementation of its PMS. The DoL has placed more focus on the formulation of strategies than on their strategy implementation; it has a performance management and development policy that lacks implementation. Implementing a strategy requires skills in order to attain good performance by all employees (from junior employees to management) in the public sector. Human effort in the execution of formulated strategies and the need to direct such effort towards the strategic objectives of that particular institution should be paramount. Some managers view performance appraisal as an annual ritual whereby they just complete assessment forms and use them to catalogue all the negative information they have collected on an employee over the assessment period (Noe, Hollenbeck, Gerhart & Wright, 351). Consequently, DoL employees argue that there is little, or no monitoring and provision

of feedback done by their line managers and that anomalies or abnormal patterns are mostly dealt with when there is a crisis. This results in complaints from the public being subjected to negative attitudes of employees who are demotivated and dissatisfied with the PMS. Because some of the managers may dislike confrontation and feel that they do not know how to give effective evaluations, they spend as little time as possible giving feedback to employees. This results in employees disliking the performance appraisal system.

If employees are not happy about the system, they are likely to be unwilling to take an active part in the process because they do not see any value in it, this in turn results in low morale and absenteeism which inevitably affects productivity (Nyembezi, 2009). Hanif, Jabeen and Jadoon (2016) state that there are inherent problems in the management of performance using the current practices as the incumbents incur promotion to higher grades despite inadequate performance, hence, performance management being an important area of research to be analysed critically in order to remove its weaknesses, if any, and to maintain the strengths required for improvements.

This area has been the subject of study by various researchers. A study on performance management within the parameters of the PFMA was conducted by Roos (2009) in South Africa. The objective of the research was to describe and examine the current state of research and knowledge on performance auditing and reporting and how these two components of performance management could be applied in the public sector in South Africa (Roos, 2009). It investigated how reporting against predetermined objectives could improve the delivery of services by government within the public service. According to Keles, Özkan, and Bezirci (2011), who conducted research on associations linking nepotism, preferential treatment, and organisational trust, potential investigations should focus on other organisational variables such as commitment and the connection linking the perception of fairness and performance evaluation. Furthermore, a study conducted by Mokoena (2016) found that there were problems in PMS practices in areas such as alignment, fairness, measuring commitment, systems integrity and the performance management culture. Mokoena's (2016) study was quantitative in nature and no interviews were done with a representative sample of the population to establish the underlying causes of some of

the serious findings made. This research study will, therefore, examine the extent to which a performance management system can enhance employees' performance and strengthen their commitment. Further, it will attempt to establish what the underlying reasons are for some of the findings, which are not easily established with a questionnaire only.

### **1.3 The Purpose of the Study**

Goal-Setting Theory, Reinforcement Theory and Expectancy Theory are all vantage points from which scholars have tried to find practical ways of enhancing worker performance through management mechanisms. As such, the theories cannot be complete in themselves, but understood and combined together, their use is bound to bear results and this study acknowledges them as tools for understanding employee perceptions regarding PMS in the public sector. For managers and the employees, familiarity with the above-mentioned theories will assist in adapting the theories to their own work environment, improve their working relations and they can manage their performance.

Using the Department of Labour KwaZulu-Natal as a case study, this study aimed to assess employees' perceptions of PMS on the management of their performance. The assertion is that the employees' perceptions, whether positive or negative, can have a significant influence on the effectiveness of the system; hence, it is important to determine the existing perceptions regarding the PMS and propose a strategy to address those perceptions. The focus was premised on whether the introduction of a PMS contributed to the improvement of performance and organisational commitment in the public service with particular focus on the Department of Labour in KwaZulu-Natal.

### **1.4 Objectives of the study**

- To ascertain how the Performance Management System is applied and utilised in the public-sector institution;
- To establish whether or not managers and employees understand the purpose of the performance management system;

- To assess employees' perceptions regarding the effectiveness and efficiency of the performance management system;
- To determine the extent to which the performance management system can enhance employees' performance;
- To establish the impact of employees' perceptions of the performance management on organisational commitment; and
- To develop a performance management system model for public-sector institutions and ways of implementing the performance management system effectively.

The potential benefits of answering the research questions should be to assist public sector organisations and performance management officials. This may potentially be significant for the various government departments' success in meeting the needs of the public sector efficiently and with high-quality service while retaining good public sector relations. For managers/supervisors, this study may assist in identifying the necessary interventions needed to eliminate the gaps in the employees' performance, while in the case of the employees, it may enable them to improve their performance by identifying barriers or obstacles in this regard.

It is hoped that this study adds to the field of organisational behaviour and human resource management through the examination of associations between employees' performance evaluations, organisational commitment, and productivity. This study could possibly assist management and employees in understanding the impact of their feelings regarding fairness and equity on their commitment to the organisation. As a result, ensuring an equitable system can possibly help not only to reduce employees' negative perceptions but also improve employees' productivity and commitment to the organisation.

## **1.5 Theoretical Framework**

There are numerous theories aimed at providing insight into the various aspects of performance management. These theories are classified under three major streams motivation theories, goal-setting theories, and expectancy theories. These streams are discussed below.

### **1.5.1 Motivation Theory**

Although Herzberg was credited with the development of the motivation theory, other researchers such as Maslow (1954), Vroom (1964), Alderfer (1972), McClelland (1961) and Locke (1961) are identifiable in the study of motivation in general (Basset-Jones & Lloyd, 2005).

Basset-Jones & Lloyd (2005) indicate that motivation theory is underpinned by the fact that many behaviourist theorists, such as Bandura and Cervone (2003), suggest that employees' needs are a function of personality, and that behaviour emerges as a result of the interaction of the cognitive processes with the environment around them. The assumption here is that people are goal-oriented, and constantly search for positive reinforcement. If the organisation provides such reinforcement through the establishment of appropriate rewards, a good match is achieved and high motivation results.

### **1.5.2 Goal-Setting Theory**

The Goal-Setting Theory is based on Management by Objectives (MBO), which supports the assignment of specific goals, which, in turn, leads to enhanced performance, thereby assuming goal acceptance and increasing the challenge of further goals. This results not only in increased motivation but also in increased performance (Locke & Latham, 2002), as cited in Atkinson and Shaw (2007)]. Thus, goal setting and the use of standard criteria for measuring goal achievement encourage the employee's faith in the objectivity of the appraisal results. This is in obvious contrast to the situation where personality traits of the employee are merely rated with no meaningful standards for comparison.

### **1.5.3 Expectancy Theory**

This theory holds that people are motivated to perform better if their expectation is that increased effort will lead to good performance, and that good performance will lead to certain outcomes or rewards. The attractiveness of the outcome or the reward must be valuable to the performer (valence) in order to propel him/her to perform well (Leopold, 2002). According to this theory, people's perceptions of what the outcome or reward might be if they work hard, play a crucial role in influencing their

performance. The amount of effort a person dedicates is therefore dependent on the value of the reward and the perception of the effort-reward relationship (Leopold, 2002, citing Porter & Lawler, 1968). Managers should make an effort to know how their subordinates are performing, what motivates or satisfies them, and what it is that the employee wants to achieve in his/her career, as these factors can provide a good basis on which to revisit set goals and amend them.

## **1.6 Literature Review**

The deficiency in the performance appraisal led to the realisation, in the late 20th century, that it is necessary to focus on defining, drafting and managing employee performance than merely appraising performance. The increased competitive nature of the economy and rapid changes in the external environment have forced many organisations to shift from reactive performance appraisals to proactive performance management in order to boost productivity and improve organisational performance (Toppo & Prusty, 2012).

Performance management is an extremely important activity with regard to human resource management functions of any organisation. Performance evaluation and management help in demarcating good and weak performers. To measure, and then to manage performance, is essential, because performance management is a barometer that gauges the organisation's overall wellbeing and its contribution to society. Without measuring and managing performance, direction cannot be ascertained, and performance management provides that direction (Hanif *et al.*, 2016).

In today's competitive environment, preparing and retaining committed employees is imperative for organisational development; as committed employees work harder and perform their tasks with devotion and dedication. Employee commitment is now considered a natural process for the effective performance of individuals and organisations (Moulder, 2011).

Noe *et al.* (2010) state that there are three parts to a performance management system. Firstly, performance needs to be defined; secondly, performance must be measured, and thirdly, performance information must be fed back to stakeholders. A performance management system stipulates the performance aspects that are

relevant to the organisation, primarily through job analysis. The relevant aspects of performance are then measured through performance appraisal, and feedback is provided to the employees through performance feedback sessions so that performance can be adjusted to organisational goals.

Some managers view performance appraisal as an annual ritual whereby they just complete assessment forms and use them to catalogue all the negative information they have collected on an employee over the assessment period (Noe *et al.*, 2010). Since some of the managers may dislike confrontation and feel that they do not know how to give effective evaluations, they spend as little time as possible giving feedback to employees. This results in employees disliking the performance appraisal system. Despite this there are findings that suggest that performance management practices do have same benefits for different companies that conduct performance reviews every year (Singh, Kochar and Yuksel, 2010). Some findings suggest that performance appraisals can be more effective regarding employee productivity if carried out twice a year; others emphasise that the best practice requires that the evaluation of performance takes place on a regular basis (Moulder, 2011; Gupta and Upadhyay, 2012). A number of studies have suggested quarterly performance updates (Cook and Crossman, 2014; Singh *et al.*, (2010). The Department of Labour's PMS and development policy prescribes that the incumbent's assessment of performance be done on a continuous basis but this is not done by all relevant parties. This sometimes results in performance disputes at the end of the semester.

## **1.7 Definition of Concepts**

### **1.7.1 Performance Management**

Performance management is the foundation for managing the execution of an organisation's policy. It is how plans are translated into results (Adkins, 2006). "There is now increasing emphasis on improving public service effectiveness using private sector principles where managers are under pressure to demonstrate service quality and value through improved customer focus, flexibility, innovation and cost" (Rogan & Boaden, 2017).

Noe *et al.* (2010) define performance management as the means through which management ensures that employees' activities and outputs are consistent with

organisational goals. Performance management is a consolidated and continuous process that develops, communicates and enables the direction, core competences and values of the institution and helps to create a unified vision. It is the process by which executives, managers, and supervisors work together to align employee performance with the institution's goals (Noe *et al.*, 2010) .

Performance management is a continuous process of improving individual, team and organisational performance. It is the core of all organisations since it gives strategic direction regarding how resources will be used towards the achievement of set goals and objectives (Bussim, 2012). The concept is based on the principle of management by agreement or contract, rather than management by command. It emphasises professional development and the initiation of self-managed, learning-process plans, as well as the amalgamation of individual and corporate objectives. It is a continuous and flexible process that involves managers and their subordinates working together within a framework that sets out how they can best work to achieve the required results (Cokins, 2009). Its focus is on future performance planning and improvement, rather than on retrospective performance appraisal. It provides the basis for regular and frequent dialogues between managers and subordinates/teams on performance and development needs (Dzimbiri, 2008).

### **1.7.2 Performance Appraisal**

Performance appraisal refers to the process through which an organisation acquires information on how well an employee is doing his or her work (Noe *et al.*, 2010).

### **1.7.3 Performance Feedback**

Performance feedback is the process whereby employees are given information regarding the effectiveness of their performance (Noe *et al.*, 2010).

### **1.7.4 Employee Commitment**

Employee commitment signifies a belief in, and acceptance of, the goals and values of an organisation, a willingness to exert a concerted effort on behalf of the organisation, and a strong desire to remain a valued member of the organisation (Farndale, Hope-Hailey & Kelliher, 2010). Commitment is regarded as an essential requirement to achieve desirable outcomes such as higher job satisfaction and lower



absenteeism, improved citizenship behaviour towards the organisation and employees who are willing to go beyond expectation (Farndale *et al.*, 2010).

### **1.8 Performance Appraisal and Performance Management**

According to Dessler (2013), performance appraisal focuses on the evaluation of employees' current and/or past performance relative to their performance standards, with the assumption that they understand what their performance standards are, and that the supervisor also provides the feedback, development, and incentives required to help the person eliminate performance inadequacies or to continue to perform above expectation. In contrast, performance management consolidates goal setting, performance appraisal, and development into a single, common system to ensure that employees' performance supports organisational strategic aims (Dessler, 2013). Performance appraisal is simply one aspect of performance management.

### **1.9 Performance Management in the Public Sector: Context and Rationale**

Government institutions are important employers both in developing and developed countries. They are a significant constituent of the service delivery, and are a vital source of research and development in the various economies. In most countries, and especially in developing countries, public sector administration is vital to the optimum performance and development of the economy (Lekorwe, 2010). Performance of the public sector is perceived in terms of its capacity for efficient public service delivery to enable a wide range of employees in society to achieve the development goals and objectives of a country (Issa, 2010). Public sector organisations have, in the past, relied on rules and procedures to control organisations. However, the past decade has witnessed various changes in the management of public sector organisations, including a shift towards the measurement of output (Naser, Abolhassan and Mohammad, 2013).

Performance management is thus of great importance to the public service. It is generally believed that performance management maximises the contribution of people to the service while at the same time meeting the individual needs of employees. Performance accountability in the public sector is more important than the private sector. The benefits of performance management to the public service include clear work goals and responsibilities; greater commitment and motivation of staff at all levels; reliable methods of measuring performance with the focus on results;

elimination of unnecessary actions; improved retention and attraction of staff; improved communication; greater managerial motivation through goal setting and more effective development of employees. Performance management can be linked with a variety of human resource systems such as performance appraisal, performance-related pay, training and development, transfer, promotion and demotion (Public Service Commission, 1998).

### **1.10 Recognition of Good Performance**

Performance appraisal affords an opportunity to the manager to formally recognise good performance, and thus leads to greater motivation from the workers (Derven, 2010). Appraisal of employees' performance has a direct impact on organisational productivity. A person's skills and knowledge have to be appraised and coached so that his or her job productivity improves, resulting in the achievement of organisational objectives (Bernardin & Klatt, 2005). The Performance Management and Appraisal System must ultimately transform the prevailing work culture to one that is committed to providing service in a manner that is user-friendly and delivered with professionalism and integrity to the benefit of wider society.

Modern systems for performance appraisal depersonalise issues. Supervisors focus on behaviours and results, rather than on personalities. Such systems support continuous communication, feedback and dialogue about organisational goals. They also support communication between an employee and a supervisor. Performance appraisal provides a clear target of job standards and priorities and ensures greater trust in the manager-worker relationship (Derven, 2010). Other management benefits of performance appraisal are the identification of high performers and weak performers as well as the identification of strengths and development areas (Jackson & Schuller, 2012).

Performance appraisal, however, has been criticised for displaying a discrepancy between the theory and the practical implementation thereof. Bernardin & Klatt (2005); Hall, Postner & Hardner (2009) and Maroney & Buckley (2012) report that there is a significant gap between theory and practice and that Human resources specialists do not make full use of the psychometric tools available. A counterargument maintained by line managers is that the process needs to be simple and easy to use to prevent it being time consuming and cost ineffective. Another area of criticism is the fact that

performance appraisal increases the dependency of the employees on their superiors (Mone & London, 2018). Where the process is conducted by managers who are often not trained to be appraisers, the genuine feedback is obstructed because it includes subjectivity and the bias of the appraisers. This can lead to incorrect and unreliable data regarding the performance of the employee (Jackson & Schuller, 2012).

Many errors based on personal bias like stereotyping, the halo effect (one trait influencing the evaluator's rating above all other traits), may affect the appraisal process. The appraiser is therefore supposed to exercise objectivity and fairness in evaluating and rating the performance of the employees. Resistance is another challenge facing performance appraisal (Dzinkowski, 2010). The appraisal process may face resistance from the employees because of the fear of negative ratings; therefore, the employees should be communicated with and the purpose clearly explained as well as the process of appraisal. The standards should be clearly communicated, and every employee should be made aware of exactly what is expected from them (Derven, 2010). Armstrong (2012) suggests that the appraisal method must be simple and easily understandable for all people in the organisation.

### **1.11 Employees' Perceptions of the Performance Management**

Performance management is the central process through which work is accomplished and, therefore, is considered the 'Achilles heel' of managing human capital. Therefore, it should be a top priority of managers (Gruman & Saks, 2011). However, in their study, the authors found that less than a third of employees believe that their company's performance management process actually assists them in improving their performance and performance management regularly ranks among the weaker factors in employee satisfaction surveys. Contemporary challenges facing organisations have consequently led many of them to refocus attention on their performance management systems and explore ways to improve employee performance.

### **1.12 Impact of employees' perceptions of the performance management on organisational commitment**

In today's fast-changing business environment and amid tough global competition, organisations are finding it difficult to function at an optimum level. Employee commitment is now considered a natural process for the effective performance of individuals and organisations (Saif, Khattak, & Khan, 2015). Organisations are striving hard to induce commitment in their employees. They are using different means and methods to enhance employees' commitment. It is not surprising that employee commitment is a fundamental activity for the success of an organisation. Every employee has a desire to reach his self-actualisation motivational level, therefore, employees must be given opportunities to improve their knowledge, skills and abilities. Employee development programmes provide chances for promotion and career growth. Such activities in an organisation create commitment in employees, which is a basic requirement for the effective functioning of the organisation.

While the importance of promoting performance management is clear, there are counter arguments such as distortion, exclusion, misinterpretation and data manipulation, along with high implementation costs and demoralised employees. Poor data quality and comparability, differing priorities or perspectives among stakeholders, insufficient appraisal expertise and insufficient linkage with subsequent actions, exemplify how performance management can result in unintended consequences (Rogan & Boaden, 2017). If employees perceive that the evaluation was not conducted fairly, this perception can have a negative impact on his or her commitment to the organisation.

### **1.13 Performance Management Challenges**

Productivity is the ratio between output and input; it is a key success factor for any organisation and can be seen as an essential part of organisational performance. However, performance measurement systems in the public sector often do not specifically address issues related to productivity (Jaaskela & Sillanpää, 2013). Productivity is a problematic concept since it is hampered by a negative image. Employees commonly link productivity considerations to the cutting of costs and laying off employees, although productivity can be improved by improving outputs and processes.

Output management is not always successfully implemented within public administration, partly because of the problems that sometimes arise in such types of control. The problems in actually interpreting the concept of efficiency in the field of public administration are in fact numerous. The intended outputs are not always known in advance or are hard to realise and this is one of the most recognised problems of implementing output management in the public sector (Anderson & Klaassen, 2012). The link between input and output is therefore sometimes rather uncertain in government organisations.

#### **1.14 Challenges Relating to Performance Appraisal**

According to Coate, cited in Jaaskelainen & Sillanpää (2013), the implementation of measurement systems is a critical phase which has its own obstacles such as obscure language, mistrust of measurement, lack of credibility and usefulness, lack of standards and timeliness, substantial investment of time and resources and lack of highly-developed IT systems.

Hanif, Jabeen & Jadoon (2016) state that the performance evaluation system has a weak linkage with performance management, compensation, and promotion, mainly due to the lack of transparency and objectivity in the process. Communication of adverse remarks to the concerned officers becomes more challenging due to the absence of a culture of open communication and constructive feedback. Hanif *et al.* (2016) argue that performance interviews are hardly conducted to develop improvement plans in conclusion with the incumbent officer. Moreover, performance evaluation reports are filled to meet the formal requirement of the system toward the end of the year rather than on an ongoing basis, which allows room for bias and favouritism.

Rantanen, Kulmala, Lönnqvist, & Kujansivu (2007) found that employees' lack of understanding of the objectives of measurement development, the usefulness of the project and too many responsible persons lead to non-responsibility and employees' ignorance and resistance. Moreover, performance appraisals sometimes evaluate employees on criteria that are irrelevant, or over which they have no control (Gruman & Saks, 2011). Such appraisals are therefore not useful and are perceived by employees as unfair. In order for employees to feel comfortable employing and

expressing themselves fully during role performances, they must trust that their organisation and managers will treat them fairly and justly. If the relationship between a manager and subordinate lacks trust, they are unlikely to have productive performance conversations that generate positive results (Pulakos, Mueller-Hanson & O'Leary., 2008).

## **1.15 Research Methodology**

### **1.15.1 Research Design**

The research design constitutes a proposal for fulfilling research objectives and answering research questions and to make sense of the data gathered in a specific manner (Cooper & Schindler, 2006). With the research design the investigation is planned and structured so as to obtain answers to the research questions. The design selected for the purpose of this study is a case study. The reason for selecting this design is that the exploration of the issue of perceptions of a performance management system will be located within two offices of the Department of Labour in Durban. This will be an empirical study of a qualitative nature aimed at providing an in-depth description of a small number of cases (Mouton, 2001). This is a case of two offices where the researcher will interact face-to-face and by means of in-depth, open-ended questionnaires with participants to elicit their personal views on performance management systems. The nature of this study necessitates the use of a qualitative research methodology in order to gather an in-depth understanding of human behaviour and reasons that govern such behaviour (Tustin, Ligthem, Martins & Van Wyk, 2005). The approach to be used will therefore be qualitative in nature to enable the researcher to explore the experiences and perceptions of employees participating in the study on the issue of performance management (Sekaran & Bougie, 2010). A qualitative research approach involves an in-depth understanding of the participants' behaviour and the reasons that govern the said behaviour (Babooa, 2008). Unlike a quantitative research approach, qualitative research relies on the reasons behind certain behaviours and the various experiences of the participants.

Firstly, the researcher will interact face-to-face and through questionnaires with participants to gather information on the performance management system. Secondly, intervention strategies will be planned, implemented and evaluated. The qualitative approach is chosen because the researcher is not specifically looking for

representativeness but wants to obtain a rich understanding from the few rather than the many. This research domain will make an attempt to investigate the why and how of performance management as is the case in this study as compared to what, where and when of the quantitative research domain.

### **1.15.2 Population and Target Population**

Sekaran & Bougie (2010) state that population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate. The study will be conducted at the Department of Labour in KwaZulu- Natal. The Department of Labour is just one of the South African government departments whose core functions are: the provision of inspection and enforcement services, to register work seekers, obtain vacancies and identify other opportunities, to eliminate inequality and discrimination and to promote labour standards and fundamental rights at work. The Department of Labour, KwaZulu- Natal comprises of 16 Labour Centres and one Provincial Office. Specifically, this study was conducted at the Provincial Office and Labour Centre in Durban. When interviewed on 24 August 2017, Mr X. Ntshingila (Department of Labour, Human Resources Management) stated that there were 233 employees at the Provincial Office and 231 at the Durban Labour Centre.

### **1.15.3 Sampling**

Sampling is the process of selecting some elements from a population to represent that population, whilst a sampling frame is a list of elements in the population from which the sample is actually drawn; a list that includes each member of the population from which the sample is to be taken (Cooper & Schindler, 2006). A sample population was used because it would be practically impossible to collect data from, or test, or examine, every element. Even if it were possible, it would be prohibitive in terms of time, cost and other human resources. The study of a sample rather than the entire population is also sometimes likely to produce more reliable results as fatigue is reduced and errors are fewer (Sekaran & Bougie, 2010).

**Table 1:** Sample population

Job level	Participants		Total
	Provincial office	Durban Labour Centre	
Directors	3	0	3
Deputy Directors	9	1	10
Assistant Directors	13	4	17
Public Service Association (PSA)	8	0	8
National Education and Health and Allied Workers Union (NEHAWU)	0	8	8
South African State and Allied Workers Union (SASAWU)	8	0	8
National Union of Public Service and Allied Workers (NUPSAW)	8	0	8
General workers	5	5	10
Total	<b>54</b>	<b>18</b>	<b>72</b>

A total of 72 employees was selected to participate in the study, as illustrated by Table 1 above. These officials represented senior management, middle management, lower management and ordinary staff members who were involved in the implementation of PMS in DoL, KZN. Distribution and collection of in-depth open-ended questionnaires were administered involving a total of 62 participants. In-depth questionnaires were distributed amongst three Directors from the Durban Provincial Office (P/O), ten Deputy Directors (nine from P/O and one from DLC) and 17 Assistant Directors (13 from P/O and four from DLC). Furthermore, open-ended questionnaires were distributed to eight Shop Stewards from each of the four different trade unions (NEHAWU, PSA, SASAWU and NUPSAW). DoL KZN has few assistant directors and no directors at Durban Labour Center. It also has minimal membership of NEHAWU at Provincial office and minimal membership of SASAWU and NUPSAW at Durban Labour Center hence the variation from different segments. Personal, semi-structured interviews were also conducted with ten ordinary workers (five from P/O and five from DLC).

Cohen, Manion & Morrison (2011) explain that selection in non-probability sampling involves targeting a certain group with the full knowledge that it does not represent the broader population but instead represents the group itself. Purposive sampling was



used because the researcher wanted to quickly and efficiently obtain information from members of the population who were conveniently available to provide it. The results of the study could have been negatively affected by the number of respondents used in this study but to overcome this limitation, utmost care was taken when analysing data.

#### **1.15.4 Sampling Method**

As stated, this study was qualitative in nature and non-probability sampling was used because the researcher wanted to include unique participants such as Directors, Deputy Directors, Assistant Directors, Shop Stewards and certain ordinary employees as participants in the study (Pulakos *et al*, 2008). Non-probability sampling is arbitrary and subjective because when choosing subjects one usually does so with a pattern or a scheme in mind, for example, talking only to young people or only to women. Non-probability sampling then means that the chance or likelihood of any particular case or member of the population being selected in a sample is not known (Cooper & Schindler, 2006).

The relevant type of non-probability sampling for this study was purposive sampling, particularly judgement sampling. Cohen *et al*. (2011) explain purposive sampling as a feature of qualitative research that allows the researcher to hand-pick cases to be included in the sample on the basis of his/her judgement of typicality. This allows the researcher to build up a sample that is satisfactory to his/her needs. In this sampling method, participants were chosen by the researcher with this purpose in mind, that is, to assess the perceptions of performance management on organisational commitment amongst employees in order to design, implement and evaluate intervention strategies. Participants were selected irrespective of gender, race, age and educational qualifications. Since purposive sampling was used, the findings may not be generalizable to the entire population due to the fact that information was acquired from a sample of a specific target group. However, the risk of non-representativeness can be avoided by being clear about the target population, as well as the attributes of the sample. This makes generalisations from the sample to the population possible (Springer, 2010).

#### **1.15.1 Data Collection**

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For the purpose of this study, two qualitative data collection methods, namely, in-depth questionnaires and semi-structured interviews, were used to collect data on employees' perceptions of the performance management system. Distribution and collection of in-depth questionnaires were administered with a total of 62 participants. In-depth questionnaires were distributed to Shop stewards from four different trade unions (NEHAWU, PSA, SASAWU and NUPSAW), three Directors from the Durban Provincial Office (P/O), ten Deputy Directors (nine from P/O and one from DLC) and 17 Assistant Directors (13 from P/O and four from DLC). Semi-structured interviews were conducted with ten ordinary workers (five from P/O and five from DLC).

Semi-structured interviews were utilised to elicit first-hand information about the question of PMS implementation at the DoL. One of the most important aspects of interviews is flexibility. Depending on the situation, other relevant questions not on the interview protocol can be asked. Through interviews, new factors might be identified, resulting in a deeper understanding. It is very important to understand the purpose of each question (Sekaran & Bougie, 2010). The interviewer has the opportunity to observe the subjects and the way in which they are responding. Another good way to obtain information on people's perceptions is through in-depth open-ended questionnaires. A questionnaire is a pre-formulated written set of questions to which participants record their answers, usually within closely defined alternatives (Sekaran and Bougie, 2010).

Questionnaires are an efficient data-collection mechanism, particularly when the researcher knows exactly what is required and how to measure the variables of interest. In-depth questionnaires were personally administered to establish rapport and motivate participants. Personally administered questionnaires are less expensive, ensure an almost 100 per cent response rate and a high level of anonymity for the respondents (Sekaran and Bougie, 2010). Because management officials are often unable to spend time on data collection, as a result of their hectic schedules, they were given blank questionnaires to be collected from them personally on completion after a few days. The advantage of using a questionnaire in this research was that the participants could respond to questions knowing that their responses would be kept anonymous. Keeping responses anonymous helps to ensure their truthfulness, which could be otherwise in the case of personal interviews (Leedy & Ormrod, 2010).

For secondary data collection, DoL documents were analysed and interpreted by the researcher to give voice and meaning to the topic. Documents that were analysed were: (a) public records: records of the DoL's activities and examples which included mission statements, annual reports, policy manuals, employee handbooks and strategic plans; (b) physical evidence: physical objects found within the study settings, examples included flyers, posters, agendas, handbooks, and training materials. Data collection began once permission from the DoL had been granted. In addition, a new model was to be proposed based on the implementation of the PMS.

#### **1.15.5 Data Analysis**

To analyse the results, thematic content analysis was used. Thematic content analysis is one of the most commonly-used methods of qualitative analysis. Thematic content analysis is used to identify a limited number of themes which sufficiently reflect their textual data (Sekaran & Bougie, 2010).

#### **1.15.6 Delimitations/ Scope**

Delimitation is a boundary to which a study is deliberately confined (Pyrczak & Bruce, 2005:). It is important to specify the boundary for the study. Performance management can take place in different contexts, not just in the public sector. Similarly, performance management can be studied at different levels such as individual, interpersonal and collective levels (Mark & Henry, 2004). The purpose of this research was to study employees' perceptions of performance management in the Department of Labour, KwaZulu- Natal, at an individual level. Regarding the study population, the study included participants who had been working in various professional sections in order for evaluation influence to have possibly taken place. Given the sample size required for data analysis technique i.e. factor analysis (Leedy & Ormrod, 2010; Pallant, 2011), the study adopted a total population sampling method (Bowerman, O'Connell, & Murphee, 2011; Springer, 2010) to ensure a sufficient sample size. In addition, it is worth noting that participants' responses were reflections of their personal perceptions and experience.

#### **1.16 Limitations**

Limitations are potential weaknesses of a study which may affect the results (Creswell, 2014). Every study has its limitations, and this study was not an exception. The

following limitations are identified that relate to methodology. These limitations need to be kept in mind when results are interpreted. First, the research intended to study the influence of evaluations which took place in the past and participants might have found it challenging to recall effects of past evaluations. Furthermore, the study was limited to the Department of Labour in KwaZulu-Natal's two Durban offices. This, to some extent, may have affected the study's findings.

### **1.17 Validity and Reliability/Trustworthiness (Qualitative Research)**

It is important to make sure that the instrument that is developed to measure a particular concept is indeed accurately measuring the variable and the concept set out to measure. Tests for the reliability of the instrument were carried out and the validity of the measure established.

#### **1.17.1 Validity**

Many forms of validity are mentioned in the research literature and this continues to expand in order to ensure more accurate scientific measurement. However, the two major forms of validity worth mentioning are as follows (Sekaran & Bougie, 2010):

- Internal validity; and
- External validity.

Internal validity is the ability of a research instrument to measure what it is purported to measure (Sekaran & Bougie, 2010). The in-depth questionnaire in this study sought to obtain information on employees' perceptions of the performance management system in the Department of Labour, KwaZulu-Natal and the impact of such perceptions on organisational commitment. The in-depth questionnaire was used to obtain fast, efficient and inexpensive information from a sizeable sample. On the other hand, external validity is "concerned with whether a research finding derived from the data is able to be generalised across persons, setting and times" (Sekaran & Bougie, 2010).

#### **1.17.2 Reliability**

The reliability of a measure shows the extent to which it is without bias, or free from errors, and hence ensures consistent measurement across time and across the various subjects in the instrument. It is an indication of the stability and consistency

with which the instrument measures the concept and helps to assess the goodness of a measure. Reliability has more to do with the accuracy and precision of a measurement procedure. Thus, to assess the reliability of this study, the in-depth questionnaire that was used in this study, should, if issued again in a period of six months to different people, be able to generate the same results as those in this study (Sekaran & Bougie, 2010).

#### **1.18 Anonymity and confidentiality**

Informed consent of the participants was obtained before the research survey began. No-one was obliged to respond to the survey and if someone had not wanted to participate in the survey, the individual's desire would have been respected. Information given by respondents was treated as strictly confidential. It was also ensured that the self-esteem and self-respect of the subjects were never violated.

#### **1.19 Ethical considerations**

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

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Performance Management Overview**

Performance improvement in the public service has been the focus of public administration and management research, policy and reform for many years (de Waal, 2010). There have been challenges relating to performance improvement in some governments, with lack of confidence in their ability to cope with the changing demands of their domestic and global environments (Osborne & Gaebler, 1992). Such challenges have resulted in waves of reform, including the move to New Public Management (NPM) (Hughes, 2003; Osborne & Gaebler, 1992). The term NPM is a shorthand expression coined by Dunleavy and Hood (1994) and regularly used by scholars and professionals to describe the global reorganisation of public sector organisations that occurred throughout the 1980s and 1990s (Aucoin, 1995; Dunleavy & Hood, 1994).

Organisational performance is of utmost importance to scholars and practitioners in the field of public administration. With the new waves of organisational reform and the adoption of new public management, performance management has become one of the principal components that organisations are expected to measure, and actively implement (Saridakis, & Cooper, 2016; Swart & Kinnie, 2015; Boyne, Entwistle & Ashworth, 2010). As many other countries have done, South Africa has also adopted the New Public Management (NPM) reforms as part of its public service reform programme. Performance management has been introduced as one of the main components in the reform of the public sector. Although not always effectively and consistently implemented, performance management remains the key element of public service reform (Cameron, 2009). The success of any organisation depends on how well the performance of its employees is managed. Performance management therefore ultimately becomes the critical component of each and every organisation. All organisations, whether public or private, must focus attention on performance management. Although performance management typically relies on performance appraisals, it is a broader and more encompassing process. It is the ultimate goal of performance appraisal activities (DeNisi & Griffin, 2008).

## **2.2 The History of Performance Management in the South African Public Service**

Nabukeera, Ali & Raja (2015) state that, globally, there appears to be a performance crisis in public service because of a need to produce more for less. They further assert that the economic problem that strikes through poor, developing and developed countries has raised the demand for efficiency, hence the need for evaluation mechanisms to help assess the performance of government institutions or programmes that are inadequate. Like other countries, South Africa's transition to democracy in 1994 inherited the challenge of re-integrating a hierarchically ordered, racially fragmented, and inordinately complex and inefficient public sector consisting of national, provincial, and 'homeland' administrations (Naidoo, 2015). The transition to democracy brought many challenges for the new democratic government because of the complex puzzle of governments, agencies, departments and legislatures of the past regime (Chipkin & Meny-Gibert, 2012). Democracy also brought challenges with regard to the number of qualified people able to perform management tasks, because within the apartheid regimes before 1980, there were no trained black personnel working as senior managers (Chipkin & Meny-Gibert, 2012).

Shortly after the 1994 transition, the policy discourse on public management signalled a move towards a post-NPM emphasis on public value – although the term was not explicitly used, even though in practice a mixture of NPM and post-NPM were implicitly used. The implementation of public service reform in South Africa necessitated a paradigm shift requiring the adoption of the principles of New Public Management (NPM having been intended to reinvent the wheel). Sebola & Manyaka (2013) assert that the establishment of the basic foundations of NPM within the public service have been driven by the use of the market economic model to restructure the public service in such a manner as to allow for greater recognition of the role played by political and administrative relationships in driving efficiency. According to Zia & Khan (2014), a new paradigm for public management, called New Public Management (NPM), has emerged since the 1980s. They further explain that the term NPM came into use at the beginning of the 1990s to describe public sector reforms in the UK and New Zealand, as a conceptual device invented for the purposes of structuring the discussion about changes in the organisation and management of government.

The concept of new public management is about decentralisation of powers to managers, financial reforms, performance management, contract appointments, the introduction of the senior management service and corporatisation (Cameron, 2010). In South Africa, the process of decentralisation was formalised with the constitutional establishment of local government and provincial governments. The rationale for decentralisation is that local government is closer to local communities hence better placed to respond to their needs timeously. Notably, NPM is an approach aimed at transforming and reinventing government operations within the ambit of the public management tradition. The South African Constitution (Act 108 of 1996) provides for the management of performance, as it clearly indicates the roles and functions of the Public Service Commission (PSC). The PSC is charged with the responsibility of ensuring that there is effective and efficient performance in the public service, through investigation, monitoring and evaluating the organisation and administration, as well as the personnel practices of the public service.

Poor performance by public service institutions attracted the attention of the African National Congress (ANC) government and it was deemed necessary to monitor and evaluate the programme performance. Consequently, M & E (Monitoring and Evaluation) found a space in the lens of the government. In 2004, Thabo Mbeki in his State of the Nation Address (SONA) promulgated, for the first time, that M & E take a more formal place within government (Morkel, 2010). By that time the performance monitoring and reporting functions were firmly established to comply with Treasury requirements; however, M & E terminology was not being used (Morkel, 2010).

In January 2010, the Department of Performance Monitoring, Evaluation and Administration (DPMEA) was established in the Presidency to promote M & E in government, monitor the performance of public servants at national and provincial departments and municipalities, as well as monitor and improve basic service delivery (Hlatshwayo & Govender, 2015). The first major public sector policy pronouncement addressed management reform; a more 'pragmatic' approach to management was piloted against a historically-centralised and control-oriented approach, and where the former would be more open, flexible, participatory and consultative, envisioning client responsiveness and including non-governmental actors in administrative decision-making (DPSA). During the NPM era, the shift to an outcomes-based approach led to



the utilisation of performance management systems as a means to influence employees to behave in ways that supported the attainment of organisational objectives (Walker, Damanpour & Devece, 2010).

It is stated by Wotela (2017) that in July 2011, the South African Planning Commission produced the Diagnostic Report which set part of the agenda of the African National Congress (ANC) and thereafter produced the National Development Plan (NDP) 2030, in November 2012. The NDP was adopted by the Congress during their 53<sup>rd</sup> National Conference in the Free State in Mangaung in 2012. The South African Government's National Development Plan (NDP) emphasises the role of Monitoring and Evaluation in meeting its strategic and developmental objectives, poverty reduction, budget decision-making and project implementation processes (National Development Plan, 2012). In essence, M & E strengthens the management of government activities within ministries and in local governments, and supports accountability relationships within civil society. With poor service delivery and rampant corruption in the public sector in South Africa, M & E supports transparency and builds a performance culture to support better management and policymaking, including the budgeting process (Mosse & Lewis, 2005). According to Kambuwa & Wallis (2002), there is a growing gap between good policies of government departments and project implementation results in South Africa. As such, it is important to follow participatory implementation and institutionalise processes for greater accountability since these programmes provide a vital evaluative link between policy development and project implementation (Kambuwa & Wallis, 2002). The South African Government-Wide Monitoring and Evaluation Framework (The Presidency, 2007) seeks to transform the public sector by promoting capacity building and decision-making to support public service delivery. In this framework, the institutionalisation of M & E contributes considerably to policy making, innovation, growth and learning in the public sector. Although South Africa is known for its progressive developmental policies and other legislative measures aimed at widespread social transformation, poor implementation and resultant slow service delivery raises questions about the institutionalisation of meaningful M & E within the policy management cycle. Underpinned by the (South African) Government-Wide Monitoring & Evaluative Framework (GWM&EF), this research explores various concepts and frameworks to report on the state of the M & E in the public sector.

Performance management in South Africa has long existed as one of the knowledge areas within the human resource management discipline, with much emphasis being placed on the productivity of human resources. Productivity in the public sector is an important aspect of the economic development of a country, in terms of the delivery of goods and services; therefore, changes in such productivity have significant implications for the public. Performance management is a tool that is used to ensure effective service delivery and that work is performed to its maximum efficiency.

### **2.3 Performance Management as a Concept**

There is abundant information on the definition of performance management. Noe *et al.* (2010) define performance management as the means through which management ensures that employees' activities and outputs are consistent with organisational goals. Biron, Farndale & Paauwe (2011) are of the opinion that performance management has to be seen as various activities by organisations to improve the performance of individuals and units, with the ultimate aim of enhancing organisational effectiveness. Bruijn (2007) agrees with this statement and indicates that, unlike the performance appraisal, performance management is not a once-off event but an ongoing process that involves continuous planning, monitoring and evaluation. Kanyane & Mabelane (2009) confirm this view and show that performance management may be regarded as an ongoing process that determines the planning, managing, reviewing, rewarding and development of performance. Werner & Bagraim (2011) state that performance management is a tool aimed at directing individuals' energy towards the achievement of organisational strategic goals. Aguinis (2011) agrees with the statement by defining performance management as a continuous process of identifying, measuring and developing performance in organisations by linking each individual's performance and objectives to the organisation's overall mission and goals. The definition outlines the continuous process and link to mission and goals as the two main components of performance management. The Department of Public Service Administration (2007) defines performance management as: *A purposeful, continuous process aimed at managing and developing employee behaviour for the achievement of the organisation's strategic goals; the determination of the correct activities as well as the evaluation and recognition of the execution of tasks/duties with the aim of enhancing their efficiency and effectiveness; and a means of improving results from the Department, teams and individuals by managing*

*performance within the agreed framework of planned goals, objectives, standards and incentives.*

Performance management is defined by Dessler (2013) as a process whereby goal setting, performance appraisal and development are incorporated into a single common system whose purpose is to ensure that the strategic goal of the business is fully supported by its employees. Armstrong and Baron (2012) further define performance management as a strategic and integrated approach to delivering sustained success to an organisation. Performance management is also the strategic and ongoing HRM system that enables sustainable organisational success and enhances the development of the capabilities of teams (Bauwens, Audenaert, Huisman & Decramer, 2017; Fletcher & Williams, 2016). Performance management is more than merely the annual practice of appraising employees (Aguinis & Pierce, 2008). Performance management begins with the determination of objectives, values, and behaviours, in mutual agreement between the team member and leader and in accordance with the strategy of the organisation. These aspects are monitored daily and finally evaluated and discussed, leading to new goals in the final stage of the performance management process (Aguinis & Pierce, 2008). When implemented in teams, performance management, in addition to targeting individual performance, also targets the individual contribution to the team (Aguinis, 2011). The performance management system (PMS) is often used as a strategy to track and evaluate the performance of employees in an organisation (Mashego & Skaal, 2016). The term, performance management, is widely used and yet when probed provides substantial differences of meaning (Fatile, 2014). It remains confusing despite the enormous amount of attention it has received in academic writings. The confusion is created by the continuous use by scholars of performance measurement and other forms of performance assessment interchangeably, including performance evaluation, performance monitoring, and performance reporting (Bruijn, 2007; Halachmi, 2005; Pollitt, 2006). Matlala (2011) also notes that performance management is often misconstrued as a tedious, once-off process which is only associated with performance rewards towards the end of each financial year and, as a result, it is not considered as a critical management function that is aimed at inculcating a performance-driven, results-oriented culture that encourages and rewards excellent performance.

The definitions above suggest that the success of performance management relies on the involvement of both the supervisor and the employee. From these definitions it can be deduced that performance management is the system through which organisations set performance goals, performance standards, assign and evaluate performance, provide performance feedback, determine training and development needs and distribute rewards. It can therefore be confirmed that performance is essential to achieving organisational goals. It is also crucial that employees be consulted about their input and are given feedback on a regular basis.

## **2.4 Comparative Analysis of Performance Management in South Africa as A Developing Country as Well as in Japan as A Developed Country**

South Africa is a developing country that suffers from a lack of management capacity in the public service (Subban & Vyas-Doorgapersad, 2014). As defined by Horwitz, Kamoche & Chew (2002), developing countries are those in which the majority of the population live at or below the subsistence level, where social services are practically non-existent, and where educational and cultural levels are generally very low. The political consequence of this state of affairs is a high degree of instability for the institutions of these countries, at all levels. Following the liberalisation of most economies in the 1980s and early 1990s, most organisations in developing countries have experienced growing competition from multinationals (Karuhanga, 2010) and with this trend, organisations must devise ways of becoming more responsive to customer expectations to compete favourably in the global village (Halachmi, 2002). South Africa, as a developing country, is characterised by slow economic growth and appalling living standards as compared to those of developed countries (Chukwuemeka, 2015). Performance management can be regarded as a theory the validity of which needs to be tested in a developing country's context, as this context can be more dynamic and completely different from a developed country's context. Japan as a developed country, was selected for this purpose due to its HR practices, such as lifetime employment and the seniority system, that have provided a workplace environment that encourages a high organisational commitment in employees and improved performance. The comparative analysis was conducted to identify the underlying conditions that create a successful performance management system in a developed country.

### **2.4.1 Performance Management in South Africa and Japan**

During the apartheid era, the South African public service was isolated and out of touch with international developments in Public Sector Reform (PSR) (Thornhill, 2008). Improved efficiency, effectiveness, greater productivity, competitiveness and accountability have been the overriding aims of public sector reforms in South Africa since 1994. One of the tenets of NPM reform is decentralisation. While a framework has been put in place, in practice there has not been as much decentralisation as is normally presumed (Hughes, 2003). Instead, there have been moves towards a stronger central state in recent years. To respond to the multiple challenges of the post-apartheid era, the government has brought important changes into the management of public administration, specifically the management of performance.

Performance management, which is a major component of NPM, emphasises that if managers are to be given greater autonomy, they need to be held accountable through performance standards (Minogue, 1998; United Nations, 2005). Hood (1991) points out that explicit standards and measures of performance require that goals are defined and performance targets are met. This can take the form of using performance indicators and setting targets. Hughes (2003) contends that NPM entails moving from inputs to outcomes or outputs. Moving from inputs to outputs necessitates a performance appraisal system to measure both individual and organisational performance.

The South African Department of Public Administration has, to date, been utilising the performance management and development System (PMDS) to ensure accountability of performance in the public sector. There are two main official documents that address organisational performance management. Firstly, the National Treasury (2007) produced a document called Framework for Managing Programme Performance Information. The document emphasises planning and management that focus on desired results, and the management of inputs and activities to achieve the results. Furthermore, it asserts that budgets are developed in relation to inputs, activities and outputs, while management is aimed at achieving the outcomes and impacts. Secondly, the Presidency (2009) issued a Report titled, Improving Government Performance. The Report discusses ways to improve government's organisational performance. The Report puts emphasis on the outcome-based

performance-management system. This system starts with the Medium-Term Strategic Framework (MTSF), which is a five-year plan arising from the government's Vision 2025 and other issue-specific policy research. The Cabinet approves the MTSF's main outcome indicators. The outcome indicators are a simple and clear way of expressing government's mandate.

In dealing with the individual performance management, two main documents were produced by the Department of Public Service and Administration (DPSA). One is the Senior Management Service (SMS) Handbook (DPSA, 2003) and the other is the Performance Management System (PMS) document for salary levels 1–12 (DPSA, 2006). In April 2018, the PMS Determination and Directive came into effect and is applicable to all employees other than members of the Senior Management Services (SMS) (DPSA, 2017). The PMS Determination prescribes that all employees shall conclude and sign their Performance Agreements (PAs) or an agreement of similar nature on or before 31 May of each financial year.

Newly-appointed employees shall conclude, sign and file their PAs or an agreement of similar nature within three months of the date of appointment and thereafter, within two calendar months of the beginning of each financial year [Regulation 72(1) of the Public Service Regulation (PSR)]. All employees need to know how well they are performing (Lee, 2005). An effective PMS assures that feedback is provided on a continuous basis, in the form of daily, weekly, and monthly comments from an employee's supervisor or manager (Lee, 2005).

In terms of the Public Service Regulations (2001), supervisors are expected to meet with their subordinates on a regular basis to discuss the basic objectives of their component and their subordinate's roles in the success or failure in achieving those objectives. This includes explaining to their subordinates the performance assessment procedure before the assessment cycle commences or within one month after appointment or promotion to a post, and informing their subordinates of the criteria used for their performance assessment.

The Public Service Regulations (2001) allows supervisors and subordinates to meet for assessment four times a year. The continuous monitoring meetings entail oral

feedback on an employee's performance if the performance is satisfactory and in writing if the employee's performance is unsatisfactory (PMS Determination, 2017). The Determination prescribes further that the mid-year performance reviews and annual performance assessments are compulsory, should be in writing and should reflect the performance of the employee for the entire performance cycle. The annual assessment must be conducted even if the employee was employed for less than 12 months in that cycle.

Employee Performance Management and Development System Guideline (2007) clearly indicates the performance cycle as being one year running through the government's financial year, spanning the time between 1<sup>st</sup> April to 31<sup>st</sup> March of the following year. Supervisors are expected to inform their subordinates in writing of the outcome of the assessment and if any subordinates feel dissatisfied with the assessment outcome, they may refuse to sign it. While the framework for performance management is contained in Chapter 4 of the SMS Handbook, aspects of this PMS are also applicable to SMS members. In both the SMS handbook and the PMS, the performance management processes are very similar, although the SMS requirements are more specifically linked to competency requirements. Contrary to the South African system, which is a five-year plan arising from the government's Vision 2025 and other issue-specific policy research with outcome indicators expressing government's mandate, most Japanese companies, according to Diefenbach (2015) have no strategy. This critique means that Japanese top managers do not have a clear vision and strategy, or that they fail to communicate them to their followers. Comparatively, however, the Japanese human resource management practice, such as lifetime employment and the seniority system, have provided a workplace environment that allows employees to work without undue worries about significant salary reduction, demotion, and firing (Diefenbach, 2015).

The system of HRM in Japan inspires high organisational commitment in employees so that they voluntarily tend to work overtime without compensation. In line with one of the tenets of NPM reform, decentralisation, lower-level Japanese employees are given extensive discretion in the fields of production. These factors have encouraged product and process innovation in Japanese companies and have been a source of competitive advantage for a long time. High-quality production has therefore been a

key strength of the Japanese economy and this may be attributed to the focus on quality management in Japanese human resource practices (Diefenbach, 2015:2).

Diefenbach (2015) further states that Japanese firms apply a number of interesting tools to leverage their employees' creativity and ideas and to ensure that their products and services are produced at the highest level. Contrary to the South African PMS, whereby senior management and salary levels 1 to 12 employees' performance are managed differently, the Japanese Quality Control circles, comprising 6 to 12 employees from upper management to ordinary workers on a voluntary basis, are established (Powell, 2016). These quality control circles are a platform whereby employees, regardless of their level, meet once a week to express ideas about how to innovate at each stage of production, in order to increase the competitiveness of the company. Powell (2016) states that quality control circles are beneficial in that they foster mutual respect among members of the company at different ranks; they also encourage feedback and a variety of ideas from a range of members of the company, giving ownership of ideas to employees who will most likely implement them. The system fosters a collective sense of trust and commitment.

It is a common practice in South Africa for organisations to implement a probation period for new employees regardless of their size. Probation is regulated by the Code of Good Practice on Dismissals, Schedule 8, of the Labour Relations Act (LRA) which sets out specific guidelines with regards to probation (South Africa 1995). The LRA does not prescribe the time limit for a probation period; however, it provides that the probation period must be reasonable, given the circumstances of the job, and the period should be determined by the nature of the job and the time it would take to evaluate the employee's performance. The LRA further provides that employees' performance should be regularly monitored and that they should be provided with all the requisite training, counselling and evaluation. If the employer is dissatisfied with the performance of an employee, he/she needs to follow the guidelines for dismissal due to poor work performance, as set out in the LRA.

Further to the LRA, Regulation 68 (1) of the Public Service Regulations, 2016, provides that persons or employees who are appointed to the public service for a period exceeding one year shall serve a probationary period of 12 calendar months,



excluding the number of days for which leave has been taken by him or her during the period of probation or any extension thereof. For instance, if an employee has taken leave during his or her probationary period, the period of probation shall be extended by the number of days of leave taken by the employee concerned, to ensure that he or she has served the 12 months' prescribed probationary period. The probationary period should, in essence, address issues of performance based on agreed performance standards, acceptable conduct, performance reviews, provision of feedback, appropriate roles and how matters will be handled during the probationary period. During the probation period, the employee is able to inform the supervisor of the areas on which he/she is experiencing challenges. Likewise, the supervisor has an opportunity to determine and implement the appropriate interventions for the mutual benefit of the employee and the employer, and to give feedback to an employee.

The probation period is aimed at evaluating the employee's performance and to ascertain whether or not the employee is a good 'fit' and whether he/she is capable of performing their tasks and duties to the expected and required standard, before making the decision to appoint them on a permanent basis. On the 31<sup>st</sup> July 2012, the Agreement on Salary Adjustment and Improvements on Conditions of Service in the Public Service was signed between the Minister for Public Service and Administration and Organised Labour (South Africa, 2012). The agreement stipulates, amongst others, that pay progression of new entrants into the public service appointed after 1<sup>st</sup> July 2012 will be linked to successful completion of a Compulsory Induction Programme (CIP). The new official will be eligible for confirmation of probation once Module 1 of the CIP is successfully completed. Training for the CIP will be arranged by the National School of Government (NSG), in cooperation with the client department. The programme aims to challenge public servants to live the Batho Pele principles and to instil knowledge and understanding of the intrinsic values and building blocks of the country's democratic state. Analogous to the South African probation regulations, the *genchi genbutsu*, a Japanese term translated into English as "go and see for yourself," has revolutionised Japanese firms and their business practices (Powell, 2016). According to Powell, the *genchi genbutsu* is used to train young employees who are entering the company right after graduating from a university to allow them to experience the work and learn it from scratch. Japanese firms usually take 1 or 2 years to train their employees and socialise them into the firm.

Job rotation is very popular in the Japanese firms whereby employees are moved to a new department every 2 to 3 years to ensure that they know all aspects of the business. Employees are also provided with ongoing training in all areas of the company, making them versatile employees, with a range of skills and abilities that they can contribute to the company throughout their careers (Powell, 2016). Comparative to the South African quarterly monitoring meetings to assess the performance of employees, another Japanese tool for improving quality at a constant level is the reflection meeting, called *hanseikai* (Cavusgil, Czinkota & KnightIn, 2010). However, the Japanese *hanseikai* is held after projects, events, or any task that is performed by a group, when memory is still fresh and all members have ideas about how to improve the processes in the future, as opposed to the South African assessment meetings that take place quarterly. Employees are expected to recognise the company's weaknesses, and they must be responsible for improving those weaknesses. Total quality control is implemented in all phases of the manufacturing and work processes, and it is not simply result oriented. While working, employees are constantly expected to check and improve the quality of work and mistakes must be reported or fixed as soon as they are found (Cavusgil, Czinkota & KnightIn, 2010). Contrary to the South African PMS that focuses mainly on individual performance, the Japanese value teamwork rather than performing individually. According to Cavusgil, Czinkota & KnightIn (2010), being a member of a group, in Asian societies, is considered more positive and valuable than being a non-member. Contrary to the South African PMS that is more linked to competency requirements, the Japanese *senpai-kôhai* (senior-junior) system is still in place, whereby in schools, companies and other organisations, performance is determined by a person's seniority in the organisation and the teams and organisations are organised vertically; this means that older members have more power, earn more, and are considered more knowledgeable, even if this is not really the case (Powell, 2016). Promotion and salaries are connected to an employee's age rather than to personal skills or achievements. Employees, therefore, do not need to develop career strategies based on individual knowledge because company goals are generally seen as more important than individual goals.

Manning (2001) found the impact of NPM in developing countries to be modest. What was lacking was predictable resourcing, credible regulation of staff, credible policy and customer focus. In contrast, the Japanese consumers are obsessed with quality and do not accept any product defects. In the case of a product defect, the product will be returned, but the Japanese customer is lost forever (Cavusgil, Czinkota & Knightln, 2010). NPM is driven by angry consumers in developed countries. In South Africa, as a developing country, public expectations are low, with the result that citizens are likely to think that it is not worth the effort to complain.

Another element analysed is the process used to assign goals to individuals. The cases were classified based on Lawler *et al.* (2012) who suggest several alternatives: goals assigned to the ratee and goals agreed between the rater and the ratee. Lawler *et al.* (2012) also show that defining goals from top to bottom is not correlated with the efficacy of the performance evaluation system and the organisation's performance; instead, assigning goals through the rater-ratee agreement is associated with an effective performance evaluation system. Furthermore, Lawler *et al.* (2012) argue that the most effective goals are cascaded down to employees based on the organisation's strategy. In South Africa, the National Treasury and the Presidency address organisational performance management and goals are set based on the organisation's strategy, whereas the Japanese organisations concentrate more on management operations and internal relationships by focusing on employee welfare, family and the group, and often neglect strategic aspects. The Japanese system is characterised as a bottom-up one.

## **2.5 The importance of Performance Management**

Adelien, Carine & Alex (2013) point out that if performance management is effectively implemented, it could result in reduced employees' absenteeism, increased job satisfaction, increased commitment and, ultimately, improved productivity. Additionally, and as indicated by Ding, Zheng, Wang<sup>1</sup>, Zhu & Zhang (2016), when employees are afforded the opportunity to evaluate the performance management system, this could provide an indication to management whether the current performance management system is accepted by employees or not and also give an indication of what needs to be improved to achieve the desired outcomes.

Verbeeten (2008) states that performance management can serve four purposes for public managers. Firstly, it helps to define clear mission statements, objectives and targets, which assist individuals in understanding what is expected of them. When employees and supervisors have a clear understanding of their specific job duties, any ambiguities which exist in the workplace are eliminated. Each individual is held accountable for his/her own duties and responsibilities. Performance Management empowers everyone to think about and clarify their role in the organisation. Setting clear goals and expectations help with this clarity. Secondly, by measuring performance regarding objectives, politicians and public managers can account to the public as to how taxpayers' money is spent. Thirdly, public sector organisations can use performance measurement to improve performance. Effective performance management can assist in the identification of ways in which to improve performance and provide the opportunity to discuss career direction and prospects

## **2.6 Factors Influencing Organisational Performance**

### **2.6.1 Leadership Influence**

There are a number of leadership styles that can be employed by those individuals leading the execution of the PMS implementation. Improving organisational performance requires that multiple characteristics be already embedded in the organisation. According to Kaplan (2010), an organisation needs transitional leaders who facilitate the building of the scorecard and who help embed it as a new management system. This implies that the transitional leaders apply a *transformational* leadership style that provides an opportunity to reach out to employees who may be worried and sceptical and who may lead active or passive resistance to change. This style entails developing a vision, setting and communicating a clear purpose, aligning employees' personal needs with the needs of the organisation and thereby satisfying the basic needs in the process of achieving corporate objectives.

Seaver (2013) defines transformational leadership as a leadership style where one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. This style of leadership occurs when the leaders inspire an atmosphere of trust resulting in the employee performing beyond expectations. Similarly, Van Woerkom & de Reuver (2009) state that

transformational leaders motivate and inspire their teams to accomplish more than they originally intended or expected and stimulate their members to go beyond their own self-interest for the good of the group. Van Woerkom & de Reuver (2009) further state that transformational leaders universally work more effectively with people to reach their goals and achieve exceptional performance.

Burnes (2009) notes that transformational leaders use force of personality to motivate followers to identify with the leader's vision and to sacrifice their self-interest in favour of that of the organisation. This charismatic leadership style promotes leader-follower interaction as it seeks to inspire employees by persuasive speech, motivation, and intellectual stimulation. "At the core of the transformational leadership concept is the notion that leaders can motivate their followers by raising the salience of organisational goals, strengthening task significance and fostering a sense of group interdependence" (Campbell, Lee & Tobin, 2016).

Transformational leaders articulate an attractive vision for the organisation and behave in ways that reinforce the values inherent in that vision. They inspire followers to transcend their own self-interests for the sake of the collective. Followers become highly committed to the goal of the collective and perform beyond expectations (Bach & Edwards, 2012). Transformational leadership is usually contrasted with *transactional* leadership. Transactional leadership theories are founded on the idea that leader-follower relations are based on a series of exchanges or implicit bargains between leaders and followers (Burns, 1978; Bass, 1985). The leader clarifies performance criteria, in terms of what is expected from followers and what they receive in return. In return for such promised rewards, subordinates deliver the agreed results. Transformational leadership goes beyond the cost-benefit exchange of transactional leadership by motivating and inspiring followers to deliver above expectation.

### **2.6.2 Political Influence**

The performance management process has important political implications in public sector environments. Politicians seek to advance their own interests, while bureaucrats are motivated by the desire to satisfy politicians by implementing government policy correctly and citizens' needs are, at times, thereby neglected (Beeri, Uster, & Vigoda-Gadot, 2019). Beeri *et al.* (2019) further state that citizens, on

the other hand, wear two hats, one as clients and the other as voters. Kgwehane (2013) argues that performance management manifests itself in modern democracies wherein competing political parties promise voters that their policies will deliver their version of a good life. Performance-based management increases political accountability by enabling public managers to match targets with political priorities. Politicians can hold public managers accountable for their performance, and performance targets can make service provision more transparent to customers (Ferlie, Lynn & Pollitt, 2007).

According to Lin & Lee (2011), government organisations' performance management in democratic countries actually involves a series of "revolution process" of political communication. This means that firstly, administration leaders elected by people, as the sole person establishing policy goals and objectives, may employ performance management to strengthen the political control of the civil service system. The managers within this system will convert a number of requirements into performance indices and require fellow civil officials to apply related indices to improve the quality of public services. For the administration system, elected members of parliament and citizens are able to use related administration performance indices to measure the governing ability of the government and thereby become the essential monitors in administration performance management.

Ferlie, Lynn & Pollitt (2007) state that discussions of performance management in government have existed as long as government itself. Similarly, Bouckaert & Halligan (2008) state that over the past 30 years, performance management has become a significant aspect of attempts by governments to assess the efficiency, effectiveness and accountability of public organisations. The South African government has introduced a substantial body of legislation focusing on service delivery in the national, provincial and local spheres of government. The Constitution (RSA, 1996) gives the following mandate to the spheres of government: they are to provide democratic and accountable government for all communities, to ensure the provision of services to communities in a sustainable manner, to promote social and economic development and to promote a safe and healthy environment. The proliferation of service delivery protests in SA, however, has proved that the government is not fulfilling this mandate.

According to Ohemeng (2011), whether a performance management system or some other model works depends on the extent to which an organisation's members accept the system as part of the organisation's culture. If they do, that will mean a behavioural change on the part of those members. While many public and private organisations face this problem, it is more serious in the case of the public sector because of their nature, as well as the environment in which they operate (Ohemeng, 2011). To address the problem identified above, many governments have attempted to use legislation to force public organisations, in effect, to foster the needed performance or result-oriented culture (Kamensky, 2005; Long & Franklin, 2004).

Flinders (2011) asserts that monitory democracy involves an increasingly complex and forceful "accountability industry" that includes constitutional watchdogs, audit processes, ethical guardians, investigatory agencies and regulatory boards. Thus, accountability processes can convert into self-fulfilling prophecies. Willems & Van Dooren (2011) observe that the mechanisms or tools by which public authorities are being held to account are fourfold. First, governments are being held accountable through important political mechanisms, such as elections, parliamentary discussion and scrutiny, political debate within political parties and the mass media. Second, they are subject to extensive review in a varied judicial context through the Constitutional Court. Third, a number of specific administrative mechanisms hold public authorities and officials to account. These include being held to account by their superiors through the chain of hierarchical command, diverse government auditors, regulatory bodies, ombudsmen and other types of monitoring agencies. Fourth, citizens, professionals and members of interest groups hold governments to account directly in a larger social setting. Many states and localities have developed similar accountability mechanisms based on performance measurement. In South Africa, public organisational performance is also assessed through annual reports and financial statements audited by the auditor-general.

### **2.6.3 Organisational Strategy**

Strategy has emerged as a key consideration in studying the management of organisations. In the 1980s, business strategy emerged as an important contextual variable that influences many business organisational systems (Zaman & Yoon, 2016). The process of creating performance management systems begins with defining

targets for results, outputs, and outcomes that organisations aspire to achieve through the programme (Kelly & Rivenbark, 2003; Poister, 2010; Bouckaert & Halligan, 2010). Managerial strategy is defined by Kuipers, *et al.* (2014) as the means by which top managers handle operations or adjustments in response to external environments.

Performance management integrates both a top-to-bottom and a bottom-up approach to strategy formulation and implementation. The adoption of a PMS represents an attempt by an organisation to show a strategic integration of HRM processes, which can, together, be linked to the goals and direction of an organisation (Armstrong, 2009). Developing strategy and setting goals are the significant first step of implementing a performance management system.

There are two types of goals defined in the goal-setting theory: distal and proximal goals. Distal goals are long-term strategic goals, while proximal goals are short-term targets based on the end goals (Seijts & Latham, 2001). It is essential that all proximal, individual, team, or group goals are linked to and based upon the overall organisational goals (Thornhill, 2008). Proximal goals provide clear markers of success and frequent feedback through which the employees can evaluate their progress and make accurate amendments to their strategies accordingly (Seijts & Latham, 2001).

PMS is a means of implementing organisational strategy by communicating to employees about priorities of the organisation, assigning responsibility and accountability for behaviour and outcomes and guiding to enhance performance (Biron *et al.*, 2011 & Bae, 2006). Deriving performance management systems from strategic plans ensures that performance management supports activities, which lead to the attainment of those objectives, rather than the activities that might have no impact or a harmful impact on goal attainment. Performance indicators are then selected on the basis of programme targets (Kelly & Rivenbark, 2003).

The indicator selection process essentially defines how the targets and the progress toward them would be measured (Julnes, 2008; Bouckaert & Van Dooren, 2008). Performance indicators, hence, should be aligned with the overall organisational strategy and programme targets, as they would be more helpful to policy makers and managers in aligning their efforts toward organisational goals (Armstrong & Baron,



2012; Poister, 2010). Basing performance targets on overall organisational goals and performance indicators helps reduce goal displacement and value displacement while increasing focus on critical activities.

Thornhill & White (2007) find that pure product leadership or operational excellence strategies lead to better business performance than 'stuck in-the-middle' strategies. Furthermore, in the studies that look at interaction effects, it is stated by Chowhan (2016) that even though results have been mixed, some results have found significant positive moderation effects of HRM practices and strategy on performance.

Zaman & Yoon (2016) state that measuring organisational performance in financial terms is desirable, as the strategy of most organisations aims at financial success. Performance management systems should embody the set of organisational activities employed by managers to focus employee attention and to motivate behaviour aimed at implementing organisational strategy (Otley, 2016).

Performance management is necessary to successfully execute an effective organisational strategy. It requires commitment from leaders of strategy to continuously monitor and analyse how each area of the organisation is performing compared to what is expected.

#### **2.6.4 Ethical Behaviour in the Workplace**

Ethical climates develop as a result of organisational policies, practices, and leadership, and exert significant influence on the ethical decision making of organisational members and their subsequent attitudes and behaviour at work (Alexander, Heather, Sukanto & Achinto, 2017). Peterson (2002) defines ethical work climate as "perceptions of what constitutes ethically-correct behaviour and how ethical issues should be handled in the organisation". Alexander *et al.* (2017) found that professionalism, caring, rules and independence climates, which are all characteristics of ethical climate, were positively linked to affective organisational commitment and improved performance.

The pressure on firms and their leaders at all levels of the hierarchy to behave ethically has increased due to media attention and government regulation following recent

business scandals. This pressure extends to leaders in the public sector. Showing ethical behaviour is currently critical to leaders' credibility and their potential to have meaningful influence on followers at all levels in the organisation (Piccolo, Greenbaum, Den Hartog & Folger, 2010). Line managers' ethical behaviour is therefore important in implementing HR practices. In addition, ethical leadership stresses fairness and consistency; therefore, these elements are crucial to HR strategy implementation.

According to Shin, Sung, Choi & Kim (2015), moral scandals involving top managers of global companies have made ethical leadership one of the most essential attributes of business leaders. Ethical leadership of top managers affects employee behaviours by exerting a cascading effect on middle-level managers and employees and thus, the ethical dimension of top management leadership should be considered as a critical factor that influences organisational effectiveness (Shin *et al.*, 2015). Generally, top managers serve as strong role models for employees because of their visibility and power. When top executives exhibit a high degree of ethical leadership, employees are likely to imitate their behaviour and to engage in more helping and prosocial behaviour (Mayer, Kuenzi, Greenbaum, Bardes & Salvador, 2009).

Mayer, Aquino, Greenbaum & Kuenzi (2012) note that when leaders behave in an ethical manner, communicate the importance of ethics, and use punishment and reward systems to encourage ethical behaviour, group norms for acceptable behaviour are formed and employees in a work unit will be less likely to engage in unethical behaviour. Similarly, Guerci *et al.* (2015) state that organisational performance is improved when its employees possess high standards of ethical awareness, that is, the ability to recognise that any decision-making situation has ethical implications.

### **2.6.5 Communication**

It has been argued that the ability to communicate effectively and with influence determines the success in transmitting the message (Palazzolo, 2008). Communication is defined as a convergent process that aligns a group of individuals around a common objective (Stahl, Maznevski, Voigt & Jonsen, 2010). Bell & Rioli (2017) observe that ideal communication happens in an ongoing feedback loop where

both parties understand and are able to assess the information the other person is trying to give. When employees receive better role-related information from their supervisors, including clearly stated expectations and constant feedback on performance, they are better able to attune and modify their behaviour and perform to the best of their ability (Dulebohn, Bommer, Liden, & Ferris, 2012).

Constructive feedback is another critical element of performance management that is expected to improve a team's effectiveness (Anseel, Beatty, Shen, Lievens & Sackett, 2015; Van Waeyenberg, Decramer & Anseel, 2015). Constructive feedback is an effective way of demonstrating appreciation towards the team by expressing what was done well and guiding the team in the right direction by indicating what still needs to be done to improve performance (Chen, Wu & Leung, 2011).

Geertshuis, Morrison & Cooper-Thomas (2015) state that when employees are in good relations with their supervisors, they feel committed to communicate more frequently, positively, or effectively with their supervisors and this enables supervisors to recognise their performance and rate them accordingly. Geertshuis, *et al.*, (2015) further state that where the relationship between subordinates and supervisors is unsatisfactory, subordinates may not necessarily impart information, which can leave their supervisors less equipped to assess performance and, possibly, more likely to assume that they are weak performers. When good understanding prevails between them, each party tries to serve the other to the best of his/her ability.

It is argued by Joshi (2009) that workplace communication between the employer and employees enhances the employees' knowledge, which, in turn, is positively related to continuous performance improvement. The argument is further supported by Ahamed & Skallerud (2013) in that healthy communication leads to employees' trust, commitment and satisfaction. Similarly, Decramer, Smolders & Vanderstraeten (2013) state that when employees have the opportunity to provide their own input and attention is paid to their viewpoint during their performance management process, their perceptions of task significance appreciation and fairness are increased.

The work by the aforementioned authors therefore suggests that an effective and well-run performance management system can also provide valuable feedback to

employees, remediate action to improve performance, and provide legal documentation in disciplinary processing and in court. Supervisor-subordinate relationships are of paramount importance in organisations, and communication therein, becomes an important element in team performance.

#### **2.6.6 Organisational Culture**

Organisational culture refers to the beliefs and values that have existed in an organisation for a long time, and to the beliefs of the staff and the foreseen value of their work that will influence their attitudes and behaviour (Tsai, 2011). This aligns with Chinedu, Ezirim, Nwibere & Emecheta (2010) who describe organisational culture as the psychology, attitudes, experiences, beliefs and values of an organisation. Similarly, culture is the knowledge that members of an organisation share and that unites them and guides their behaviour. Organisational or company culture, as stated by Ibrahim (2017), affects how employees perceive a job to be more enjoyable, in which case the existence of the company culture needs to be maintained, so that all employees, starting from top management to the lowest employees, may perform optimally.

Ogwuche, Urama & Nyam (2019) state that employee job performance can be enhanced through organisational values and beliefs that are conveyed to the employees, and these values and beliefs must be favourable to employees to an extent that job performance will be encouraged. These values and beliefs form part of the organisational culture and play a significant role in enhancing employee job performance. Similarly, Alas, Kraus & Niglas, (2009) suggest that organisational culture is one of the most important factors that has an impact on organisational efficiency and productivity. Ogwuiche, Urama and Nyam (2019) hold the same notion that organisational culture and employee job performance serve as key factors that determine the positive prospects of any organisation.

For effective management of performance to take place, it is crucial for public service leaders to use organisational culture as a tool to change the values, assumptions, and behaviours in public organisations (Sanger, 2008). O'Donnell & Boyle (2008) and Parker & Bradley (2000) argue the importance of culture for organisational strategies to achieve transformation and reform in the public sector. Culture shapes a people's

beliefs, values, attitudes, and behaviour. Chinedu *et al.* (2010) state further that the culture specific to each organisation will affect how employees feel and act as well as the type of employees hired and retained by the company.

### **2.6.7 Organisational Commitment**

Allen and Meyer (1990) have defined commitment as the employee's feelings of obligation to stay with the organisation. They also suggest three types of organisational commitment mentioned as, *affective* commitment which measures an employee's emotional attachment to, identification with, and involvement in the organisation, *normative* commitment which reflects pressures on an employee to remain with an organisation resulting from organisational obligations and *continuance* commitment that refers to commitment associated with the costs that employees perceive are related to leaving the organisation.

Chen & Leung (2011) found that there was a positive relationship between organisational communication, organisational commitment and job performance. Their study suggested that companies needed to strengthen their communication channels and processes in order to improve Accounting professionals' organisational commitment and job performance. It has been argued that individuals take jobs, and identify with the role attached to the jobs; as a result, they become committed to doing the jobs, and hence they behave according to the expectations attached to that job.

### **2.6.8 Performance**

Performance, in its broadest sense, has probably been an issue in government for as long as government has been in existence. Performance, according to the DeNisi and Sonesh (2011), can be defined as "The accomplishment, execution, carrying out and working out of anything ordered or undertaken". Armstrong (2009) regards performance as behaviour: the way in which the organisations, teams, and individuals get work done. On the other hand, Campbell & Sager (2013) describe job performance as an individual level variable. In other words, performance is something each individual undertakes. Cascio (2016), on the other hand, refers to the concept as the degree of accomplishment of the tasks that make up an employee's job. Meanwhile, Jones (2013) describes it as the net effect of each employee's effort, as modified by abilities and roles or task perceptions.

An employee's job performance is necessary to achieving a competitive advantage in the labour market where skilled, committed people are increasingly hard to find and keep (Prasetya & Kato, 2011). Wright (2007) explains that performance is a function of knowledge, skill and motivation factors. He writes that knowing what needs to be done reflects a person's knowledge while being able to execute a certain job or task reflects how skilled the person is and. Ultimately, the willingness to carry out a given task reflects a person's motive. This explanation is shared by Molefe (2004) and Dubnick (2005), who posit that performance is a combination of knowledge, skill and motivation. Similarly, Serakwane (2005) suggests that the performer's competencies, skills, experience and knowledge are the critical factors, which define performance and can be utilised as a basis for the improvement of the performer.

Motowidlo, Borman & Schmit (2009) define "job performance as the sum total worth to the organisation of the discrete behavioural episodes that an individual performs over a standard interval of time". Motowidlo *et al.* (2009) make four assumptions, that job performance is behavioural, episodic, evaluative, and multidimensional. Firstly, they argue that performance is behaviour in that it can be evaluated as positive or negative to both the individual and the organisational success. The results of an individual's performance behaviour can either assist or detract from achieving organisational goals; this makes it necessary to focus on results when performance is considered. Secondly, performance is episodic; people's behaviour is punctuated by occasions when they do something that contributes to the achievement of organisational goals.

These behavioural episodes make up the domain of job performance. Thirdly, performance is evaluative. Individual behavioural episodes can result in dramatic and modest achievement of organisational goals and there are those that are slightly or extremely negative and hinder the achievement of organisational goals that are regarded as performance. Fourthly, performance is multidimensional; the aggregated contribution value of an individual's behavioural episodes over a standard interval of time represents the net worth of that individual's behaviour to the organisation during that time interval. It constitutes that person's overall job performance.

Motowidlo *et al.* (2009) further argue that job performance is behaviour with an evaluative component that can be evaluated as positive or negative for individual or organisational effectiveness. Jones (2013) and Pappas, Flaherty & Hunt (2007) advise that performance should be broadly measured to the extent that it does not only consider the level at which the set standard of performance is achieved, but should also take into account the spontaneity and inventive behaviour in pursuit of the effectiveness of an organisation. It is therefore deduced that performance is what the employees actually achieve in a role and the extent to which they achieve the purpose for which the role is created.

### **2.6.9 Management**

Lawler (2003) states that the five functions of management, that is, planning, organising, directing, controlling and rewarding employees for the accomplishment of organisational goals, are initiated by the PMS. Ibrahim (2017) concurs that the performance of an organisation depends on the work of its employees, but managers play a critical role in planning, implementing and controlling the organisation, therefore, their efforts should be directed at motivating and managing their employees. This ultimately requires business people, including managers, to improve their performance; these are exhibited by ability in planning, coordination and control of various activities and resources.

Both Swiss (2005) and Boyne, Chen & Leung (2007) assert that managers who do not offer any rewards for improved performance, will find performance management to be ineffective. They state that when managers offer strong incentives, they must also have the capacity and autonomy to make decisions and act upon them when performance information is available. They further argue that where lack of managerial capacity means that performance information is left unutilised, large benefits from performance management will not ensue.

Management facilitates the achievement of organisational mission or purpose through effective use of resources (Minnaar & Bekker, 2005). Linking results to performance is a critical role of management and this relies on strong leadership and solid institutions, according to Eliassen & Sitter (2008) and Coates (2004). Eliassen & Sitter (2008) further state that the public sector can perform effectively and efficiently without

sound management initiatives or strategies. West & Berman (2011) conclude that weak management has a negative effect on the success of the organisation, such as problems dealing with stakeholders, obstacles in the adoption and implementation of modern performance management work practices, and in many other ways negatively affecting the leadership of organisations.

Authoritarian managerial styles were common in South Korea as public agencies emphasised an authoritative and hierarchical organisational culture to promote efficiency in the public service (Kim, 2010). Kim (2010) further states that with an authoritarian managerial style, government decision-making is centralised; however, since the 1997 economic crisis, administrative reform has been a top priority for the South Korean government and it subsequently adopted New Public Management to improve performance.

David (2003) provides the following analysis of management and its functions:

**Table 2: The Basic Functions of Management**

Function	Description	Stage of strategic planning or management process
Planning	Planning comprises all management activities concerned with forecasting the future	<i>Strategy formulation</i>
Organising	Organising includes all management activities that relate to structure of task, hierarchy and accountability issues. It deals with organisation design, job specialisation, job description, job specification, span of control, unity of command, coordination, job design and job analysis	<i>Strategy implementation</i>
Motivating	Motivating is concerned with strategies to influence human behaviour at the workplace. This involves issues of leadership, communication, delegation of authority, organisational change, employee morale and management morale.	<i>Strategy implementation</i>
Staffing	Staffing involves questions of personnel or human resource management. This encapsulates issues of wage and salary administration, employee benefits, interview,	<i>Strategy implementation</i>



	hiring, training, union relations, career development, discipline and grievances handling.	
Controlling	Controlling deals with managerial activities that concern attainment of results or goals. These include quality control, financial control, sales control, inventory control, expenses control, rewards and sanctions	<i>Strategy implementation</i>

*Source: Adapted from David (2003)*

The above table suggests that management involves achieving results through the effort of people, creating and maintaining an internal environment where individuals, working in groups, may operate efficiently and effectively in order to achieve common goals. It includes the process of planning, organising, leadership and controlling in order to formulate and achieve the objectives on the basis of human labour and use of resources; it is the process in which managers create, implement and manage the organisation through a systematic, coordinated and cooperative human effort.

Damanpour, Walker & Avellaneda (2009) and Kim (2010) observe that there is a positive relationship between participative management and performance; accordingly, many Western governments, including South Korea, have implemented participative management and innovation to enhance their service delivery performance. Similarly, Park, Lee, & Kim (2015) assert that participative decision-making improves performance in that it increases morale and job satisfaction and reduces turnover and absenteeism; these factors are positively related to organisational performance.

#### **2.6.10 Performance Management**

Jha & Jha (2018) define performance management as a continuous process of setting goals, paying attention to employees' attitudes, mentoring them for performance improvement, measuring their performance and understanding the causes of poor performance, if any. They write that performance management also includes understanding of employees' job satisfaction, commitment and perceived psychological contract level.

Matlala (2011) argues that performance management is often misconstrued as a tedious, once-off process which is only associated with performance rewards towards the end of each financial year and, as a result, it is not considered as a critical management function that is aimed at inculcating a performance-driven, results-oriented culture that encourages and rewards excellent performance. Ambrossini & Bowman (2009) state that performance appraisal focuses on the evaluation and management of employees' behaviour and outcomes in the organisation, while performance management focuses on how the organisational members can be involved in the effective pursuit of both organisational goals and mission.

Whittington-Jones, (2005), Molefe (2004) and Serakwane (2005) are in agreement that performance management is a system that strives to integrate the organisational performance with that of its employees. In this way, performance management seeks to link the mission and goals of the institution with the efforts of the employee in order to achieve desired outcomes (Serakwane, 2005).

This, therefore, means that performance management is about increasing loyalty and performance of employees. It provides the opportunity to discuss career direction and prospects. It also presents the opportunity to plan for and set objectives to further develop an individual's career. Through performance management employees are afforded the opportunity to gain additional training or mentoring which can act as a basis for developing future succession plans.

#### **2.6.11 System**

According to Brudan (2010), strategic, operational, and individual performance management can be successfully incorporated in a systems approach where organisational performance improvement is the focus. He maintains that systems' thinking upholds an all-inclusive approach to managing organisational performance. Mansor & Tayib (2013) define inputs as the individual skills and knowledge that an individual brings to a job together with process; this is how people actually perform their jobs and are measured to assess developmental and learning needs. They state further that outcomes measure the scale of an individual's contribution to the overall team in contexts of departmental and corporate performance and are central to performance management. Furthermore, Mansor & Tayib (2013) argue that systems'

view focuses on integrating all components of the organisation and mapping the relationship between them. Any change in the operation of the elements or parts of the system results in change in the whole system (OECD, 2005). Ferreira, Erasmus & Groenewald (2003) state that a system in an organisation offers the following benefits:

- It enhances the efficient use of the institutional resources.
- It assists in managing the operating efficiency.
- It enhances development of operating efficiency.
- It assists in accomplishing the goals and aims of the organisation.
- It assists in executing different roles of the organisation.

### **2.6.12 Performance Appraisal**

Ratnawat & Jha (2013) state that performance appraisal is one of the most crucial components of performance management and relates to the measurement aspect of performance. They write that it is so crucial that it is often confused with performance management and the terms are used interchangeably. The table below distinguishes performance appraisal from performance management.

**Table 3: Performance appraisal compared to performance management**

<b>Performance appraisal</b>	<b>Performance management</b>
Top-down assessment	Joint process through dialogue
Use of ratings	Rating less common
Annual appraisal	Continuous review all year round
Monolithic system	Flexible process
Owned by the HR department	Owned by line managers
Bureaucratic-complex paperwork	Documentation and paperwork kept to a minimum
Applied to all staff	Applied to all staff
Often linked to performance pay	May not be linked
Focus on levels of performance	Focus on development as well as performance
Backward looking	Forward looking

Source: Armstrong, 2012

In the opinion of Soltani, Van de Meer & Williams (2005), performance appraisal is a formally agreed-upon system to record and assess, on a periodic basis, the performance and behaviour of an individual employee. They elaborate by saying that performance assessment relates to the degree to which an employee is deviating from or coming close to the performance standards or performance expectations. With performance appraisal, a constant effort is made by management to assist or support the employee to perform better (Spicer & Ahmad 2006). As asserted by Ukanwah & Ndaguba (2015), the performance appraisal process helps organisations measure the adequacy of their employees' job performance and communicates these evaluations to them. Performance appraisals are an important link in the human resource management (HRM) process as they measure employees' performance and come up with suitable rewards or remedial actions to motivate employees to continue on the correct path. . Performance appraisal is, then, seen as the ultimate means to improve organisational performance (DeNisi & Sonesh, 2011). Soltani *et al.* (2005) explain that performance appraisal emphasises the rating of performance and also warns that the ratings are not always reliable as they can be manipulated or misrepresented. The importance of effective performance appraisal in organisations cannot be over-emphasised as appraisals help develop individuals, improve organisational performance and feed into business planning. An understanding of the performance appraisal, therefore, in every sector of human endeavour is imperative (Boyne *et al.*, 2007). The prospect of a fully successful performance appraisal gives the incentive to perform well and may open doors to career advancements in the future.

#### **2.6.13 Performance Standards**

According to Biron *et al.* (2011), organisational PMS should set the performance objectives, norms and standards, and enhance both individual and organisational performance to improve efficiency and effectiveness of the organisation. This is consistent with Huselid & Becker (2011), who state that performance objectives contribute to bridging the gap between management and employees' interests by specifying a clear strategic direction for the organisation. The extent to which employees have met the set objectives must be recorded and a report compiled for management. Performance standards are also vital for staff motivation and recognition of good performance (Schneider & Barsoux, 2003).

Minty (1998) defines a standard as a yardstick or a benchmark that is used to measure progress. It allows one to verify if conformity to the plan is achieved; therefore, performance standards are the scales that measure performance progress and attainment of organisational goals by an individual employee during performance of his/ her duties (Legget, 2004; & Tilbury, 2006). Furthermore, Artley & Stroh (2001) and Martinez & Martineau (2001) argue that performance standards are synonymous with performance expectations because they depict the desired condition or a targeted level of performance for each objective or goal. While goals tell employees what they have to do, performance standards tell them how well they have to do it.

#### **2.6.14 Performance Indicators**

The development of performance indicators has become a central element of the contractual agreements between various administrative levels of public administration (Greiling, 2005). These indicators help to align duties with the mission of the organisation and must, therefore, be very clear and lacking any ambiguity. Indicators assist in motivating employees by making the link between their actions and the goals of the organisation more explicit (Risher, 2007).

The use of performance indicators is imperative because they are necessary for the monitoring of programmes and employee performance (Sandhu *et al.*, 2008; Northcott & Smith, 2010). McEwen, Shoesmith & Allen (2010) state that key performance indicators (KPIs) refer to measurements that are both qualitative and quantitative in nature and that demonstrate the meaningful steps taken towards the set organisational goals. KPIs are collections of data measures used for the assessment and evaluation of performance (Yuan, Zeng, Skibniewski & Li (2009). The evaluations normally compare the actual performance in terms of effectiveness, efficiency and quality against the desired one. For effective measurement of performance and impact assessment of any given change, it is imperative to determine the appropriate KPIs on which to focus. Accurate performance assessment can be attained only after the KPIs have been determined and monitored. Manville (2007) contends that internal and external stakeholders should be consulted and consensus reached regarding the selection of KPIs. de Waal & Coevert (2009) concur with Manville in that all stakeholders should be consulted when collecting information for the generation of a set of KPIs. When stakeholders are consulted on the selection of KPIs, participants

develop a common meaning, understanding and commitment towards those particular KPIs. Information on KPIs should be carefully collected so that they do not lose their reliability (Krause, 2003). To maintain the participation and motivation of participants, it is essential to keep the KPIs to a minimal level. When the number of KPIs is kept to a minimum, this ensures that measurement is accomplished to make performance management effective and not to measure for measurement's sake (Koufopoulos, Zoumbos, Argyropoulou & Motwani, 2008). It is imperative that the KPIs be properly designed and clearly defined if the performance management system's implementation is to succeed (De Waal & Couvert, 2009). KPIs can be developed at strategic, operational, team or individual levels of an organisation. At the strategic level, KPIs are essential for assessing progress in implementing strategic initiatives and evaluating the effectiveness with which desired outcomes are achieved (Sole, 2009). At the operational level KPIs are developed to measure the internal operating efficiency (input and output measures) and efficacy (service quality and customer indicators) of an organisation (Halachmi, 2011).

#### **2.6.14.1 Benefits of Performance Indicators**

Smith (1995) identifies the following benefits of performance indicators:

- Performance indicators spell out the objectives of an institution to employees.
- Performance indicators create an agreed plan of action to be followed by an institution and its employees.
- Performance indicators enable the employees to better comprehend the mandate of the organisation.
- Performance indicators encourage accountability of the organisation to its stakeholders by putting checks on the performance of managers, supervisors and workers.

### **2.7 Performance Management System (PMS)**

New Public Management (NPM) resulted in the development and implementation of performance management systems in public entities globally. The major assumption of this reform was the utilisation of performance measures in decision-making for greater effectiveness and efficiency of public service delivery (Pollitt & Bouckaert, 2011). PMS is a framework through which organisational strategy is implemented by communicating to employees about the organisational priorities, assigning

responsibility and accountability for behavioural outcomes and guiding to enhance performance (Biron *et al.*, 2011; Bae, 2006). A PMS is an valid and respected framework for managing employee performance that includes a policy framework and a framework covering all aspects and elements in the performance cycle; these include performance planning and agreement, performance monitoring, review and control, performance appraisal, and moderating and managing the outcome of appraisals (Mello, 2015; Munzhedzi & Phago, 2014). Sebashe & Mtapuri (2011) argue that PMS enhances organisational efficiency, effectiveness and accountability in the use of resources in accelerating access to quality services and a better life for all. It further harnesses an organisation's overall objectives by linking the work of each individual employee to the overall organisational mission and vision.

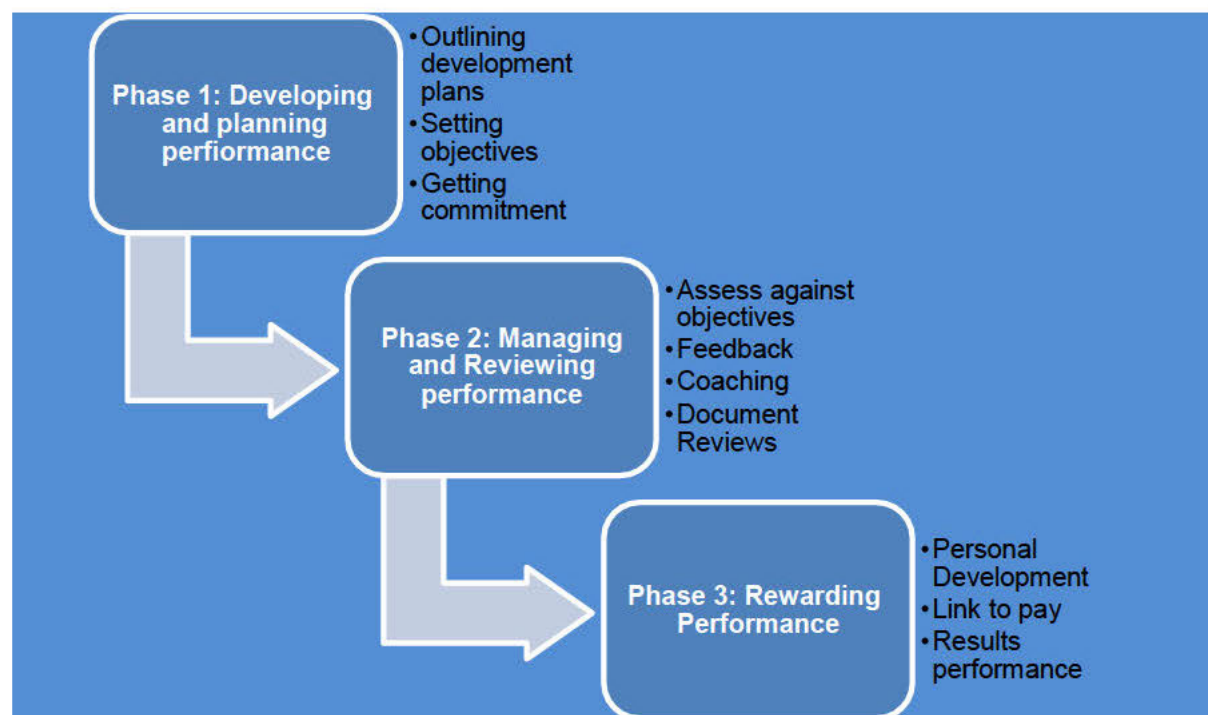
According to Jha & Jha (2018), organisations plan, measure and control their performance with the assistance of a defined performance management system (PMS). They define PMS as a system that focuses on various performance aspects that are necessary for the development and growth of the organisation as a whole. Similarly, Biron *et al.* (2011) and Bae (2006), define PMS as a framework through which organisational strategy is implemented in consultation with employees about the organisational goals and objectives, assigning responsibility and accountability for behaviour and outcomes and guiding for performance improvement. Aguinis (2014) states that the ideal performance management system must have strategic and contextual congruency, thoroughness, practicality, meaningfulness, specificity, identification of effective and ineffective performance, reliability, validity, acceptability and fairness, inclusiveness, openness, correctability, standardisation and ethicality. The extent to which employees and the organisation perform is important to the success of the organisation and, if PMS can be managed and implemented properly, it will assist in creating a conducive environment for employees to perform beyond expectation, improve organisational culture, and attract and retain valuable individuals, contributing to the success of the organisation (Letsoalo, 2007). From the global perspective, cultural differences can contribute to differences in how PMS is implemented in the public sector (DeNisi, Budhwar & Varma, 2008); therefore, the public sector around the world has put more effort towards the improvement of its employees' attitude as well as the extent to which they deliver services to the public.

The public sector has now prioritised PMS and found it to be the framework through which individuals are held accountable within the public sector.

### 2.7.1 Stages of Performance Management System

PMS initiates all the five functions of management i.e., planning, organising, directing, controlling and rewarding employees to achieve anticipated results (Jha & Jha, 2018). The PMS of an organisation is expected to set performance objectives, enhance employees and departments' performance with the aim of enhancing organisational effectiveness (Biron *et al.*, 2011). According to Zhang (2012), a performance management system is classified into a development, planning, managing, reviewing and rewarding phase.

**Figure 1: Performance Management System Process**



Source: Zhang (2012:10)

#### 2.7.1.1 Phase 1: Developing and Planning Performance

Zhang (2012) states that planning is the first stage in the performance management system cycle and offers the foundation of an effective performance management process. He writes that this phase includes outlining the development plans, setting objectives and getting commitment activities. According to Tomić, Tadić & Sedlak



(2016), performance management in an organisation refers to the definition of expectations in the form of the goals and business plans. This is consistent with Weimei & Fenge (2012), who state that the planning phase of the performance management cycle involves the setting of performance objectives and expectations to be executed within a certain period of time by individuals and teams. Hendrickse (2008) refers to the planning phase “as the most important phase on which all the other phases depend to succeed”. Similarly, Zhang (2012) writes that performance management relates to planning, which is the initial step in achieving future success.

In his research, Mawila (2013) argues that during this phase, supervisors and their subordinates engage in a joint participative process and set organisational goals, as well as specific goals for individual employees. The argument is further elaborated on by Nyathi (2014), who states that planning helps to encourage commitment and understanding by linking the employee’s work with organisational goals and objectives. Meyer and Kirsten (2005) mention that planning is an essential requirement for effective execution of performance management in any organisation; therefore, performance management frameworks need to be planned to the extent that they focus on key performance areas reflected in the strategic plan of the organisation. At the beginning of the performance management cycle, it is important to consult and review employees’ performance expectations, the behaviours they are expected to display and the results they are expected to achieve during the upcoming rating cycle.

It is argued by Aguinis (2014) that performance planning, as one of the components of the performance management process, includes the consideration of the results and behaviour as well as the development plan. Weimei & Fenge (2012) further argue that performance planning is an important aspect of the performance management system as the performance management cycle begins with this element.

Solomon & Young (2007) report that performance objectives are the starting point for performance measurement in the process of determining the extent to which organisations and individuals have achieved their goals. They maintain that in the planning phase of PMS, performance objectives must be set and viewed as an effective motivational foundation to manage projects based on the goal-setting theory developed by Locke (1968). Additionally, Dessler (2013) states that the goals set

should be specific, measurable, attainable, and relevant and should clearly derive from what the manager and company want to achieve while also timeously reflecting deadlines and milestones.

According to Weimei & Fenge (2012), performance planning is the first aspect of the performance management cycle and is also a starting point that includes the two aspects of the establishment of the performance target and formulation of the performance plan. Wilton (2013) states that the planning phase of the performance management cycle is concerned with the setting of performance objectives and expectations for individuals and teams. It can be deduced that performance planning is the starting point of the performance management system; it sets the tone for other stages of the performance management cycle because, at this stage, individual goals are formulated, relevant competencies identified, and an agreed performance plan produced for all employees. Supervisor and subordinate therefore sit down together and discuss performance expectations and goals and personal development plans. Consequently, planning promotes an understanding between supervisors and subordinates and can be used to discuss general issues with employees that may have an effect on performance.

#### **2.7.1.2 Phase 2: Managing and Reviewing Performance**

This phase involves monitoring and assessing against objectives, seeking feedback, coaching and document reviews' activities.

- **Monitoring**

Ireland (2007) defines monitoring as a process of systematically tracking and checking all project activities. Meyer & Kirsten (2005) assert that monitoring is the systematic collection and analysis of information, thus, performance monitoring is about collecting sufficient data to ensure that line managers implement the performance plans correctly, in as far as deliverable outcomes are concerned.

As posited by Ratnawat & Jha (2013), in order to monitor the performance management system, the quality of performance standards must be ensured, more frequent performance management reviews conducted and the use of performance assessment results be provided, while also tracking the raters to ensure quality of

ratings. They contend that inflation of ratings can be dealt with by continuously monitoring ratings, modifying rating techniques, simplifying rating categories and implementing forced distribution if the situation so warrants. Superiors should continuously monitor, provide feedback and gather data regarding performance during this phase.

#### ▪ **Performance Reviews**

If feedback has been continuously provided, the formal performance review session should simply be a recap of what has occurred throughout the rating period (Pulakos, 2014). Formal performance reviews refer to planned face-to-face meetings between employees and their supervisors to discuss the employee's job performance or development (Dewettinck & Dijk, 2013). Pulakos (2014) concurs that the performance review meetings should in consultation with employees to discuss their performance in terms of rating scores, narratives and rationale behind the rating scores given and these should be no surprises, as feedback has been continuously provided. Formal performance reviews serve as a medium to inform employees about how their performance has been evaluated. Dewettinck & Dijk (2013) further state that informal performance reviews are unplanned encounters between a supervisor and his or her employee to discuss the employee's job performance and provide feedback that helps the employee meet performance expectations set in formal performance reviews.

Pulakos (2014) writes that the performance review sessions can also serve the purpose of planning developmental activities with employees. She further elaborates by saying that any negative deviations from the performance standards should be identified as development areas and should be incorporated into the employee's personal development plan. If all current job standards are met, she says that employees and managers should look to the next level's performance standards to identify requirements and developmental areas to pursue in preparation for advancement. Managers should therefore focus on continuous review of the employees' performance, in order to determine whether the action plans proposed to close the gaps between performance measures and goals are being achieved or not.

### ▪ **Coaching**

According to Bohlander & Snell (2013), successful performance management systems require regular employee coaching. They believe that effective coaching entails the building of a relationship that includes a degree of mutual trust and commitment. Similarly, Lindbom (2007) suggests that coaching consists of formal on-going interactions between employees and their superiors with the aim of facilitating individual learning and behaviour changes, as well as providing constructive and developmental opportunities to help employees learn how to face complex situations. Managers should focus on improving their current performance and workers need to build their capabilities for the future. Bussin (2013) suggests that employees are responsible for monitoring their own performance and asking for help whenever it is needed as this promotes ownership of, and control over, the process.

### ▪ **Feedback**

The structure of a performance management system also involves the extent to which it allows for participative decision-making. Participative decision-making refers to the degree to which supervisors encourage employees to express their ideas and use employee feedback when making decisions (Ricci, 2016). Unlike coaching, which typically focuses on future job performance, feedback focuses on providing employees with information about past job performance in order to reinforce desirable behaviour or to indicate areas for improvement (Meyer & Kirsten, 2005). Jha & Jha (2018) suggest that a prompt and formal feedback system must be enabled for successful performance measurement and that it would be helpful for employees to take corrective action. Timely feedback by superior to subordinate can enhance the subordinate's performance. According to Pulakos (2014), effective feedback process is a joint responsibility of managers and employees and requires that both be trained for their roles and responsibilities in the performance feedback process.

Ricci (2016) asserts that supervisors who are managing employees' performance should encourage them to voice their ideas surrounding their performance and take their inputs into consideration when making decisions regarding their performance, objectives, or development. Involvement of managers and employees in developing and implementing a performance management system strengthens trust and ownership of the performance measures. The work by the aforementioned authors

therefore suggests that transparent and timely communication about performance expectations is a must for any performance management system to be effective. Similarly, providing continuous feedback with a positive attitude is an integral part of communication.

#### **2.7.1.3 Phase 3: Rewarding performance**

This is the last phase which involves personal development, results of performance and link to pay activities.

- **Rewarding**

Rewarding is a type of positive reinforcement given in response to desirable behaviours designed to shape and improve performance; common forms of recognising desirable behaviours include special mention in a meeting, a note in a company newsletter, or various gifts or rewards (Haines & St-Onge, 2012). Performance-based rewards increase employee motivation, job satisfaction, and commitment to the organisation, and these, in turn, enhance public sector performance (Lavy, 2007; Lawler, 2003). Recognising performance that is above expectation or that is outstanding, is crucial for staff motivation. Managers need to reward good performance if they understand that their subordinates need to be motivated to perform well. Managers must look at various ways as to how they can motivate and reward the employees without only utilising extrinsic rewards. For instance, to be recognised as the best performer of the month in front of other colleagues in a small ceremony or taking a day off for a job well done can benefit the organisation enormously.

According to de Waal & Counet (2009), there is a clear link between the performance management system and organisational rewards system; thus, organisational rewards should be differentiated based on the quality of employees' performance. For example, the highest performing employees, in terms of the performance management system, should benefit more from the rewards system compared to lower performers. This is consistent with Ratnawat & Jha (2013), who emphasise the importance of linking performance assessment results with appropriate rewards and making the jobs as quantifiable as possible. A well-defined reward system must be introduced for the employees so as to avoid any discrepancy and disappointment.

In conclusion, the performance assessments should be based on targets that were agreed upon during the performance planning meetings. Supervisors should use the performance planning meetings as an opportunity to identify the development needs of their employees. There should be on-going feedback and coaching throughout the performance cycle. The rewards and recognition system should match the performance assessment ratings and be devolved uniformly. Performance should be linked to rewards (intrinsic and extrinsic) in order for the employees to be motivated to fulfil the organisation's goals.

## **2.8 Performance Management System's Effectiveness**

Success or failure in performance management depends on organisational philosophies, and the attitudes and skills of those responsible for its implementation and administration, together with the acceptance, commitment and ownership of appraisers and employees (Lawler, 2003; Hedge & Teachout, 2000). Trullen, Stirpe, Bonache & Valverde (2016) indicate that practices that are not effectively implemented are of no help, no matter how well they may address the needs of an organisation and its employees. Empirical evidence clearly indicates the importance of effective implementation for the outcome (Gratton & Truss, 2003; Khilji & Wang, 2006; Chow, 2012).

Performance Management Systems' (PMS) implementation is vital for the employee performance and organisational performance (Armstrong, 2007; Kandula, 2009; Aguinis, 2009). Dewettinck & Dijk (2013) define performance management system effectiveness as the ability of the system to improve individual employee outputs, including performance, motivation, collaboration, self-esteem, functioning on the job, and comfort in performing job duties.

According to Productivity SA (2007), effectiveness refers to the ability to achieve the set goals and objectives as well as the actual impact of service and quality of service rendered. In simpler terms, it refers to the extent to which a programme or policy achieves its immediate objectives or produces its desired outcome. Improving the effectiveness of a performance management system has to have the sole objective of improving employee performance (Dewettinck & Dijk, 2013).

An effective PMS is vital in ensuring that both individuals and the organisation are heading in the same direction in terms of priorities. The performance management system, as one of the human resource practices, requires effective implementation to enable the achievement of organisational goals.

## **2.8.1 Factors Contributing to Effective Implementation of the Performance Management System**

### **2.8.1.1 Managing Change**

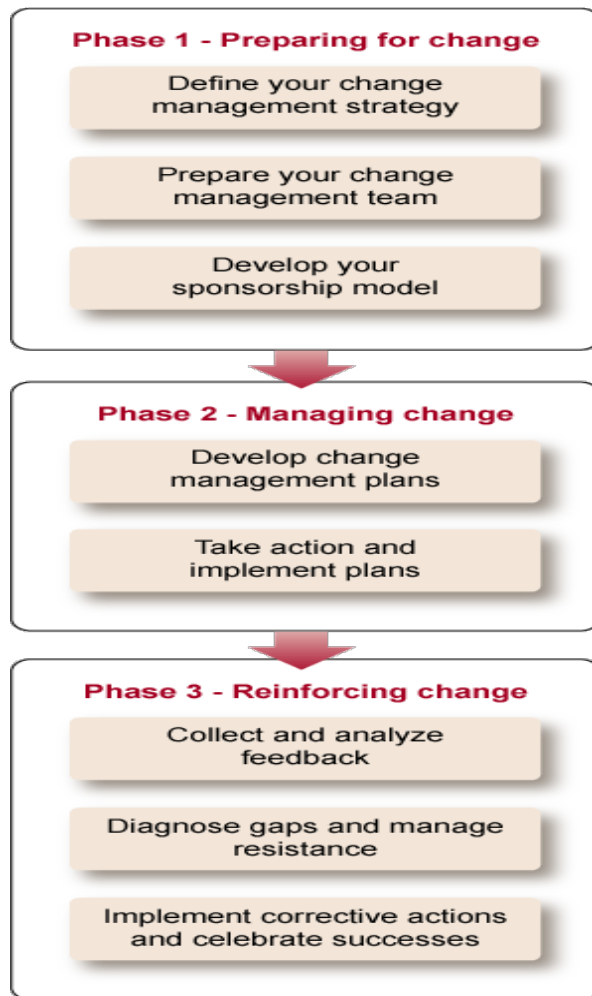
Implementing a new PMS can cause great organisational stress. As with most change processes, a new PMS requires a change management process that recognises the significance of the human factor; therefore, the development and implementation process needs to deal with the changes and also address change management issues. According to Kleine (2008), organisational change mostly intends to change the organisational state from the undesirable “before” to an enhanced or desirable “after” state. In spite of the importance and costs involved in realising the desirable state, many change management programmes fail to meet expectations. Due to the high percentage of failed change management initiatives in most organisations, it is imperative for organisations to direct more attention to the specifics of change execution. French, Bell and Zawacki (2005) state that most change management processes contain the following three phases:

Phase 1 - Preparing for change (Preparation, assessment and strategy development)

Phase 2 - Managing change (Detailed planning and change management implementation)

Phase 3 - Reinforcing change (Data gathering, corrective action and recognition).

Figure 2 - Change Management Process



Source: French W. L., C. H. Bell & R. Zawacki (2005)

Gotore (2011) is of the view that there should be clear objectives for change, with the planning stage focusing on the human element and being sensitive to people's genuine concerns, and also offering opportunities for growth, training and skills development. Various authors acknowledge resistance in any change initiative as normal human behaviour that must be overcome for the PMS initiative to succeed. Saravanja (2011) fully concurs in that resistance to change should be managed proactively. He argues that a communication process must be developed in such a way that the benefits of the PMS are explained, progress with implementation communicated and fears, concerns and hesitations reduced.

Another critical and experienced challenge in the development, implementation and maintenance of PMS is organisational culture (Miruka & Seotlela, 2014). Studies have



revealed that when implementing PMS, there is usually some form of cultural resistance during the process of trying to achieve organisation-wide buy-in for the system. Employees may feel threatened by the new system being implemented (Miruka & Seotlela, 2014). Saravanja (2011) warns that addressing cultural challenges effectively requires commitment from the organisation's top management. Saravanja (2011) further states that the design process of a PMS should involve thorough consultation with major stakeholders and, in particular, the future users of the system.

In the quest of building trust and relationships with employees and relevant stakeholders, consultation and interaction are critical and, before applying the new PMS, it is necessary to pilot and test it so as to avoid resistance and unacceptance of the new or changed PMS.

#### **2.8.1.2 Communication**

Biron, Farndale, & Paauwe (2011) emphasise that information regarding the performance standard expected of employees must be adequately and clearly communicated. Similarly, Ratnawat & Jha (2013) assert that the new performance management's effectiveness relies on transparency and timely communication about performance expectations. In addition, Kwofie, Fugar, Adinyira, & Ahadzie, (2014) state that the communication of expectations can be linked to two components of goal-setting theory, namely, clarity and commitment. Organisations can clarify goals and targets for employees by using better communication. Employee acceptance is essential to the success of any goal-setting effort, and communication is critical for the achievement of employee acceptance. Effective communication enables the employees to understand what is expected of them and how to achieve it.

Biron, Farndale & Paauwe (2011) further argue that employees must know the required standard of performance they should meet, where they and their department fit into the overall goals of the organisation, and what the strategic business plans for the near and more distant future are. Understanding of the PMS is the key to its success and understanding will only occur through effective communication, which encompasses senior management sharing messages in a clear and consistent manner in order to build awareness.

In summary, as communication assists with managing resistance to change and building positive momentum, it also assists in eliminating uncertainties in the workplace. Communication is a critical component in the effective implementation of performance management. Furthermore, PMS promotes communication as it allows employees to be informed about how well they are doing, to identify specific areas that may need improvement, and to be informed about the organisation's priorities and expectations.

### **2.8.1.3 Senior and Line Management Commitment**

Line Management is often identified as being essential to the delivery of HR services, acting as a crucial link between organisational HR policies and their influence on employee performance (Hutchinson & Purcell, 2010; Purcell & Hutchinson, 2007). The success of PMS, as one of the HR Practices, relies mainly on line managers' effective implementation (Trullen *et al.*, 2016). This is consistent with the views of Miruka & Seotlela (2014), who suggest that, in order to ensure effective implementation of PMS, the system should be driven by line management as opposed to the Human Resources Department. Line managers are often considered to be critical implementers of the performance management system and act as interpreters of the system for employees by showing how the system fits within their work units, and in so doing, they are also able to influence employees' responses to the system (Sikora & Ferris, 2014). As a result, if line management's commitment is not ensured, this can result in implementation failure of the PMS.

Bos-Nehles, Van Riemsdijk & Looise, (2013) state that if line managers lack the necessary competences relating to the HR practice to be implemented, the outcome will inevitably be poor. It is therefore necessary for the HR department to provide assistance and guidance to line managers to ensure their capability in the practice to be implemented. It is important that HR specialists ensure that line managers' motivation to implement the PMS is enhanced.

Biron, Farndale, & Paauwe (2011) maintain that performance management is likely to be more effective when there is commitment from senior managers and they regard the PMS as the fundamental core function of the organisation. They further argue that senior management's involvement may contribute to the effectiveness of PMS by

means of a stronger alignment between the organisation's goals and its HR practices. Saravanja (2011) fully concurs that leaders should be encouraged to develop the capacity to create a shared vision, motivate staff and build a PMS that focuses the entire organisation on a common goal. Consequently, the extent to which senior and line managers are committed to PMS has a direct impact on the success or failure of the system.

#### **2.8.1.4 Performance Management Training**

Performance management engages managers in an ongoing process of performance planning, coaching, assessment and review and as such, the effectiveness of performance management, to a large extent, rests with them. According to Haines III & St-Onge (2012), the performance management system is likely to be effective and deliver desirable outcomes when managers focus competently on the various phases of the performance management process or cycle. Miruka & Seotlela (2014) state that PMS often fails as a result of lack of training transfer into the organisation to support its implementation. This coincides with Paile's (2012) study which shows the view that the success of PMS depends mainly on the training effort put into it by the relevant organisations.

Performance management training helps employees to grasp the benefits of such systems and makes it easier for them to understand the necessity thereof (Kleindienst & Biedermann, 2017). Training can help to decrease barriers and assist in the change process. To assist employees to understand the rationale behind the performance management system, what its goals are and how it is structured and implemented, performance management training is vital. It is therefore of utmost importance that all those involved in performance management processes, including HR practitioners, line managers and employees, be adequately trained as they are central to the success or failure of the process.

Biron, Farndale & Paauwe (2011) argue that inadequate training of managers and supervisors can result in rater bias. The Rater Bias may include subjective inflating or deflating of performance reviews because of either deliberate or unconscious errors. In this regard, Jha & Jha (2018) observe that PMS training has two-fold benefits. Firstly, it will provide raters with evaluation criteria, clarity and common input, all of

which reduce bias. Secondly, it can help management's representatives to take ownership.

Paile (2012) is of the view that the challenge of inconsistency among raters can be overcome, especially when all participants are exposed to the same training materials and perhaps also to the same instructor. Saravanja (2011) advises that robust processes must be introduced to guarantee the objectivity of performance ratings and judgements and to reduce favouritism and bias while Biron, Farndale, & Paauwe (2011) believe that appraisal discussions of managers who are adequately trained are more effective than those of untrained managers, as they are perceived by employees to be more valid.

Paile's (2012) findings are that performance management training is vital in assisting employees to understand the rationale behind the system, how to draft performance plans, how reviews are conducted and how to complete the relevant forms. He further argues that the course content of the training manual for employees should include, firstly, understanding the principles of performance management; secondly, understanding the benefits and principles of the new system; thirdly, skills development in formulating objectives and performance measures; fourthly, developing draft performance work plans, and fifthly, participating in performance management interviews. In short, performance management training signals the organisation's commitment to performance management's effectiveness.

#### **2.8.1.5 Training and Development of Employees**

Sultana, Irum, Ahmed & Mehmood (2012) state that training, as one of major activities of human resource management, has been recognised to improve and develop employee performance. Nassazi (2013) defines training as planned and orderly behaviour through knowledge events, activities and programmes that lead to the achievement of the participants by way of increased knowledge, skills, competencies and capacity levels to do their jobs effectively. Training increases employees' productivity and brings optimistic change in the organisation. According to Mondy & Mondy (2014), training and development is of utmost importance to improve employee competency and organisational performance. Similarly, Paile (2012) suggests that training and development are activities aimed at enhancing employees' competencies

and improving performance. It is important that organisations continually strive for a performance culture that encourages and supports learning, individual growth and development.

Nassazi (2013) is of the view that training and development is often used to close the gap between current performance and expected future performance. He further argues that the main purpose of training is to acquire and improve knowledge, skills and attitudes towards work-related tasks. Jha & Jha (2018) argue from a resource-based view of the organisation in that the more volatile, uncertain, chaotic and ambiguous the market environment, the more organisations tend to depend on their employees as a vital resource with the requisite skills capital to realise the desired future. Similarly, according to the dynamic capability theory, a firm's dynamic capabilities are crucial determinants of its ability to achieve firm performance, particularly in a confused, turbulent and unpredictable environment (Bowman & Ambrosini, 2003).

In addition, from the point of view of the employee, the idea of training is principally to obtain skills and knowledge to do the job efficiently and to gain promotion and career advancement. Training can be defined as knowledge obtained by independent study, and the acquisition and retention of knowledge, competencies, skills, attitudes and thoughts applied in the modification of performance through experience (Sherwani & Mohammed, 2015). Aguinis, Gottfredson & Joo (2012) argue that it is necessary that organisations should use PMS to create and maintain individual development plans (IDPs) for their top performers. They maintain that IDPs assist in the retention of top performers because the system contributes to their expectations about their work in terms of learning new skills on the job. IDPs also provide an organisation with answers as to which employees should receive a managerial mentorship.

In summary, training and development are planned learning experiences that teach employees how to perform their current and future jobs. Training focuses on present jobs, whereas development prepares employees for possible future jobs. Performance management, as a tool, was specifically designed to not only manage and measure individual/group performance but also to support the identification of competence requirements needed in the execution of an organisation's strategic

objectives. This results in an organisation developing the correct skills that are needed in achieving its strategic business objective and to ensure that the career aspirations of employees are addressed. When implemented effectively, a PMS supports developmental purposes in that it allows managers to coach employees and help them improve performance on an ongoing basis. A PMS supports organisational maintenance as it yields information about skills, abilities, promotional potential and performance histories of employees to be used in workforce planning, as well as in assessing future training.

#### **2.8.1.6 Managing Poor Performance**

Amaratunga & Baldry (2002) state that performance management uses information from performance measurement to trigger positive changes in the systems and processes of the organisation, as well as in the organisational culture, and to define objectives and goals, while also allocating and prioritising features. According to Cappelli & Tavis (2016), line managers should not wait until the end of the year to flag struggling employees as this allows failure to go on for too long without intervention. Similarly, Mello (2015) suggests that it is important that performance-related issues are timeously dealt with because this process allows feedback to be provided on an on-going basis. Clearly, it is important to understand the impact of employee poor performance and deal with it immediately in order to curb a negative element in the organisation, especially if left unattended. Hlengane & Bayat (2013) state that poor work performance tarnishes the image of the organisation, allows for unruliness and demotivates members who are hard workers.

Bohlander & Snell (2013) suggest that coaching can be another method used to identify and manage poor performance as it provides the opportunity for an employee to solicit ideas and suggestions for improving work processes. Coaching is an important tool for identifying poor performance and deal with it as it occurs, rather than to wait until it is time for final reviews. Khan, Salam, & Sherpao (2014) fully concur in that a performance improvement plan, as it is called in some organisations, is the only tool which can be used to improve employee's performance and which contributes toward organisational effectiveness. Failure to manage poor performance has a negative impact on the PMS as a whole. Performance management procedures are designed to encourage and to promote good performance, thereby enhancing

individual performance and ultimately improving the performance of an organisation. As suggested by Miruka & Seotlela (2014), managing the performance of employees is line management's responsibility, so it is the manager's responsibility to manage and monitor the performance of employees. The human resources department must ensure that it facilitates the effectiveness of this process.

As suggested by various authors, poor performance of an employee can be related to either lack of knowledge, lack of training on the job or some other issue, such as a negative attitude towards the work or towards the manager, therefore early detection is necessary. The causes for poor performance must be investigated and training should be considered where appropriate, thereby granting an employee time to improve. This can be achieved by developing the performance enhancement plan for each employee.

#### **2.8.1.7 Raising Performance through Effectively Developing the Individual Performance Scorecard/Agreement during the Planning Phase**

The shift from process and rule conformity to a performance and results focus facilitates greater accountability in public organisations (Hoque & Moll, 2001). This change is often made using contracts, which are signed between the planning levels of government and the units (or agencies) delivering the services (Greiling, 2010). Along with contracts, the tracking of performance indicators and scorecards has become a common means of assessing the performance of public servants (Greve, 2003).

The traditional way of measuring performance is using the Balanced Scorecard. Kaplan (2010) states that the framework of Balanced Scorecard is a widely-used management tool that can be used to measure performance more holistically (Striteska & Spickova, 2012). The Balanced Scorecard concept was developed with the intention of making business strategy measurable and concrete (Kaplan, 2010). In order to measure performance effectively, organisations may have to utilise the Balanced Scorecard as an evaluation technique (Holzer & Kloby 2005; Sureshchandar & Leisten, 2005 and Greiling, 2010).

Stredwick (2014) states that an agreement must be reached between the manager and the employees on the required standard of performance. It is important to note

that an employee's performance scorecard during the planning phase must be aligned to the organisational strategy and business plan. The employees need to understand what is expected of them and what the organisation is trying to achieve and the part they have to play in the whole corporate plan (Bohlander & Snell, 2013). Kariuki (2011) concurs with the view that the performance agreement should be an agreement between employee and manager that clearly specifies mutual performance obligations, intentions and responsibilities, and it is important that its goals are generally cascaded through the organisation. The scorecard should be easy to use and applied to all employees in the organisation.

#### **2.8.1.8 Performance Coaching**

It is critical for HR professionals to support line managers in creating and maintaining a high-performance environment (coaching, training, and mentoring), particularly in lifting the performance of those whose performance is unsatisfactory (West & Blackman, 2015).

Bohlander & Snell (2013) regard regular conversations between the manager and the employee as crucial for the improvement of performance and the realisation of individual potential and personal ambitions for the future. It is the manager's role to have on-going, face-to-face, open and honest conversation and to provide positive information for the employee so that he/she can monitor and improve his/her own performance. Coaching also plays a vital role in building a relationship between the manager and the subordinate. Coaching is an important tool for identifying poor performance rather than waiting until it is time for final reviews. It is a method of strengthening communication between the line manager and the employee. It helps to shape the performance and increase the likelihood that the employee's results will meet the required standard. Coaching is a tool to assist managers and employees to reinforce what is being done well and to deal appropriately with performance obstacles. If coaching is done well it can be an important tool in motivating employees to achieve the goals of an organisation (DeSimone & Werner, 2012).

#### **2.8.1.9 Performance Feedback**

Feedback is considered an important aspect in PMS and related processes (DeNisi, & Sonesh, 2011; DeNisi, Varma & Budhwar, 2008; Jawahar, 2006). Ratnawat & Jha



(2013) state that the performance management aspect is about not only measuring performance but rather it is about providing feedback to individuals for directing action. Aguinis (2011) explains that follow-up or feedback to PA is a very challenging stage during which many supervisors who manage performance often feel uncomfortable, especially about performance reviews, because managing performance requires that they judge and coach at the same time. Feedback comprises appreciation of good work and identification of failures. The failures may be due to many reasons and some of them may not be in the control of the employee concerned. However, identifying the areas of improvement can be achieved by identifying the concerns during the performance review. The employee and manager are both expected to identify the areas of concern in the employee performance (West & Blackman, 2015).

Ratnawat & Jha (2013) define performance management as the application of performance feedback and other behaviour modification techniques to shape behaviour in desired directions. They further state that timeous feedback given with the intention of behavioural modification of the performer, without hurting his/her self-esteem, can go a long way in improving the organisational performance.

Singh (2012) suggests that participation, goals and feedback have an impact on appraisal acceptance; this affects appraisal satisfaction and, finally, employee motivation and productivity. According to Bohlander & Snell (2013), feedback is useful when it is immediate and specific to a particular situation. Similarly, Jha & Jha (2018) suggest that timely feedback by the superior to the subordinates will enhance the subordinates' performance. A superior should share with subordinates all the information which is directly or indirectly linked to target achievement timeously. Superior involvement and information sharing during the target achievement phase is important as it reduces role complexity.

Aguinis (2011) agrees that performance reviews are very important as they allow employees to improve their performance through the identification of performance problems and their solutions. Employees want to know how they are performing because they want to do a good job. Managers should, on a regular basis, tell employees about their performance – what is good, what could be improved, and even more importantly, how to evaluate their own work. Philips & Gully (2014) concur in that

positive feedback is easier to provide and to accept; however, giving negative feedback is something many people find uncomfortable. They state that feedback must be objective and impersonal if it is to have the desired effect of motivating employees.

Gully & Philips (2014) further contend that performance feedback can also be obtained from one or many sources; this is called multi-source assessment or sometimes called 360-degree assessment, which involves the employee's supervisor as well as other sources that are familiar with an employee's job performance. The other sources that are familiar with an employee's performance may include customers, peers, subordinates and anyone aware of the employee's performance in a relevant area.

Employees should receive feedback on a regular basis in order to ensure that they understand what is expected of them in the workplace and in order to achieve the strategic objectives of the organisation. Unfortunately, most managers and employees discuss performance progress towards the end of the final reviews and this creates challenges regarding the performance management system.

## **2.9 Implementation Challenges of the Performance Management System (PMS)**

Although several years have passed since the implementation of the PMS, pursuing greater effectiveness of performance management systems remains a practical challenge and a key issue in many recent studies (Pollitt 2018; Van Dooren, Bouckaert & Halligan, 2015).

The question of the implementation of performance management has become an important consideration for government departments in South Africa. This is guided by the Department of Public Service and Administration. However, literature clearly documents government's inability to effectively implement the PMS. This is supported by Kgwefane (2013) who suggests that policy implementation in South Africa has not been as successful as policy formulation. This failure of many government departments to translate PMS into proper outputs has also tarnished the image of the public sector.

PMS literature indicates that performance-oriented reforms have certain problems. First, measurement techniques are never ideal. One of the challenges to effective implementation of the Performance Management System is the assumption that it means managing under-performance and, even where there is an attempt to discuss the management of the majority of skilled and effective performers, the usual reaction is still to focus on under-performance (West & Blackman, 2015). Managers see performance management as merely a way of checking up on agreed targets to prevent under-performance rather than developing higher levels of performance. Performance management is rather used as a control mechanism rather than a developmental tool. This control focus, plus a clear lack of interest in the process, other than to manage underperformance, means that any strategic orientation is often lost (West & Blackman, 2015). Some managers view performance appraisal as an annual ritual whereby they merely complete assessment forms and use them to catalogue all the negative information they have collected on an employee over the assessment period (Noe *et al.*, 2010). Meier and O'Toole (2012) state that the result of overestimated individual performance leads to overestimated management performance as the exaggerated organisational accomplishments will be attributed to good management.

The emphasis on performance management has, consequently, shifted from a controlling and vigilant system to a commitment based system. The real concept of performance management aims at enhancing the performance of both individuals and the organisation (Fletcher, 2009). Performance measurement is not synonymous with PMS. Performance management is viewed more broadly as a management tool that aims to improve the performance of an organisation while performance measurement focuses more narrowly on the metrics used to determine how an organisation is performing (Gao, 2015). It is argued by Swanepoel, Botha & Mangonyane (2014) that the major problem of performance appraisal is the dichotomy between quantity and quality of work whereby, too often, a blanket approach is utilised to evaluate employees on the *quantity* of work performed and not necessarily on its *quality*. The argument is further elaborated by Hoskins, Leach & Neerputh (2006) who state that the recording of the quantity of work performed is relatively easy as opposed to the quality estimation of the same or other work. The PMS system is viewed as rigid and discouraging innovativeness as it has little or no room for unplanned/unintended

consequences (Marobela & Mawere, 2011). This is so because performance targets are agreed upon and sealed at the start of a performance year and jobholders are expected to implement their performance plan with little or no room for flexibility and innovativeness. Most of the literature reviewed supports the fact that top management's commitment or leadership is one of the critical challenges to successful implementation of PMS. Thus, the involvement of management would greatly assist in the promotion and restructuring of the organisation and to expedite the change management process in the organisation (Marobela & Mawere, 2011).

Lack of training and awareness both have a negative impact on PMS implementation as not all employees accept the changes that have occurred in the workplace; therefore, communication between managers and subordinates must be good to ensure the attainment of organisational objectives. Training and awareness therefore play a crucial role in ensuring the success of PMS implementation (Joshi, 2009). Akella & Waqif (2017) state that measurements can be erroneous due to the human factor. Managers are reluctant to rate their employees and most of the time employees are not convinced that ratings are fair. According to Arnaboldi *et al.*, (2015), the main challenge for performance management systems in public service organisations is a negative side effect, which undermines employees' motivation, morale and behaviour. Considering the fact that the most important resource in many organisations, including the public service, is their human capital, employees' expertise, and capacity for problem solving and policy implementation are crucial in the success of the organisation or public service.

De Waal & Counet (2009) identify the following challenges to effective implementation of the PMS:

### **2.9.1 Management Puts Low Priority on the Implementation**

Time constraints and daily work pressures cause management to be too taken up solving immediate and unexpected organisational problems, which postpones the development and implementation of the PMS.

### **2.9.2 Implementation Requires More Time and Effort than Expected**

During the development and implementation of the PMS, the organisation finds that it takes more time and effort than initially expected or budgeted for. This lack of results discourages organisational members and causes them to spend less time and energy on the implementation of PMS, which results in an overall slowing down of the application of the process. .

### **2.9.3 There are Insufficient Resources and Capacity Available for the Implementation**

Introducing a PMS requires a considerable amount of attention and effort from the organisation and its members. Often organisations that want to start the implementation cannot free up sufficient resources (budget) and capacity (people), resulting in delay or even postponement of the implementation.

### **2.9.4 The organisation is in an Unstable Phase**

The organisation finds itself in an unstable environment as it is too busy with major projects like reorganisation, mergers, acquisitions, new parent company initiatives or downsizing, or it has financial problems or other issues that place too much stress on management. This situational instability delays or slows down the implementation of the PMS.

### **2.9.5 The PMS Implementation Does Not Have a Clear Goal**

It is unclear to organisational members what the goal of the new system is, resulting in resistance to its implementation. People who do not understand that the PMS is a strategic management tool and not a measurement control system, will be sceptical and hostile towards it. This, in turn, delays or slows down the implementation of the PMS.

### **2.9.6 Lack of Management Commitment**

When management commitment and leadership commitment for the implementation and use of the PMS is lacking, other organisational members will place little priority on working with the new system. If not every member of the management, team actively supports the importance of the system (especially the non-financial improvement

character of the new system) it will be seen as a new financial control tool and encourage further resistance.

#### **2.9.7 Insufficient Period of Time Attention from Management for the Implementation of the PMS**

The implementation of a PMS takes a considerable period of time, after which the organisation has to start learning the new system which also takes time. During this entire period, commitment and support from management is required, otherwise the PMS can simply be seen as the “flavour of the month” by organisational members. In that case, the new system will not become institutionalised in the organisation.

#### **2.9.8 Organisational Members Lack a Positive Attitude towards the PMS**

For the successful implementation of a PMS, organisational members need to have a positive attitude towards the new system. A positive attitude is obtained if people have an understanding and acceptance of the need for such a system.

#### **2.9.9 Insufficient Commitment from Middle Management and Staff for PMS Implementation and Use**

Middle management and staff affirmation is essential for the success and acceptance of the PMS. If they do not see personal gain, then the PMS implementation will be delayed or the new system will not be enthusiastically applied. .

#### **2.9.10 The Current ICT System Does Not Support the PMS Adequately**

If the current information and communication technology of the organisation cannot support the PMS by automatically collecting, processing and reporting the data for the KPIs, then too much effort is required from organisational members to manually collect and process the data. This results in an incomplete PMS which will gradually be abandoned because of decreasing relevance and insufficient added value to organisational members.

#### **2.9.11 Organisational Members Are Not Adopting the Right Management Style**

If management intends to use the PMS for settling scores and punishing people, instead of using the new system for coaching and continuous improvement, then the organisational members will take a dislike to the system, which, after all, supplies the

information used to punish them. This will result in manipulation of the data in the PMS and even sabotage.

#### **2.9.12 Organisations Do Not Have a Clear and Comprehensive Strategy**

If the mission, strategy and objectives of the organisation are not clear and comprehensible to organisational members, then the critical success factors (CSFs) and KPIs that are developed for inclusion in the PMS will probably not be relevant to the organisation. This will result in less use of the PMS.

#### **2.9.13 It Is Difficult to Define Relevant CSFs**

If the organisation has difficulty defining CSFs and if it does not get help to overcome this difficulty, then organisational members might simply give up because too much effort is required. In addition, they might not trust that the resulting CSFs will be the most important ones because they doubt the quality of the defined factors.

#### **2.9.14 There Is Not Enough Focus on Internal Management and Control**

If the PMS is used mainly for external reporting requirements instead of internal control, then organisational members will find the performance information in the system to be less relevant for them, resulting in a decreased use of the PMS.

#### **2.9.15 It is Too Difficult to Decompose Goals for Lower Levels in the Organisation**

If the organisation has a hard time defining goals, objectives, CSFs and KPIs for lower management levels, there will not be a good translation and alignment of the strategy throughout the organisation. This can result in lower organisational levels starting to use their own performance indicators which might be in contradiction to the organisational indicators.

#### **2.9.16 There Is a Lack of Knowledge and Skills in regard to The PMS**

If organisational members lack the understanding and the skills required to work with the new PMS, for instance, because they have received insufficient training in the workings of the system, then the PMS will either not be used properly or not at all.

### **2.9.17 The KPIs Are Not Linked to Departmental, Team and Individual Responsibilities**

If KPIs are not linked to specific responsibility areas, there will be no organisational members who are, or feel responsible for, the results on these indicators. This causes the PMS to be irrelevant for steering purposes and therefore organisational members will probably not use it.

### **2.9.18 It is Difficult to Define Relevant KPIs**

If the organisation has difficulty defining KPIs and if it does not receive help to overcome this difficulty, then organisational members might simply give up because too much effort is required. In addition, they might not trust the fact that the resulting KPIs will be the most relevant ones because they doubt the quality of the defined factors.

### **2.9.19 There are Too Many KPIs Defined**

If there are too many KPIs, organisational members are not able to understand what is expected of them because of an overload of information and not enough time to adequately work on each indicator.

### **2.9.20 The Organisation Measures the wrong KPIs**

The organisation measures KPIs that have been poorly designed and defined. As they are not relevant, they are not used or used in the wrong way by organisational members.

### **2.9.21 There is too much Focus on The Results of the Implementation, while the Change Process of the Organisation is ignored**

To make a PMS a success, not only the implementation of a good structure is important but also establishing and fostering the right performance-driven behaviour. This requires a change of attitude in organisational members. If not enough attention is paid to this change process, there is a high risk of the organisation having a good PMS which is not used or used in the wrong way by organisational members.



#### **2.9.22 There is Resistance from Organisational Members Towards the New PMS**

Implementing a PMS, which makes performance of everybody in the organisation much more transparent, can cause resistance amongst organisational members because they feel threatened by the new system.

#### **2.9.23 There Is an Insufficient Link between the PMS and the Reward System**

If the link between the PMS and the evaluation and reward system is insufficient or there is none available, organisational members will not be evaluated on and rewarded for working with the new CSFs and KPIs. This leads to organisational members working on other issues while at the same time regarding the PMS as not being very relevant.

#### **2.9.24 The PMS Lacks Cause and Effect Relations or is Over-Complex due to too many Causal Relations**

If there are no cause-and-effect relations made between strategic objectives, CSFs and KPIs, or if there are too many relations, organisational members may not understand or see how changing the results on CSFs and KPIs will affect the performance on the organisation's objectives.

#### **2.9.25 The Organisation does not have a Performance Management Culture**

If the organisation does not have, a culture which is focused at all times on achieving continuous improvement and results, the PMS will not be used adequately by organisational members for achieving better performance.

#### **2.9.26 The PMS Is not used for The Daily Management of the Organisation**

If performance information from the PMS is not used in the daily management of the organisation, for example, for reviewing, analysing and discussing the results achieved on CSFs and KPIs, corrective action is not taken (not enough or not in time), resulting in not achieving the targets of the organisation.

#### **2.9.27 The PMS is not regularly Updated and Maintained After Implementation**

If the PMS is not kept current and real in order to stay aligned with changing circumstances, i.e. with relevant CSFs and KPIs that measure and track the current organisational strategy and responsibility areas of organisational members, it loses its

relevance for organisational members because it does not give them the right performance information to act upon. This will eventually result in abandonment of the system.

#### **2.9.28 There is No Organisational Member Appointed to Take Ownership of the PMS**

If the PMS is not supervised by an appointed and dedicated organisational member, there will be no one in the organisation who ensures the system is regularly updated and that problems with the system are swiftly taken care of. The PMS will consequently become less relevant to the organisation, which will result in decreased use.

#### **2.9.29 There are Difficulties in collecting the Data to Calculate the Performance Indicators**

If the effort to collect the data to calculate the KPIs is too great (for example, because these have to be collected and calculated manually), organisational members tend to abandon the PMS because it takes too much effort to keep it up-to-date.

#### **2.9.30 The PMS is given a Low Priority or Its Use is Abandoned After a Change of Management**

If the management, which supported the PMS, is replaced by new management which does not feel the same necessity for the system, the PMS use will decrease or the system will be abandoned completely as organisational members notice that management does not pay much attention to the system.

#### **2.9.31 The Organisation Does Not See the Importance of PMS**

If, after the implementation of the PMS, organisational members do not see improvements in their results, which can be traced back to the use of the new system, they will not feel benefits from the system and there will be a strong inclination to give up on the PMS (de Waal & Counet, 2009).

### **2.10 Arguments in Favour of Performance Management.**

Cameron (2015) notes that the most important arguments in favour of performance management are: firstly, performance is needed for accountability and transparency. For democratic systems to work, citizens need to be given information, not just about

how national and provincial departments are run, how much they cost, and who is in charge, but also what results have been achieved. This encourages and increases accountability of the performers. Secondly, there is performance as customer service. Public institutions should inform citizens on the level of service and quality to be delivered to them so that they are aware of what to expect. Performance information should also be provided regarding the challenges encountered and the success attained on the achievement of goals and objectives. Thirdly, there is performance as efficiency. Individuals should enter into a performance agreement that specifies the inputs to be used, the outputs and the services to be delivered, the monitoring mechanisms to be used and the reward and sanctions to be delivered. Fourthly, performance measurement may promote learning processes both between and within organisations (William & Babu, 2015; De Bruijn, 2007). If it cannot be measured, it cannot be managed (Martin, 2018). Performance management is therefore necessary to improve the performance of employees.

PMS benefits both the employer and employees. Armstrong (2012) states that positive reinforcement is crucial if the organisation is to achieve its desired performance. With PMS, employees are rewarded for outstanding performance through pay progression, merit awards and skills development. In addition, the employer is able to fulfil the service delivery mandate through improved performance management. A sense of accomplishment is created when employees realise their actions and decisions contribute to the success of the organisation (Mustafa, 2013). William & Babu (2015) echo the sentiment of Mustafa by arguing that through PMS, employees are motivated to achieve and thus exceed the set targets with a view to receiving recognition and also enhancing self-confidence and satisfaction. Mustafa (2013) confirms that performance management leads to improved productivity and morale. When employees' contribution is acknowledged and admired, their productivity and morale improve. Admiring a job well done helps to increase employees' morale. Another benefit of effective performance management, as stated by Mustafa (2013), is the retention of top performers. When employees feel accomplished in their work, their loyalty also improves. Loyal employees deliver high levels of service that result in increased profitability. Effective PMS assists in the creation of an effective team of people and this assists in the achievement of increased profitability. With the introduction of performance management, performance information becomes crucial.

Increasing the demand for performance information enhances the chances that the information will be used in decision making, which is another important factor in continuous performance improvement (Gao, 2015).

### **2.11 The Case Organisation**

The Department of Labour, hereafter referred to as the Department, strives for a labour market, which is conducive to investment, economic growth, employment creation and decent work. These actions are aimed at improving economic efficiency and productivity, skills development and employment creation. The Department therefore plays an important role in South Africa, and as a result, is the focus of this study, particularly the Department of Labour, KwaZulu Natal. The South African public service has developed the Performance Management System (PMS) as a tool to monitor and manage the performance of public servants in order to improve service delivery.

Although the performance management system has been implemented in government departments, it has not achieved the expected results (Cameron, 2015). The South African Constitution, Act 108 of 1996, has mandated government institutions, through their employees, to attend to the needs of the public. Previously, government institutions were known for inefficiency, delays, negative attitudes and poor service delivery (Vasset, Marnburg & Furunes, 2010). To address this perception, the Department of Labour (DoL) developed and implemented the performance management system in an attempt to improve service delivery. Like all other government departments, DoL prioritises the measuring of input and outcomes and bases its new policies and management activities on this type of information intended to make policy implementation more efficient and effective (Van Thiel & Leeuw, 2016).

Employees are the single most crucial element to any system as it is their behaviour that will determine the achievement of organisational goals. Although their role is part of the means to achieving high performance, their effectiveness is only possible if they are working in a functioning system that has, as part of its central structure, performance management processes that provide critical insight and information to them West & Blackman (2015). On the 1<sup>st</sup> April 2001, the Department of Labour introduced the performance management system (PMS) to manage the performance

of its employees in a participative, supportive and non-discriminatory manner. PMS was introduced to enhance efficiency and effectiveness and to improve service delivery, through continuous feedback (Performance Management Policy, 2009). The performance appraisal process in the Department of Labour starts in April of each year. Performance management activities in the Department of Labour are based on the performance management policy of the Department known as the Performance Management (core levels 1-12) Policy number 14. Managers and subordinates are expected to implement the performance management practices according to the guidelines and prescripts of the policy.

In order to continuously monitor the performance and progress against set objectives and take corrective action to unblock any impediments, the Department of Labour performance reviews are held quarterly. The 1st and 3rd quarter are informal reviews and need not be scored. The mid-year and end of year are formal reviews that are scored and submitted to HR for recording. In accordance with the PMS Determination, 2017, a prescribed performance-scoring framework is used to assess overall employee performance. According to the departmental PMS policy, only the year-end performance rating of employees shall determine if an employee qualifies for a performance incentive or not. The performance bonus shall then be paid in line with the approved performance sliding scale system. The individual performance contract forms the basis in terms of which performance assessment and performance bonuses shall be paid. The departmental PMS policy further states that failure to sign a Performance Agreement shall result in disciplinary action being instituted against members who fail to comply, and forfeiture of performance-related bonuses. If an employee changes job roles at the same level during the performance cycle, a new performance agreement must be entered into for the new role, and the performance assessment should take both periods of work into consideration. The signed performance agreements are moderated by senior staff members; for example, the administration clerk reports to the supervisor, who reports to the Assistant Director, who reports to the Deputy Director, who moderates the performance agreements and performance assessments for all the subordinates. The purpose of the moderation process is to ensure that the targets and the agreements are fair and reasonable. At the end of the assessment period, each employee is assessed to determine the progress achieved, in accordance with the signed performance agreement. Self-

assessment is the first step in the performance appraisal process in the Department. After the employee has assessed him/herself, the appraisal is sent to his/her manager for a discussion regarding the individual scores. The assessment of the incumbent's performance is done on a six-monthly basis as per the review cycle. The supervisor, incumbent and moderator sign the performance assessment.

The Public Service Regulations (2001) allow supervisors and subordinates to meet for assessment four times a year. The continuous monitoring meetings entail oral feedback on an employee's performance if the performance is satisfactory, and in writing, if the employee's performance is unsatisfactory (PMS Determination, 2017). As opposed to the PMS of 2006 that had a five-point rating scale, the PMS Determination and Directive has introduced a four-point rating scale to assess the performance of all employees, other than members of the SMS, and the Department of Labour has implemented the PMS Directive.

**Table 4:** The four-point rating scale, categories of performance and the associated descriptions

<b>RATING</b>	<b>CATEGORY AND SCORE</b>	<b>DESCRIPTION</b>
1	<b>Not effective</b> (less than or equal to 66%)	Performance does not meet the expected standard for the job.
2	<b>Partially Effective</b> (67%-99%)	Performance meets some of the standards expected for the job.
3	<b>Fully Effective</b> (100% - 119%)	Performance fully meets the standard expected in all areas of the job.
4	<b>Highly Effective</b> (120% - 133%)	Performance far exceeds the standard expected of a jobholder at this level.

Source: DPSA (2017)

#### **The Ratings on the Scale Indicate the Following:**

A rating of "1" indicates that the jobholder has achieved less than fully effective results against all or almost all of the performance criteria and indicators as specified in the Performance Agreement and Work Plan. A rating of "2" indicates that the jobholder has achieved less than fully effective results (partially achieved) against more than

half of the performance criteria and indicators as specified in the Performance Agreement and Work Plan. A rating of “3” indicates that the jobholder has achieved, as a minimum, effective results against all of the performance criteria and indicators as specified in the Performance Agreement and Work Plan. A rating of “4” indicates that the jobholder has achieved better than fully-effective results against more than half/or in all areas of the performance criteria and indicators as specified in the PA and Work Plan and maintained this in all areas of responsibility throughout the performance cycle. If both parties (supervisor and the employee) agree on the scores, the final appraisal form is completed; it is then signed by both parties.

In case of a dispute, that is, where both parties do not agree on the scores, the employee has the right to refuse to sign the performance appraisal form. He/she can then lodge a dispute in writing to the moderator. The moderator is the senior staff member of both the employee and the supervisor. The moderator investigates the matter, using supportive documents received from both parties. If the dispute cannot be resolved, the dispute is referred to the Local Review Board for further investigation. This Board consists of senior managers within the Department as well as a number of representatives from the Labour Centres in the provinces. The function of the Local Review Board is to verify whether the performance appraisal process was conducted in a fair and just manner. The Board meets after each performance appraisal session to establish whether there is a need to adjust the scores. It can also request additional information if need be, to verify the scores of the high achievers especially (Department of Labour, 2018).

The National Review Board is the highest decision-making body in the Department, and is chaired by the Chief Director: HRM. This Board consists of Chief Directors, representing each branch of the Department, the Chief Financial Officer, and the Chief Directors of the Provincial Operations. After the performance assessment process has been completed in all of the provincial offices, as well as Head Office, the score sheets are sent to the National Review Board for the adjudication of the results. The Deputy Director-General: Corporate Services approves the payment of incentives for the employees qualifying for awards. Based on the total scores obtained during the review process, the employees can receive recognition from the Department. Performance bonuses are paid to deserving employees who have performed consistently above

expectation. The performance bonuses shall be paid as a percentage of an individual's cost to company package.

With regard to the rewarding of individual high performance, the Department of Labour's Chief Financial Officer budgets for the granting of incentives annually, but not exceeding 1.5 % of the annual remuneration budget for Merit Awards; and 1 % of the annual remuneration budget for Pay Progression. If the National Performance Management Review Board recommends a higher percentage under special circumstances, the approval of the Executive Authority must be obtained.

In terms of the Incentive Policy Framework for salary levels 1 to 12, which has been valid since 1 April 2003, all employees in these grades become eligible for a range of financial rewards, provided their annual performance assessment score is at prescribed required level(s). The new incentive pay system allows for flexibility in that the Department is able to set its own standards regarding these incentive payments with an upper limit of 18% of annual basic salary.

**Table 5: The following table depicts measures applicable to specific employees:**

No	An employee that was:	To be Assessed	Incentives
1	Appointed after 1 April	Quarterly	No incentives
2	Promoted after 1 April	Next semester	No incentives
3	Upgraded with change in Performance Agreement	Next semester	No incentives
4	Upgraded without change in Performance Agreement	Both semesters	Qualify for Merit Award, but not Pay Progression
5	Transferred horizontally in Department	Both semesters by both supervisors	Qualify for Merit Award and Pay Progression
6	On uninterrupted leave longer than 6 months	Next semester [At least one assessment]	Qualify for Pay Progression, but not Merit Award
7	On interrupted leave longer than 6 months	Both semesters	Qualify for Pay Progression, but no Merit Awards
8	On leave [more than 3 but less than 6 months]	At least one assessment	Qualify for Pay Progression, but only pro rata Merit Award



9	On leave less than 3 months	Both semesters	Qualify for Merit Award and Pay Progression
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*Source: Department of Labour (2018)*

### **2.11.1 Dealing with Employees' Under-performance in the Department of Labour**

As is the case in every organisation, poor performers unfortunately do exist. The important issue, however, is how the organisation goes about dealing with this challenge.

#### **2.11.1.1 To Address Underperformance, the Department of Labour Follows the Following Procedure**

Through the performance review, supervisors shall timeously identify and deal with poor and/or unacceptable performance of employees under their supervision within the performance cycle. In dealing with under-performance, the Department is informed by the Public Service Co-Ordinating Bargaining Council (PSCBC) Resolution 10 of 1999 - "Incapacity Code" that sets out procedural fairness requirements to be complied with. Supervisors are required to determine during the monitoring and assessment process, whether underperformance is due to lack of experience, skills and knowledge or attitude. The Departmental PMS Policy stipulates that the rating of the employee's performance as "not fully satisfactory" or "Unacceptable" at the annual performance assessment discussion should not be the first indication of the employee's shortcomings. The Department's PMS policy requires that the employee's underperformance should be timeously identified during the performance control, monitoring and development stage, including the performance reviews, and be dealt with accordingly.

#### **2.11.1.2 The Department's PMS Policy Stipulates the Following Interventions by The Supervisor to Overcome Performance Shortfalls on the Part of the Employee**

##### **On-the-job coaching**

One of the actions which can be used to improve the performance of employees within the Department is coaching. Here, a supervisor takes the under-performer under

his/her guidance and tries to improve the performance of the individual by setting targets, providing feedback, and correcting any problems which may surface.

### **Restating the Work Plan Performance Measures**

The inability of employees to perform their duties effectively may be as a result of a misunderstanding by the employee of his/her expected role. In addition, the official may also not understand how the performance is to be evaluated. The role of the supervisor in this instance is to clarify the work plan of the section and to indicate clearly what the expected performance is in order for the work plan to be achieved. The supervisor must ensure that the employee understands how he/she will be measured on all the stated outputs. If it is proved that the incumbent is still not coping with the current work plan, the supervisor needs to adjust the incumbent's work activities to suit the status of the affected employee. If this happens, the performance agreement needs to be amended to cater for the new needs and capabilities of the employee.

### **Identifying Formal Training/Retraining Efforts**

Training and development remains an important function in the Department. All the training needs from the different business units within the Department are consolidated into one official Work Place Skills Plan (WSP) for each of the provinces. This plan identifies the different types of training the employees need to undergo to improve their performance and overcome their shortcomings. This is derived from the Personal Development Plan (PDP) of each employee. Supervisors are responsible for seeing that these training interventions are undertaken by the employee and also need to monitor the impact of the training undergone. Did it, for example, improve the under-performer's performance?

### **Work Environment Audits to Establish If There are other Factors Affecting the Performance**

If the work environment has been identified as the cause for poor performance, the Department also conducts a work environment audit, to identify the barriers in this regard; for example, an ergonomics study may be conducted to find out if the workplace needs to be redesigned or new office furniture is required. Challenges here can have a major impact on the performance of employees.

### **Personal Counselling**

Personal counselling is used as a positive intervention to provide support to employees. The purpose of this approach is to correct any unsatisfactory performance of employees. If the employee does not respond positively to the performance improvement interventions aimed at improving his/her performance, such as training or monitoring, and continues to under-achieve, the process of personal counselling with the employee starts. The process involves the interaction between the supervisor and the employee. Personal counselling takes place on a monthly basis between the supervisor and the employee. The meeting agrees on improvement plans, the review dates, and actions to be taken if improvement does not take place.

### **Transfer to another section**

Another way to deal with poor performance, if none of the above interventions is successful, is to transfer the employee to another section within the Department. This can, in many instances, solve the problem of under-performance swiftly. The Department's PMS policy further states that should the employee not respond to reasonable attempts to improve performance and an overall performance assessment score of less than 3.00 is the result of the assessment process, the employee must be formally registered on the "Incapacity Programme" and advised of this in writing. The above process applies to incapacity due to either poor performance, ill-health or injury.

#### **2.11.1.3 Conflict resolution Procedures**

The Department's PMS policy stipulates that disagreements with the incumbent should first be addressed by the supervisor through problem solving and conflict resolution procedures. If an agreement cannot be reached, the moderator should intervene to facilitate a resolution through discussion and consultation and if any party is not satisfied with the results of an assessment, he/she may refuse to sign the assessment form. The Manager of the Business Unit / Sub directorate / Labour Centre and the relevant Executive Manager should be informed of any unresolved issues prior to the Local Performance Management Review Board meeting.

A written submission from the dissatisfied party must then be attached to the assessment form and be submitted to the Local Performance Management Review Board which will initiate investigations with regard to complaints received. The Local

Performance Management Review Board can also request an independent Performance Audit for a specific component/case if it is necessary. A Departmental staff member from a different Directorate of a higher Core Level than the affected staff member or group of staff members may conduct an Independent Audit. The Local Performance Management Review Board shall make decisions on the outcome of the investigation and make recommendations to the National Performance Management Review Board. Any complaints arising from the Performance Management Policy shall only be regarded as a formal grievance (dispute) after the recommendation of the Local Performance Management Review Board to resolve the complaint is implemented and deemed to be unsuccessful. After the formal grievance has been lodged, the normal dispute procedures should be followed as per “Rules for Dealing with the Grievances of Employees in the Public Service”, No R 1012 of 2003.

#### **2.11.1.4 Probation**

All new employees to the Department are subjected to a 12 months' probation as required by Section 13(2)(a) of the Public Service Act. The employees who are on probation are assessed by the supervisor on a quarterly basis with feedback provided to them. If employees who are on probation are not deemed suitable for the relevant post, the Department's procedure for dealing with underperformance is followed. If employees who are on probation are deemed suitable for the relevant post, their permanent employment is confirmed.

## **CHAPTER 3**

### **LEGISLATIVE AND THEORETICAL FRAMEWORK**

#### **3.1 Introduction**

The public sector is generally criticised for inefficiency, lacking an attractive and fair reward system, insufficient training and equipment, work overload, limited career paths and monotonous, inflexible working types (Tozlu & Kurtipek, 2015). According to Asadullah, Akram, Imran & Arain (2017), these specific drawbacks can be mentioned among the reasons that decrease employees' motivation and performance. Public service employees are a significant resource of the public sector, therefore employees' motivation processes are very important in order to achieve success, efficiency and effectiveness.

Human resources departments and also public managers can benefit from motivation theories and individual performance evaluation systems (PES) in order to motivate their employees to reach more qualified service standards (Tozlu & Kurtipek, 2015). This chapter will cover the legislative framework and theories underpinning performance management. The implementation of public service reform in South Africa necessitated a paradigm shift that required the adoption of the principles of New Public Management (NPM) (Hendricks & Matsiliza, 2015). Shafritz, Russell & Borick (2012) link performance management with productivity in noting that the ultimate aim of performance management efforts is increased productivity.

#### **3.2 Legislative and Regulatory Framework**

The South African government has introduced a substantial body of legislation focusing on service delivery in the national, provincial and local spheres of government. Various legislation and policy frameworks significant to the public service will be briefly explored and reviewed in terms of their contribution and impact on service delivery.

##### **3.2.1 The Constitution**

The Constitution of South Africa, 1996, states that "public administration must be governed by democratic values and principles, amongst others, to promote and

maintain high standards of professional ethics, efficient, economic and effective utilisation of resources, and the cultivation of good human resource management and career development practices to maximise human potential” (Section 195 of the Constitution of South Africa, 1996). It is also stated that efficient, economic and effective use of resources must be promoted. Section 195 (1a) serves as a reference point guiding the conduct of public officials, including performance in all spheres of government. The maximising of human potential in the performance of responsibilities also has to do with the efficient, economic and effective use of resources as provided for by section 195 (1b) of the 1996 Constitution. Accountability, which is also paramount in the management of performance, is stipulated as one of the principles of public administration by Section 195 (1f).

### **3.2.2 Public Service Regulations**

The Public Service Regulations were amended in 2001 to cover performance management and instruct government institutions (National and Provincial) to develop policies on performance management and development and link employee's performance with notch increments (Fletcher, 2009). The main aim was to encourage public servants to perform to the best of their ability so that service delivery would be effective. The Public Service Regulations of 2001 provides that the Executive Authority should determine, in consultation with their departments, a system that links individual performance to institutional goals. It also states that the performance of all members of Senior Management Services should be managed through performance agreements. It is further stipulated in the regulations that a supervisor must monitor, supervise and assess the subordinate's performance on a regular basis using the prescribed format of performance assessment.

The Public Service Regulations of 2001 further stipulates that Ministers in national departments or Members of Executive Councils in provincial departments shall determine the system of performance management and development for employees in the department other than employees who are members of the Senior Management Services. The Executive Authority in every department must establish an appropriate performance assessment instrument for different occupational categories or levels in order to assist the management to decide on probation, rewards, promotion and skills development of employees. Unsatisfactory performance must also be managed well

in terms of the Public Service Regulations of 2001 by means of developing plans to improve employee's performance.

### **3.2.3 White Paper on Human Resource Management**

The White Paper on Human Resource Management states that the success of the public service in delivering its goals depends primarily on the efficient and effectiveness of employees in carrying out their duties. Performance management is an integral part of an effective human resource management and development strategy. It is an ongoing process in which subordinates and supervisors together strive to improve the institution's wider objectives. Performance management is underpinned by the following principles: results orientation, training and development, rewarding good performance, managing poor performance, openness, fairness and objectivity (South Africa, 1997).

Making the best use of available data and knowledge is crucial in improving the execution of government's mandate. Performance information therefore becomes critical to effective management, including planning, budgeting, implementation, monitoring and reporting. Performance information indicates how well an institution is meeting its aims and objectives, and which policies and processes are working (Masenya, Mokoele & Makalela, 2018). Performance information also facilitates effective accountability, enabling legislators, members of the public and other interested parties to track progress, identify the scope for improvement and better understanding of the issues involved (Fakir, 2006). Performance information is essential in order to focus the attention of the public and oversight bodies on whether public institutions are delivering value for money, by comparing their performance against their budgets and service delivery plans, and to alert managers to areas where corrective action is required.

The White Paper stipulates that if an employee is not satisfied with the final assessment, such an employee may be given a chance to appeal the decision. Ensuring fairness and objectivity can be done through intervention by the immediate supervisor or the manager. The White Paper on Human Resource Management makes provision for certain principles regarding the PMS in the public service. Training and development, as one of the principles of a PMS, are provided for by this

White Paper and assist an institution to identify the strengths and weaknesses of employees as well as identifying other possible interventions that are necessary. The interventions refer to various training and development options that might be deemed necessary. The White Paper also provides a guideline that facilitates the development of human management practices to support an effective and efficient public service geared towards economic and social transformation. It is therefore crucial to note that transformation of the public services has to include the transformation of human resource practices in order to be effective. The performance management of human resources is paramount if an effective transformation of the public service is to be achieved.

#### **3.2.4 Labour Relations Act (LRA), 1995 (Act 66 of 1995)**

The LRA makes a provision that deals with the incapacities of employees and poor performance. It makes it impossible to dismiss an employee solely on the grounds of such an employee's poor performance. The Act also makes provision for how to manage poor performance by employees without opting for dismissal as a first option. Before any dismissal can be effected, lengthy and corrective measures, which include the investigation to establish the reasons for poor performance in the process, have to be applied.

It is provided in Section 14(4) of the Labour Relations Act, 1995 (Act 66 of 1995) that an employee has the right to be heard and to be assisted by a union representative or a fellow employee during an enquiry or disciplinary hearing of any kind that may include underperformance. In other words, dismissing an employee because of underperformance should be the last resort after all improvement plans, such as coaching, counselling and training, have been exhausted.

#### **3.2.5 Public Service Act, 1994 (Proclamation 103 of 1994)**

Section 3(5)(c) of the Public Service Act, 1994 clearly indicates that performance appraisals should be provided for in the public service. This Proclamation further stipulates that the head of a particular public service institution shall be responsible for effective management and administration, which obviously includes the managing of employees' performance. The performance in the public service institutions, as stipulated by Proclamation 103 of 1994, shall be managed in a consultative,



supportive, and non-discriminatory manner in order to enhance institutional effectiveness, efficiency and accountability.

### **3.2.6 Skills Development Act, 1998 (Act 97 of 1998)**

The Skills Development Act (Act 97 of 1998) states that emphasis should be placed on employee development in order for there to be good and effective performance of employees in the institution. A skills audit is necessary to determine the gaps between the job requirement and competencies of a particular employee as a requirement of a performance management system. It prescribes that all public services institutions are mandated to budget at least one percent of their payroll for training and development of officials. The training and development of public services employees is done with the aim of enhancing their skills, performance and productivity.

### **3.2.7 Public Finance Management Act, 1999 (Act 1 of 1999)**

The Public Finance Management Act, 1999 (Act 1 of 1999) takes into careful consideration the performance management system policy framework provisions, particularly on expenditure of the remuneration budget. The Public Finance Management Act regulates financial management in the relevant public entities (national and provincial departments) and also ensures that assets, revenue, and expenditures are managed effectively and efficiently. In terms of section 38 (1)(b) of the Public Finance Management Act, 1999 (Act 1 of 1999), the accounting officer is responsible for the effective, efficient and economical use of public resources.

## **3.3 Theories Underpinning Performance Management**

Encouraging public employees to work more efficiently is one of the main topics of today's public management issues. There is a vast array of relevant motivational theories that can be utilised in the improvement of performance management. These theories are discussed below.

### **3.3.1 Motivation and PMS Theories**

Clark (2015) asserts that training is not the sole solution to many performance problems as solving such problems and realising opportunities often requires more focus on motivation. Similarly, a number of studies support the relationship between the various motivating forces and task performance (Colquitt, Lepine & Wesson,

2013). According to Stajkovic & Luthans (1998), the motivating force with the strongest performance effect is self-efficiency or competence. This is because people who feel a sense of internal self-confidence tend to out-perform those who doubt their capabilities. Quick & Nelson (2013) state that motivation can be defined as a process by which a person's efforts are energised, directed and sustained towards attaining a goal. However, people respond differently to situations and the way in which they are motivated.

While Herzberg has been credited with the development of motivation theory, other researchers are identifiable in the study of motivation in general (Basset-Jones & Lloyd, 2005). The major researchers into motivation, the majority of whose work is being taught to business students, are Maslow (1954), Vroom (1964), Alderfer (1972), McClelland (1961) and Locke (1961). Basset-Jones & Lloyd (2005) indicate that motivation theory is underlined by the fact that many behaviourist theorists, such as Bandura & Cervone (2003), contend that an employee's needs are a function of personality, and that behaviour emerges as a result of the operation of individuals' cognitive processes in interaction with the environment around them.

The assumption here is that people are goal seeking, and constantly search for positive reinforcement. If the organisation provides such reinforcement through crafting appropriate rewards, a good match is achieved and high motivation results. Similarly, Hendricks & Matsiliza (2015) state that when employees create their own work plans, they become responsible and committed to achieving them. In terms of such an approach, employees are also rewarded and recognised for superior performance, with the approach focusing on results, rather than on processes. Furthermore, Nel *et al.* (2008) recognise that goals can be attained through the provision of continuous motivation at work. According to Buchner (2007), motivation is an indispensable aspect of performance management and is contributory to the creation of a high-performing organisation. That means that motivation is founded upon satisfaction born of a sense of achievement, recognition for achievement, responsibility and personal growth.

### **3.3.2 Reinforcement Theory**

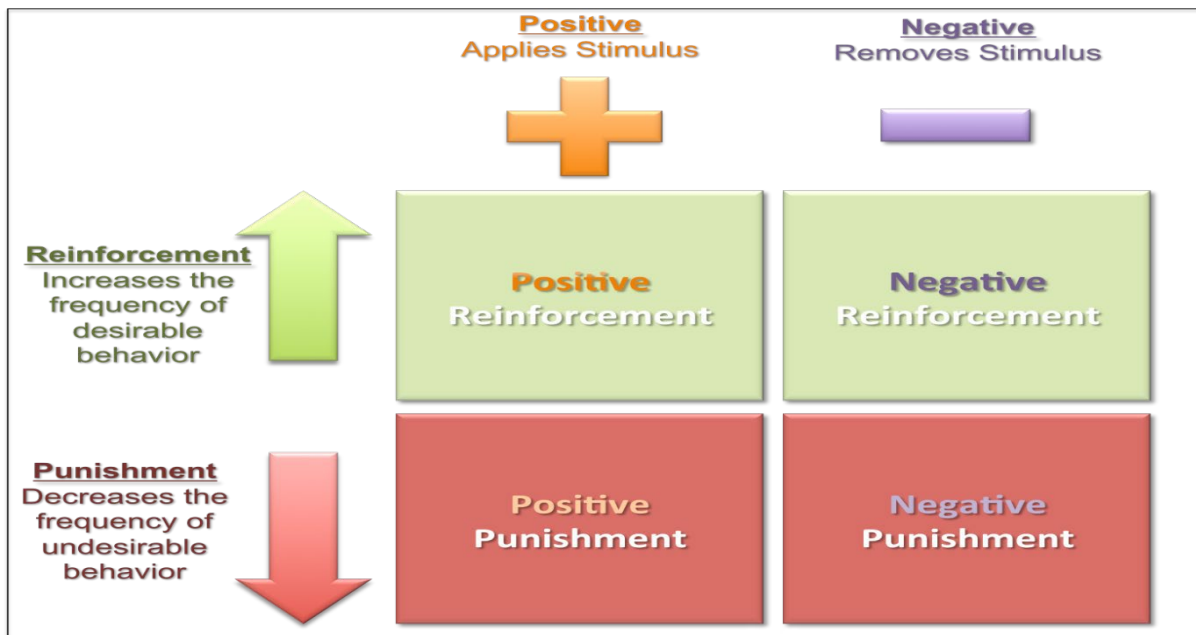
Behaviourist B.F. Skinner derived the reinforcement theory, one of the oldest theories of motivation, as a way to explain behaviour and why we do what we do. Reinforcement theory of motivation overlooks the internal state of the individual, that is, the inner feelings and drives of individuals are ignored by Skinner (1963). This theory focuses totally on what happens to an individual when he takes some action (Skinner, 1963). The theory is also known as Behaviourism, or Operant Conditioning, and it states that an individual's behaviour is a function of its consequences.

Armstrong (2009) suggests that successes in achieving goals and rewards act as positive incentives and reinforce the successful behaviour, which is the repeated the next time a similar need arises. For most employees, rewards, whether intrinsic or extrinsic, serve as motivation to continue to perform well in their job. Intrinsic rewards entail a sense of achievement, feelings of recognition by the supervisor or the manager and accepting responsibility. Extrinsic rewards refer to salary and working conditions (Leopold, 2002).

#### **3.3.2.1 Types of Reinforcement theories**

According to Zhou and Molly (2015), four methods are employed in operant conditioning: positive reinforcement, negative reinforcement, positive punishment and negative punishment.

**Figure 3: Operant Conditioning**



Source: Huitt and Hummel (1997)

Reinforcement theory provides two methods of increasing desirable behaviours. One is positive reinforcement and the other is negative reinforcement. Positive is depicted as a plus sign (+) and negative as minus sign (-). Vroom's theory is based on the belief that employee effort will lead to performance and performance will lead to rewards (Vroom, 1964). Rewards may be either positive or negative. The more positive the reward the more likely the employee will be highly motivated. Conversely, the more negative the reward the less likely the employee will be motivated.

Positive reinforcement has a major impact on employee motivation, satisfaction, productivity and loyalty in attaining individual success as well as employee success contributing to the overall improvement in the organisation's performance (Borkowski, 2016). Positive reinforcement involves the presentation of a stimulus that increases the probability of a response. The use of positive reinforcement is a successful and growing technique used by leaders to motivate and attain desired behaviours from subordinates. Griggs (2009) suggests that a positive response, such as praise or public recognition, or a reward when an employee exhibits desirable behaviours, often increases the likelihood that the desired behaviour will continue.

Zhou & Brown (2015) believe that negative reinforcement differs from punishment, as punishment imposes negative consequences designed to discourage bad behaviour whereas negative reinforcement withholds or removes negative consequences to encourage ongoing good behaviour. Furthermore, negative reinforcement occurs when an undesirable consequence is removed after a response and also increases the likelihood of the response in the future. Punishment occurs when either desirable consequences are withdrawn or when negative consequences are applied. Punishment is not negative reinforcement because punishment diminishes the likelihood of the response.

While Reinforcement Theory is widely accepted and deployed universally and the positive effects are commonly known, there are aspects to consider when adopting practices based on this theory. The basis for this theory is extrinsic motivation which critics say can offend those whose behaviour is the subject. Further evidence reveals that if the target of the behaviour modification is aware of the attempt, certain personality types will do everything in their power to skew the results (Borkowski, 2016). The culture needs to be examined to determine if the reward holds value. What held value twenty years ago, may not hold value today. Aside from monetary rewards, there are other rewards that have been used as re-inforcers, such as national pride in the 1940s and iPads in the early 2000s that do not hold as much significance today (Borkowski, 2016). The theory can be complicated. The punishment aspect of Reinforcement Theory can be difficult to apply well. Del Chiaro (2006) states that, for punishment to be effective, it has to be immediate, intense, unavoidable and consistent.

Zhou & Brown (2015) concur in that, through recognition and rewards of their achievements, the employees on the receiving end, as well as their peers, are motivated to perform at higher levels. This theory also adds to the understanding of the study and the possible initiatives by employees to achieve maximum worker motivation through extrinsic and intrinsic rewards in pursuit of meeting the goals of the organisation. The theory can also be relevant and applicable in the public service, where the financial resources are not always available to reward high performance as a way of enhancing the employee's performance and where there is perceived

inconsistency in terms of the organisation's policy and practices regarding remuneration and the reward system.

### **3.3.3 Expectancy Theory**

Sloof and van Praag (2007) state that Expectancy Theory, as first developed by Vroom (1964), is a process theory of motivation as it focuses on the individual's interactions with the environment. Leopold (2002) concurs when saying that people are influenced by the expected results of their actions. The theory has also held a major position in the study of work motivation (van Eerde & Thierry, 1996) and has served as a rich source for theoretical innovations in various domains such as organisational behaviour and compensation (George & Jones, 2005; Rollinson, 2005).

Vroom (1964) proposed that a person decides to behave in a certain way based on the expected result of the chosen behaviour. The theory suggests that individuals make choices based on estimates of how well the expected results of a given behaviour are going to match up with or eventually lead to the desired results. People will be willing to work harder if they think the extra effort will be rewarded. According to Armstrong (2007), expectancy theory has three components: expectancy, instrumentality, and valence. Valence refers to the unique value an individual places on a particular outcome. Factors associated with the individual's valence are needs, goals, preferences, values, sources of motivation, and the strength of an individual's preference for a particular outcome. An outcome that one employee finds motivating and desirable, such as a bonus or salary increase, may not be motivating and desirable to another person who may, for example, prefer greater recognition or more flexible working hours.

Instrumentality refers to the belief that a person will receive the desired outcome if the performance expectation is met. Instrumentality reflects the person's belief that, if the expected standard of performance is achieved, rewards will follow. The desired outcome may come in the form of a pay increase, promotion, recognition, or sense of accomplishment. Having clear policies in place, preferably spelled out in a contract, guarantees that the reward will be delivered if the agreed-upon performance is met. Armstrong goes further to say that instrumentality is low when the outcome is vague or uncertain, or if the outcome is the same for all possible levels of performance.

Expectancy refers to the individual's belief that effort will lead to the intended performance goals. Expectancy describes the person's belief that he or she can perform the required task. Usually, this belief is based on an individual's past experience, self-confidence, and the perceived difficulty of the performance standard or goal. Factors associated with the individual's expectancy perception are competence, goal difficulty, and control.

Expectancy Theory holds that people are motivated to perform better if their expectation is that increased effort will lead to good performance, and that good performance will lead to certain outcomes or rewards. The attractiveness of the outcome or the reward must be valuable to the performer (valence) in order to propel him/her to perform well (Leopold, 2002). According to this theory, motivation of an individual depends upon the individual's perception regarding his or her capability to do a particular job, the reward associated with the accomplishment of the job, and the value he or she places on the reward. The value of the reward or the outcome must be desirable to the employee (Nel *et al.*, 2008); therefore, the amount of effort a person dedicates is dependent on the value of the reward and the perception of the effort-reward relationship (Leopold, 2002). The theory argues that the strength of a tendency to act in a specific way depends on the strength of an expectation that the act will be followed by a given outcome and further depends on the attractiveness of that outcome to the individual. Put simply, expectancy theory says that an employee can be motivated to perform better when there is a belief that the better performance will lead to a good performance appraisal and that this will result in the realisation of a personal goal in the form of some reward (Yudhvir & Sunita, 2012). With this theory, it can be deduced that the key is to set achievable goals for employees and to provide relevant rewards.

Rewards do not have to come in the form of pay rises, bonuses or all-expenses-paid nights out; instead, praise, opportunities for progression and employee-of-the-month style rewards can all be appropriate for motivating employees. When properly followed, expectancy theory can help managers understand how individuals are motivated and thus choose from among various behavioural alternatives. To enhance the connection between performance and outcomes, managers should use systems that tie rewards very closely to performance. They can also use training to help

employees improve their abilities and believe that added effort will, in fact, lead to better performance.

### **3.3.4 Goal Setting Theory**

Goal setting theory was proposed by Edwin Locke in 1968 (Appelbaum, Roy, & Gilliland, 2011). The theory emphasises the important relationship between goals and performance. The goal setting theory starts from the simple observation that setting performance goals for employees motivates them to strive towards achieving these goals. In this way, an assigned goal influences employees' beliefs about being able to perform the task at hand and, if it becomes certain that current performance is not achieving desired goals, employees will be motivated to increase effort or change their strategies (O'Neil & Drillings, 1994; Caillier, 2010). Goal setting theory was developed inductively from the results of empirical studies conducted in both laboratory and field settings on individuals and teams (Fatile, 2014). Basset-Jones & Lloyd (2005) state that goal setting theory asserts that people with specific and challenging goals perform better than those with ambiguous goals. Goal setting theory assumes that there is a direct relation between the definition of specific and measurable goals and performance. Workers perform better when they are clear about the duties that are involved when carrying out work assignments (Caillier, 2010:143). Similarly, Basset-Jones & Lloyd (2005:831) agree that if employees are clear about what is expected of them, they are motivated to exert more effort, which increases performance. It is therefore important that duties and tasks be thoroughly communicated to employees by human resource personnel and managers.

Goal-setting is described as a technique used by organisations to position themselves for the successful achievement of their ultimate goal as well as the smaller tasks and short-term goals resulting in the achievement of the ultimate goal (Etnier, 2009). This technique is further described by Etnier (2009) as a blue print that encourages employees to focus their attention on the right kinds of goals by utilising a type of reward system to keep them motivated. This should ultimately lead them in the right direction for achieving their larger outcome goal. Cox (2007) argues that goal-setting is more closely related to motivational processes and is an organisational strategy used to energise employees' minds, effectively increasing their productivity and the level of performance.



The importance of goal-setting and goal attainment in terms of performance management can also reinforce particular behaviour patterns of employees. Similarly, Hendricks & Matsiliza (2015) assert that management by objectives, as a management technique, can foster employee participation in goal setting, decision-making, and feedback; therefore, when an employee is aware that they are continuously working towards a goal, they can direct their efforts towards achieving the goal, even when the situation concerned is difficult for them to handle. Goal-Setting theory firmly places the emphasis in performance management on setting and agreeing on objectives against which performance can be measured and managed. It can therefore be deduced that the time set for the attainment of a goal, the degree of complexity or difficulty as well as the specificity of the goal, all have an impact on the probability of success in achieving organisational goals.

### **3.3.5 Agency Theory**

Jha & Jha (2018) state that agency relations, as aspects of performance management practices in most organisations, are viewed as a legal tool in order to have an understanding of the contract between the principal (employer) and agent (employee). The conflict between employees and employers occurs, as employees tend to maximise their own interests rather than the value of the firm.

The mutually-agreed-upon contract is used to stipulate the rights and responsibilities of the principals and agents. Evans & Tourish (2017) assert that agency theory explores how firms can ensure an alignment of interests between the principal (owners) and agents (employees). Agency theory assumes that people are motivated by self-interest, mainly or exclusively, in the form of economic calculations that override such issues as trust, loyalty, and friendship networks (Besley & Ghatak, 2005). The goal conflict between employer and employee will result in negative economic and organisational outcomes; therefore, the performance management system must resolve the conflict between the agent and the principal to reduce the undesirable consequences (Jha & Jha, 2018).

Mitchell and Meacheam (2011) affirm that agency theory is founded on seven assumptions: self-interest, goal conflict, bounded (limited) rationality, information asymmetry, pre-eminence of efficiency, risk aversion, and information as a commodity.

They state that the theory assumes that individuals are fully rational and have well-defined preferences and beliefs that conform to the principles of expected utility theory. This suggests that incentives play a fundamental role in motivation and the control of performance because individuals desire utility or convenience for an increase in wealth. PMS should work in minimising conflict between employer and employee. It should facilitate alignment of organisational and employees' interest, reducing goal conflict, improving the flow of information, improving efficiency of employees and minimising risk by clarifying organisational and employees' goals.

### **3.3.6 Expected Utility Theory**

According to Robert (2018), expected utility theory is an account of how to choose rationally when there is no certainty in terms of the outcome that will result from the decision taken. Its basic slogan is: choose the act with the highest expected utility. Similarly, Chen (2016) argues that the theory is used as a tool for analysing situations where individuals have to decide, without knowing which outcomes may result from that decision, that is, decision making under uncertainty. Individuals will choose the action that will result in the highest expected utility over all possible outcomes. Tozlu & Kurtipek (2015) assert that merging the two vital processes, motivation and individual performance evaluation will increase personal and organisational performance and will create a functional and qualified public service cycle, which satisfies citizens and an efficient management perspective within the limited resources.

### **3.3.7 Equity Theory or Organisational Justice Theory**

According to this theory, individuals are motivated by a sense of fairness in their interactions (Blader, 2007). Xiaofu, Mengyan, Zhichao & Wenfen (2018) concur that in motivation theory, an individual's motivation level is correlated to his/her perception of equity, fairness and justice practised by the management. Saifi & Shahzad (2017) contend that equity theory looks at perceived fairness as a motivator; however, the way it defines fairness is limited to fairness regarding rewards. Xiaofu *et al.* (2018) suggest that employees' positive organisational behaviour not only promotes organisational function but also improves individual and organisational performance. Pekurinen, Virtanen, Kivimäki & Vahtera (2017) define justice as an action or decision that is understood to be morally correct in terms of ethics, religion, fairness, equity, or

law. According to Swalhi, Zgoulli & Hofaidhllaoui (2017), justice is a critical factor for both organisations and employees. Asadullah, Akram, Imran & Arain (2017) assert that organisational justice refers to an employee's perception of fairness within an organisation.

Literature shows that organisational justice is associated with different positive organisational outcomes; for example, Wang, Liao, Xia & Chang (2010) suggest that organisational justice can help improve the employees' work performance. Demirkiran, Taskaya, & Dinc (2016) state that if employees perceive that actions and practices in the organisation are fair and honest, they will show more dedicated behaviour, which is beneficial to the development of organisations. Saifi & Shahzad (2017) found that a positive perception of employees in relation to organisational justice is an important precursor to employees' job satisfaction, which, in turn, promotes positive behaviour of employees. Moreover, people's sense of fairness is the consequence of the social comparisons they make. People compare their inputs and outputs with other people's inputs and outputs. They perceive fairness if they believe that the input-to-output ratio they are bringing into the situation is similar to the input/output ratio of a comparative person, or a referent. Perceptions of inequity create tension among people and drive them to action that will reduce perceived inequity (Saifi & Shahzad, 2017). According to Juneja (2015), assumptions of the Equity Theory are as follows:

The theory demonstrates that individuals are more interested in their rewards as well as what others get in comparison to what they are getting. Employees expect a fair and equitable return for their contribution to their jobs. Employees decide what their equitable return should be after comparing their inputs and outcomes with those of their colleagues. Employees who perceive themselves as being in an inequitable scenario will attempt to reduce the inequity either by distorting inputs and/or outcomes psychologically, by directly altering inputs and/or outputs, or by quitting the organisation. The theory is more useful in explaining the behaviour of equity-sensitive individuals, thus organisations need to pay particular attention to how these individuals view their relationships.

### **3.3.8 Three Dimensional Theory of Attribution**

Attribution theorists investigate the perception of causality or the judgement of why a particular incident occurred (Kelly & Rivenbark, 2003). Similarly, Weiner (2010) asserts that attribution theory is centred on causes that are invoked to explain outcomes or end results, such as success or failure, rather than actions, and this can apply to intended or unintended outcomes and to factors that may or may not be controllable (Weiner, 2010). Bernard Weiner's three dimensional theory of attribution assumes that people try to determine why they do what they do. According to Weiner (2010), the reasons people attribute to their behaviour can influence how they behave in the future; for example, an employee who underperforms, could attribute his underperformance to a number of factors and it is this attribution that will affect his motivation in the future. Weiner's (2010) study found that specific attributions were less important than the characteristics of that attribution. He states further that there are three main characteristics of attributions that can affect future motivation:

#### **Stability**

How stable is the attribution? Weiner (2010) argues that attributions for successful achievements can lead to positive expectations and thus higher motivation for success in the future, whereas

#### **Locus of control**

This refers to whether the event was caused by an internal or external factor. When employees believe it is their own fault that they underperformed, they may be less motivated in the future but if they believe an external factor, such as lack of proper training, was to blame, they may not experience such a drop in motivation.

#### **Controllability**

Weiner (2010) argues that perceived causal controllability has a complex relation to feeling states, with the linked effects dependent on the target of the emotion. When employees believe they had control over the situation and that they could have performed better had they put in more effort, they may be less motivated to try again in the future than someone who believes they underperformed because of factors outside their control. The theory holds that employees should be given specific performance feedback and told how they can improve. This will help prevent attributing

underperformance to an innate lack of skill and will see that the success is controllable if they work harder or use different strategies. Individuals formulate explanatory attributions to understand the events they experience and try to seek reasons for their failures. When individuals seek positive feedback from their failures, they use the feedback as motivation to show improved performances. Employees should also be praised for showing an improvement even if the outcome is still not correct. This will result in employees attributing their underperformance to controllable factors which can be improved upon in the future.

### **3.3.9 The Hawthorne Effect**

Cherry (2015) states that the Hawthorne Effect is a theory of motivation that was first established by Henry A. Landsberger in the 1950s. The Hawthorne Effect is a psychological phenomenon in which employees tend to work harder and give a better performance when they know they are being observed by their employers. The theory explains how the more attention an employee receives from managers, co-workers and customers, the higher the level of effort and employee productivity. Essentially, productivity increases when employees think that they are being watched or observed closely, rather than because of any manipulation of independent variables (Leonard, 2008).

In order to apply the Hawthorne effect to the workplace, Clark (2015) suggests that the employer should provide feedback for the employees' work efforts rather than hovering over and watching them. Organisations which show their employees that they care about them as individuals and their working conditions can be a form of motivation, instead of money (Cherry, 2015). Encouragement by giving feedback and suggestions motivates employees to work harder. An organisation that provides their employees with specific feedback allows them to gauge their performance and how they can improve.

## **CHAPTER 4**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **4.1 Introduction**

The aim of research methodology, according to Cohen *et al.* (2011), is to assist researchers to understand the process of scientific inquiry. Kothari (2011) defines research methodology as a systematic process of solving the research problems and the scientific study of how research is done. While guided by the research objectives and questions, this chapter provides the description of the research design and methodology which was used in the primary and secondary data-collection process. On that basis, the chapter examines the research design, the target population and sampling, the data-collection method, data analysis, validity and reliability and ethical considerations.

#### **4.2 Research Design**

Babbie and Mouton (2001) consider research design to be a plan or blueprint of how the investigator intends conducting his or her research. Similarly, Reid (2007) posits that a research design connotes a sketch or a blueprint outlining the process through which primary data are collected, evaluated, analysed and interpreted in the context of the issues defined in the research objectives and questions. The researcher used a case study analysis method because the study involved comprehensive contextual analysis of matters that relate to similar situations in other government departments. A case study is suitable when a person wants to apply answers to the existing problem, based on historic problem-solving mechanisms. It is also beneficial in the comprehension of some phenomena, and in the production of additional theories for experimental analysis (Sekaran & Bougie, 2010). The choice of case-study methodology was especially useful given the direct involvement of the researcher as an employee of the Department. The researcher has worked with the organisation for twenty years. Primary and secondary research methods were employed.

### 4.3 Research Approach

This study followed a positivist perspective, as perceptions were discovered, measured and manipulated through open-ended questionnaires and interviews (McKenna 2003) and an interpretivist perspective (Saunders, Lewis & Thornhill, 2012) as the study assessed the implementation of performance management at the Department of Employment and Labour.

A qualitative research approach was used because the aim of this study was to investigate the extent to which the public sector performance management system contributes to the improvement in departmental productivity and employee commitment. According to Ritchie, Lewis, Nicholls and Ormston (2013), qualitative research is a method that provides a holistic understanding of the view of the world in which the participants live and work. The focus of qualitative research is on the quality, nature and essence of the phenomenon. Qualitative research is also assumed to be a naturalistic, subjective, interpretivist philosophy (Creswell, 2014; Ormston *et al.*, 2014; Ritchie, Lewis, Nicholls & Ormston, 2013; Rudestam & Newton, 2015) that assumes that meaning is not discovered but is constructed by people's experience and the context in which they operate (Merriam, 2009; Ormston *et al.*, 2014; Rudestam & Newton, 2015).

The greatest strength of the qualitative research approach is that it is richly descriptive. It allows the researcher to enter the lives of the participants as naturally as possible. The researcher becomes an instrument through which the data are collected, analysed and interpreted. The aim is to understand social processes (Wagner, Kawulich & Garner, 2012). The use of the qualitative design enables the researcher to gather non-numerical data, to be immersed and involved in the changing, real-world situation and to record these changes in the real-life context of the participants (Nieuwenhuis, 2007). The qualitative approach also enables the researcher to focus on the subjective experiences of the individual and is sensitive to the contexts in which people interact with each other. This approach allows for the studying of people in terms of their own definition of the world. The participants in this study discussed their own understanding around the success and barriers that hamper the implementation of performance management in their own workplace.

#### 4.4 Target Population and Sample

The study was conducted at the Department of Labour in KwaZulu- Natal. The Department comprises 16 Labour Centres and one Provincial Office. The study targeted employees at the Provincial Office and Labour Centre in Durban. At the time of the study, the offices were comprised of 464 employees with 231 employees placed at the Durban Labour Centre and 233 at the KZN Provincial office (Department of Labour, 2017).

##### 4.4.1 Sampling Strategy

Sampling is the process of selecting some elements from a population to represent that population whilst a sampling frame is a list of elements in the population from which the sample is actually drawn (Cooper & Schindler, 2006). Sekaran & Bougie (2010) define sampling as the process of selecting a sufficient number of the right elements from the population so that a study of the sample and an understanding of its properties or characteristics make it possible to generalise such properties or characteristics to the population elements. The basic idea of sampling is that by selecting some elements in a population, some conclusions may be drawn about the entire population. The sample included all of the target population as depicted in the table below:

**Table 6: Sample population**

Job level	Participants		
	Provincial office	Durban Labour Centre	
Directors	3	0	3
Deputy Directors	9	1	10
Assistant Directors	13	4	17
Public Service Association (PSA)	8	0	8
National Education, Health and Allied Workers Union (NEHAWU)	0	8	8
South African State and Allied Workers Union (SASAWU)	8	0	8
National Union of Public Service and Allied Workers (NUPSAW)	8	0	8
General workers	5	5	10
Total	<b>54</b>	<b>18</b>	<b>72</b>



A total of 72 employees of the Department of Labour, KwaZulu Natal, were randomly selected to participate in the study, as illustrated by Table 5 above. These officials represented senior management, middle management, lower management and ordinary staff members who were involved in the implementation of PMS in the DoL, KZN. Distribution and collection of in-depth open-ended questionnaires were administered and involved a total of 62 participants. In-depth questionnaires were distributed amongst three Directors from the Durban Provincial Office (P/O), ten Deputy Directors (nine from P/O and one from DLC) and 17 Assistant Directors (13 from P/O and four from DLC). In-depth interviews were conducted with ten ordinary workers (five from P/O and five from DLC). Furthermore, open-ended questionnaires were distributed amongst the eight Shop Stewards from each of the four different trade unions (NEHAWU, PSA, SASAWU and NUPSAW).

#### **4.4.2 Sampling Method**

This study was qualitative in nature and non-probability sampling was used. Cohen, Manion & Morrison (2011) explain that selection in non-probability sampling involves targeting a certain group with the full knowledge that it does not represent the broader population but instead represents the group itself. Non-probability sampling was chosen because the researcher wanted to include unique participants such as Directors, Deputy Directors, Assistant Directors, Shop Stewards and other ordinary employees as participants of the study (Pulakos *et al*, 2008). Non-probability sampling is arbitrary and subjective because when choosing subjects, one usually does so with a pattern or a scheme in mind; for example, talking only to young people or only to women. Non-probability sampling then means that the chance or likelihood of any particular member of the population being selected in a sample is not known (Cooper & Schindler, 2006). The key advantages of non-probability sampling are that it is a convenient and an inexpensive method to use (Best & Kahn, 2006). The non-probability sampling methods comprise convenience sampling, purposive sampling, and quota sampling (Ary, Jacobs & Sorensen, 2010). It is not the object of this study to elaborate on each one of these methods. Only those sampling methods relevant to the study are explained. This study made use of the non-probability purposive sampling (Babbie, 2004) and, particularly, judgement sampling.

Cohen *et al.* (2011) explain purposive sampling as being a feature of qualitative research that allows the researcher to hand-pick cases to be included in the sample on the basis of their judgement of typicality. This allows the researcher to build up a sample that is satisfactory to his/her needs as individuals who can provide the most relevant information, they are thus strategically selected (Wagner *et al.*, 2012). Using the purposive sampling method, participants were chosen by the researcher with a purpose in mind: to assess the perceptions of performance management on organisational commitment amongst employees in order to design, implement and evaluate intervention strategies. Participants, irrespective of gender, race, age and educational qualifications, were selected. Because purposive sampling was used, the findings may not be generalisable to the entire population due to the fact that information was acquired from a sample of a specific target group. Although purposive sampling is not a representative sample, it is adopted in small inquiries because of its relative advantage of saving of money and time (Kothari, 2011). However, the risk of non-representativeness was avoided by being clear about the target population, as well as the attributes of the sample. It was ensured that whoever was selected from the population would have had exposure to the active key performance management system, and so would be qualified to answer the statements within the questionnaire. This made generalisations from the sample to the population possible (Springer, 2010).

#### **4.5 Data Collection**

The collection of data for this type of research design is done through interviews, analysis of documents or observations, while the analysis of data is done in order to identify themes or patterns. The researcher then discusses them with reference to the literature in the literature review (Merriam, 2009). The data collection methods are a fundamental part of the research design and there are numerous data-collection methods, each with its own benefits and shortcomings (Sekaran & Bougie, 2010). For the purposes of this study, both primary and secondary data were used as sources. The data were collected using in-depth semi-structured questionnaires and interviews. According to Saunders, Lewis and Thornhill (2012), a questionnaire is a dependable tool which can be used for effectively and accurately measuring research responses. An appendix was attached to inform participants of the purpose and objectives of the research. The questionnaire had a five-point Likert scale, ranging from 1 (strongly

disagree) to 5 (fully agree). The main reason these semi-structured questions were used was that it gave respondents the freedom to express their opinions the way they understood the situation, unlike the structured questions (quantitative) where answers are restricted. The researcher did not want to restrict the views of the respondents in relation to the implementation of the PMS in the Department of Labour, KZN, but mainly to guide discussions by raising relevant issues. The qualitative data were collected between September, 2020 and February, 2021.

## **4.6 Primary Data**

Primary data refer to actual information the researcher obtained on the variables of interest for the main aim of the study. The primary data-collection method used was the in-depth, semi-structured questionnaires. In collecting primary data, 72 employees of the Department were requested to complete the questionnaire. Some of the information collected, especially on performance management, was sensitive and confidential and was treated as such.

### **4.6.1 Semi-Structured Personal Interviews**

Semi-structured personal interviews were utilised to elicit first-hand information about the phenomenon of performance management at the Department of Labour, KwaZulu Natal. With semi-structured personal interviews, people selected to be part of the sample are interviewed in person. In addition, any uncertainties the respondents might have on the questions can be explained immediately by the researcher (Babbie, 2002). A semi-structured approach was followed because it provided the opportunity to probe answers when interviewees were required to explain or build on their responses.

One of the most important aspects of these interviews was flexibility. Depending on the situation, other relevant questions, though not on the interview protocol, were asked. Through interviews, new factors were identified, resulting in a deeper understanding (Sekaran & Bougie, 2010). It was very important to understand the purpose of each question. The interviewer had the opportunity to observe the subjects and the total situation in which they were responding. The views of the respondents were recorded during the interview. Each participant was asked the same questions as everybody else. To obtain honest information from the respondents, the researcher had to ensure that the respondent felt adequately at ease to provide informative and

truthful answers without fear of adverse consequences. To achieve this, the researcher stated the purpose of the research and also assured complete confidentiality with regard to the source and identities of the responses (Sekaran & Bougie, 2010).

Field notes were made in the process of collecting data. The field notes made by the researcher were largely information based on personal observations throughout the process of data collection and notes taken during the interview sessions. Aspects covered were those such as the participants' names, dates, interview settings, key points, non-verbal expressions produced by the participants, interview rescheduling, knowledge shared, especially by participants who refused to allow their interviews to be audio taped. The researcher also documented follow-up questions in subsequent interviews with either the same participant or with other participants as a way of cross checking the information provided.

#### **4.6.2 Open- Ended Questionnaire**

According to Cohen *et al.* (2011), open-ended questions enable participants to write a free account in their own terms, to explain and qualify their responses and avoid limitations of pre-set categories of response. In Social Science research, a questionnaire consists of questions which have been formulated to obtain valuable information on a given topic from individuals. Researchers use questionnaires in order to obtain feedback about thoughts, feelings, attitudes, beliefs, values, perceptions, personality, and behavioural intentions of units of analysis. (Wilkinson & Birmingham, 2003). The merits of a questionnaire are that it is economical, it allows adequate time for reply, and more samples can be observed. The disadvantages of using the questionnaire are: persons may not be interested in filling out the questionnaire, replies may not be accurate and it is time consuming (Khanzode, 2009). Kothari (2011) states that when effectively constructed and administered responsibly, a questionnaire can be considered a vital instrument on which to base a statement about specific groups of people or entire populations. Generally, a good questionnaire should have the following characteristics: Firstly, questions should proceed in logical sequences. Secondly, personal and intimate questions should be left to the end. Thirdly, technical terms and vague expressions capable of different interpretations should be avoided (Kothari, 2011).

It was ensured that no questions listed at the beginning of the questionnaire were sensitive or personal. The personal and intimate questions were left to the latter part of the questionnaire. This cautionary approach allowed respondents to feel at ease and encouraged their comfortable participation in the research-collection process. Soap (2012) contends that questionnaire design should carefully consider the type of questions asked as well as their format, wording, and sequencing. In this study, the questions were simplified to ensure that respondents would be able to understand them. Simple guidelines were given and precise and direct terms were used. The questionnaire was divided into three sections. A Likert scale comprising five choices of statements, ranged from (1) Fully agree, (2) Agree, (3) Not sure, (4) Disagree and (5) Strongly disagree. Generally, scales allow respondents to indicate their level of agreement or disagreement with statements related to the research problem (Du Plooy-Cilliers, Davis & Bezuidenhout, 2014). For this study, all respondents were required to answer all thirty-five questions of which the questionnaire was comprised. Self-administered questionnaires were distributed by hand and in person by the researcher to the respondents. Preceding the circulation of the questionnaires to the respondents, the researcher obtained an ethical clearance letter and gave the respondents a letter of informed consent which respondents were requested to sign. The researcher also highlighted the purpose of the research and explained all sections of the questionnaire.

Respondents were encouraged to ask questions either personally or telephonically regarding anything they did not understand. All questionnaires were collected after their completion. To ensure confidentiality, the questionnaires were distributed and collected by the researcher, as already stated.

#### **4.6.3 Validity and Reliability of the Study**

Cohen (2011) states that in qualitative inquiry; “the researcher is the instrument”, therefore validity and reliability hinge, to a great extent, on the skills and competencies as well as the sensitivity and integrity of the researcher doing the research. In any research, the main objective is to investigate a problem area and present outcomes based on the data collected. Cooper & Schindler (2006) assert that the characteristics of a good questionnaire are the validity, reliability and practicality of the questionnaire tool. Achieving these three outputs will determine how well the data will be collected

and analysed. Reliability is associated with consistency, while validity is associated with accuracy (Creswell & Clark, 2011). The reliability of the study was enhanced by making use of open-ended questionnaires and interviews to allow respondents to elaborate on what they wanted to say. According to Bhattacharjee (2012), validity and reliability in qualitative research can be established through an alternative set of criteria that is used to judge trustworthiness. The four criteria that need to be met to prove trustworthiness include dependability, credibility, confirmability and transferability (Leedy & Ormrod, 2010).

#### **4.6.3.1 Dependability**

Dependability, as the first criterion, is similar to reliability in quantitative research. Qualitative research is considered dependable if the same set of evidence, used by different researchers at different times to observe the same phenomenon, allows the researcher to reach the same or a similar conclusion (Bhattacharjee, 2012). In order to ensure dependability, an audit trail was kept of responses as well as any other relevant documents. Individuals external to the project, such as peer reviewers, should be provided with detailed information about the methods and processes used in the inquiry (Creswell, 2014). Dependability was achieved through documentation of all steps of the research process and through external controls, with the study supervised throughout the process. All interview materials (such as audio recordings, transcripts, field notes, findings, interpretations and recommendations) are available and accessible for the purpose of a clear audit trail (Nowell, Norris, White & Moules, 2017). In essence, reliability is the assumption of replicability or repeatability (Creswell & Clark, 2011).

#### **4.6.3.2 Credibility**

The second criterion for establishing trustworthiness is credibility. Credibility is consistent with internal validity in quantitative research. It is apparent that if any interpretations of the findings are to be made, the credibility of the instrument must be recognised through the strength of its reliability and validity (Wahyuni, 2012). Qualitative research is considered credible if readers find interpretations to be believable (Bhattacharjee, 2012).

Nowell *et al.* (2017) provide various suggestions to researchers on techniques to use that address credibility of the results; these include activities such as member checks, peer-briefing and data-collection triangulation, as well as researcher triangulation, to name a few. This means that the researcher takes the data as well as its interpretation back to the individuals who participated for confirmation of the narrative (Creswell, 2014). All the people who participated were given an opportunity to do so as the researcher had access to them on a daily basis. Participants were engaged until the point of data saturation. Triangulation involves using multiple data-collection methods, sources of data, theories and instigators, to substantiate emerging findings. It aims to organise data in order to identify common themes and disregard overlapping areas (Miller, 2011). The best-known combination that was used by the researcher was that of different data-collection methods such as an in-depth questionnaire, in-depth interviews and document analysis. Qualitative research is considered credible if readers find interpretations to be believable (Bhattacharjee, 2012).

#### **4.6.3.3 Transferability**

Another criterion for establishing trustworthiness is transferability, also known as external validity in quantitative research. Transferability refers to the degree to which the results of qualitative research are generalisable or may be transferred to a different case or setting. Nowell *et al.* (2017) state that, although the researcher may not proactively be aware of the sites to which the findings may be transferred, he or she is responsible for providing thick descriptions for those who seek to transfer the results to their own cases, so that they may judge transferability. Thick description was used by the writer to ensure transferability. Thick description is a procedure for ensuring credibility and provides a detailed description of the themes, setting and participants of the study. The aim of this procedure is to make readers feel as though they have experienced what is described in the study.

#### **4.6.3.4 Confirmability**

The final criterion for establishing trustworthiness is confirmability. Nowell *et al.* (2017) state that confirmability is established when credibility, transferability and dependability are all achieved. Confirmability is similar to the notion of objectivity in quantitative research (Bhattacharjee, 2012). White, Oelke & Friesen (2012) claim that confirmability refers to establishing whether the researcher's interpretations and

findings are derived from the data. For this research to be confirmable, the researcher provided as much detail as possible of the background. Apart from creating a clear audit trail, the researcher compared data with previous research findings, and so confirmability was maintained.

#### **4.7 Secondary Data**

Secondary data is defined as information gathered by someone other than the researcher conducting the current study (Sekaran & Bougie, 2010). The Department of Labour's documents were analysed and interpreted by the researcher to give voice to and meaning around the topic. The following documents were analysed: secondary data sourced through internal documents of the Department such as Annual Performance Plans (APP), annual reports, presentations from the Human Resource Unit, policy manuals, employee handbooks and strategic plans. This introduced another method of data collection known as document analysis.

#### **4.8 Data Analysis**

In Social Science research, processing data analysis involves providing an explanation of the collected data. This entails making sense of the data in terms of each respondent's definition of the situation. In this regard, the responses to the questionnaires and interviews from this study were initially captured to form a data set and subsequently analysed. Qualitative research analysis, unlike quantitative analysis, is mostly dependent on the researchers' knowledge of the social context from which data are collected, using analytical and integrative skills and not only statistics. Emphasis is placed on making sense of, or understanding, a phenomenon and not on making predictions (Bhattacharjee, 2012). Thematic analysis was used to analyse the data (Nowell *et al.*, 2017). This approach is favoured in qualitative research for its accessibility and theoretically-flexible approach to analysing qualitative data through identifying and interpreting patterns of meaning across data content (Braun & Clark, 2014). This style of analysis treats the data set as a mass of information that can be best understood by not breaking it up into small abstracted sections. Rather, the analysis process is about understanding the overall themes in the data set. These themes can only be ascertained appropriately by having a 'feel' for the overall meaning of the whole set of data.



A theme is broader than a category, as it will appear throughout the data set as a central idea that weaves through the data set. It has further been credited as a method that provides a rich and detailed, and at times even complex, account of data. For the purpose of analysis, it was important to create a descriptive presentation of the qualitative data. By doing so, common themes were identified to enable analysis. These themes were created from the actual words of participants and, based on such themes, a name was given to each theme in a manner that directly reflected the texts as a whole (Anderson, 2003). The above process was conducted by first reading through the in-depth questionnaires and interview transcripts and writing down possible themes that would answer the research questions as laid out in previous chapters. The researcher then read all the responses and transcripts and noted down the common themes that emerged from each participant's responses to each question (Braun & Clarke, 2014). The themes were then further separated and grouped into two categories, namely, main themes and sub-themes. The themes serve as an abstract entity that provides meaning and identity to frequently-mentioned experiences and how these experiences manifest themselves (Braun & Clarke, 2014). Thematic analysis requires getting to know the data well through a method appropriate to the data, such as reading and re-reading if working with written words, and even then it might require taking time to reflect on the insights being extracted from the data. The researcher then goes back to the data for further analysis and thinking and so on, until meaning-making occurs. Data analysis in this process is termed iterative, in that the researcher is moving back and forth over the data, rather than in linear steps. Although it can be applied to various qualitative research approaches, this style of data analysis is particularly useful for certain specific approaches, such as phenomenology. The researcher may use this style 'free-form' or follow directions suggested by others. Internal documents of the Department, such as Annual Performance Plans (APPs), annual reports, presentations from the Human Resources unit as well as primary documents were used to corroborate the data that were collected.

#### **4.9 Ethical Considerations**

According to Krishnaswamy & Ranganatham (2006), whenever human subjects are involved in research, two important aspects must be taken into consideration, namely, anonymity and confidentiality. Saunders *et al.* (2012) confirm that anonymity helps to protect the respondents' privacy and helps to avoid causing them any harm or

intrusion. The author observed due protocol in relation to ethical issues. Participants were assured of anonymity, protection from harm, confidentiality, and commitment to honesty, through the provision of a letter of informed consent which stated the purpose of the study and that the information collected was to be used purely for academic purposes. Further to this, the right of voluntary participation was also stated in the letter and participants were informed that they could withdraw from participating at any time before, during, or after completion of the questionnaire, without fear of repercussions. The ethical considerations outlined by the Durban University of Technology were equally observed and implemented. To maintain anonymity and confidentiality, all interviews were coded only by the researcher. Audio-recordings were transcribed and edited, and every effort was made to minimise the effects of bias and distortion. The researcher transcribed the data and then made meaning from the data by coding and writing down significant points of convergence and divergence, as outlined by the framework analysis methodology. Trustworthiness of data was established using triangulation in which responses from transcripts, field notes and draft reports were cross-checked to establish the accuracy of statements. Member checking was also used to establish the trustworthiness of data by playing back the audio-recordings to the participants and allowing them to comment. This means the study included criteria of trustworthiness such as truth-value, transferability, applicability, consistence and neutrality (Leedy & Ormrod, 2010). The researcher asked for and duly obtained permission to conduct research, from the Provincial Office, KwaZulu Natal, from the Department of Labour Head Office and also from the participants.

#### **4.10 Limitations of the Research**

The research was conducted only at the Department of Labour, KwaZulu Natal, in Durban. The number of participants was limited and may not afford generalisability. Worth stating as a limitation is that Leatherman (2008) mentions that perception questionnaires may lead an employee to identify needs which may, in fact, be only a perception of that need and not a real need.

## **CHAPTER 5**

### **DATA COLLECTION AND PRESENTATION OF RESULTS**

#### **5.1 Introduction**

In the current chapter, the research data are presented and analysed. In so doing, the sample of respondents used in the study will be described and the response rate made known. The framework that served as a basis for the analysis of data will be explained, as well as the manner in which the researcher presented, analysed and interpreted the research data. The data pertaining to the performance management system, as perceived by employees, will be presented and interpreted. This means that the data resulting from the in-depth questionnaire that was issued and the interviews conducted were used to analyse the manner in which the performance management system was developed and implemented at the Department of Labour, KZN.

#### **5.2 Sample Description and the Response Rate**

The sample of the study consisted of employees from the Department of Labour, KZN. The sample comprised management and ordinary employees who are involved in the implementation of PMS in the Department of Labour, KZN. Only permanent employees formed part of the study. There were 62 questionnaires issued to employees; 56 were retrieved, translating into a response rate or completion rate of 90%. In as far as interviews were concerned, 10 employees participated and were interviewed and this resulted in a response rate of 100%. Out of a sample of 72 employees, a total of 66 employees participated in the study, resulting in a response rate of 92%. The response rate is considered sufficiently significant to derive findings for the study.

##### **5.2.1 The Demographic Profile of the Sample**

The sample of 72 persons included both managers and lower-level employees. Department of Labour management and employees were categorised in terms of race, gender and different job levels. The demographic profile of the sample comprised the following:

- Sixty of the sample comprised females and 40% males.

- In terms of racial composition of the sample, 27% were Indians, 59.5% Africans and 13.5% were White. Coloureds were not represented in the sample, Whites were under-represented and Africans were considerably over-represented.
- In terms of occupational levels' distribution, respondents were grouped into three main occupational levels, namely, skilled technical and academically qualified, professionally qualified and senior management. The sample comprised mainly employees at the skilled technical and academically qualified level (50.5%). The professionally qualified level made up 27% of the sample, the senior management level 5.5% and semi-skilled level 17%.

### **5.3 The Framework for the Presentation and Interpretation of Results**

The information discussed in this chapter is taken from the in-depth questionnaires and interviews from two offices of the Department of Labour, KwaZulu Natal. A thematic analysis was used to analyse the data. The themes were developed based on content from the transcripts, observations, the in-depth questionnaire, and documents gathered at the research site (Merriam, 2009; Ritchie, Lewis, Nicholls & Ormston, 2013). The aim of the study was to investigate the influence that the PMS has on the perceptions of the employees regarding the management of their performance. To critically assess the employees' perceptions of performance management, the following questions were key drivers of the research process:

How is the performance management system applied at the Department of Labour, KZN?

Do managers and employees understand the purpose of the performance management system?

What are employees' perceptions regarding the effectiveness and efficiency of the performance management system?

To what extent can the performance management system enhance employees' performance?

To what extent do employees' perceptions of the performance management affect their organisational commitment?

What will be a better-designed performance management system model and ways of effective implementation?

The above listed objectives questions were further expanded upon and sub questions were developed to facilitate productive communication geared at answering research questions in the process of data collection. A number of themes emerged from the data. The findings of this study are discussed under the following thematic headings:

**Table: 7: Themes and Sub-Themes**

<b>Themes</b>	<b>Sub-themes</b>
1. The importance of the PMS in public sector institutions	<ul style="list-style-type: none"> <li>• The PMS as strategic, administrative and developmental managerial tool.</li> </ul>
2. The system is flawed	<ul style="list-style-type: none"> <li>• Experiences of poor implementation of the PMS</li> <li>• Barriers and inconsistencies in the implementation of the PMS across offices</li> <li>• Lack of accountability</li> </ul>
3. Rewarding performance	<ul style="list-style-type: none"> <li>• Rewarding system</li> <li>• Favouritism</li> </ul>
4. Overcoming barriers to effective performance management	<ul style="list-style-type: none"> <li>• Re-evaluate the implementation of the system</li> <li>• Provide adequate training in the PMS as a valuable managerial tool</li> <li>• Managers' competency and capacity to evaluate employees' performance</li> <li>• Team dynamics and their consequences</li> </ul>
5. Improving performance and commitment	<ul style="list-style-type: none"> <li>• Effective performance and commitment requires resources and time</li> </ul>

Source: Researcher's work

The main themes and sub-themes reflected the employees' perceptions of the PMS in the Department of Labour. Although many employees mentioned the PMS as a vital HR component, many argued that it may become more relevant if it accurately measures performance and is used for development purposes (Hyde, Harris & Boaden, 2013; McDermott & Keating, 2011); this suggests that the PMS currently in practice is not used effectively. Each theme and sub-theme is discussed

comprehensively below. Data were coded according to occupation and Trade Union affiliation, as indicated below:

D = Director

DD = Deputy Director

ASD = Assistant Director

GW = General Worker

NEH = National Education and Health and Allied Workers Union

PSA = Public Service Association

SASA = South African State and Allied Workers Union

NUPS = National Union of Public Service and Allied Workers

#### **5.4 Theme 1: The importance of the PMS in the Public Sector**

This theme covered the importance of the PMS according to the narratives; it includes the purpose of the PMS and how it is applied in the Department of Labour.

##### **5.4.1 The PMS as a Strategic, Administrative and Developmental Managerial Tool**

Based on the in-depth questionnaire, the majority of participants perceived one of the goals of the PMS as being to evaluate performance for the purpose of identifying areas for development and thus assisting employees in improving service delivery to clients. This is captured by the participants below:

**ASD13:** *It is developing because, where you are able to see gaps, they are able to come back to you and say you lack knowledge on this and that, and then take you for training.*

It was also observed that, if applied correctly, the PMS has the potential to help improve quality of service delivery through monitoring and evaluating performance. These aspects were mentioned by the participants below:

**DD5:** *It is like auditing the staff like, "How far did you go? Are you in line with the working environment and the guidelines?"*

**DD7:** *It is a good thing to also control performance and to reward people that need rewarding.*

The participants above demonstrated that the PMS had a quality assurance aspect, while also providing incentives for good performance. The remunerative incentive emerged as a key positive factor of the PMS for a number of participants.

**SASA3:** *For remuneration, for payment purposes and rewards, that is the only important part about it. Somehow it encourages hard work because if one meets the expected performance standard, he/she gets the notch increment. You become more interested in doing your job and wanting to do more.*

## **5.5 Theme 2: The System is flawed**

This theme covers employees' perceptions and experiences concerning how the PMS is implemented at the Department of Labour. It highlights the inconsistencies in its application across offices, as well as its weak accountability and control measures.

### **5.5.1 Experiences of Poor Implementation of the PMS.**

Based on an in-depth questionnaire, the majority of participants complained about poor implementation of the PMS; for example, participants articulated the view that, while the assessment process was meant to acknowledge and reward diligence as reflected in the previous theme, this was not always the case.

**NEH3:** *It is failing because those that work do not get assessed accordingly. They often do not get recognised for their hard work and those that do not work always get rewarded.*

The participants below also mentioned in an interview that, as a result, employees had become reluctant to participate in the PMS process. Furthermore, the participant reported that there were no serious repercussions if employees chose not to complete the appraisal at all, thus demonstrating how the PMS was compromised.

**PSA1:** *Everybody is just reluctant. People do not see the importance of the system. Even if one gets a "below expectation" assessment, there are no repercussions or training provided to change the situation.*

Interestingly, another participant (**NUPS2**) also passionately spoke against the use of performance management, citing its idealistic aims that created animosity given the unrealistic demands associated with it and the potential it has to create an uncondusive working environment that is contrary to the vision of the system.

**GW4:** *The PMS is out of order; it is unrealistic and not working. The targets are just imaginative numbers. The PMS is creating some form of hatred to some employees who are working and are not assessed accordingly.*

In an interview, another related issue was the unrealistic targets set by the Department's Inspection and Enforcement Service (IES) branch and Registration Service unit, which resulted in inspectors and client service officers feeling demoralised when they did not reach their targets.

**EH5:** *This year you must take 400 Unemployment Insurance applications per month for people who are dismissed from work. Then one only receives 300 applications per month of those who have been dismissed by their employers thereby failing to achieve the monthly target of 400. Is one now supposed to ask employers to dismiss employees or to search for those dismissed to come and apply for benefits? That is the problem with PMS. They are not applicable and realistic. The problem with the PMS is the targets.*

### **5.5.2 Barriers and Inconsistencies in the Implementation of the PMS across Offices**

Respondents were asked if there were any barriers to effective implementation of the performance management system at the Department of Labour. As revealed by some of the participants, there seemed to be an understanding of what performance management was but the implementation thereof remains an ongoing challenge.

This was acknowledged by **D2** who believes that: *The system, the policies, everything... there is absolutely nothing wrong with them. The person who came up with that system actually came up with a brilliant idea but it is the way it is implemented, but not by the Department but by individuals.*

**ASD17** agreed and said that there was a lack of understanding on the part of some managers and supervisors on the application and that needed to be addressed. Participants shared the problems encountered with the researcher.

A key participant, **DD2**, noted that the problems experienced with implementation were due to the fact that a change in the management process was not carried out. Not enough time was spent on detail, because when the system was implemented. it was clear that there was no common understanding amongst the different offices of the Department on how it should be implemented. He respondent felt that perhaps Head Office was supposed to make a change in the management process and also



communicate effectively with all employees; communication was probably insufficient, hence there was no common understanding of how it should be implemented.

**DD4** added that some managers were not transformative. They still believed that the previous system was better and therefore there was resistance to implementing the new policy. Perhaps that also accounted for the inconsistent application of this policy in the province. Another problem encountered with the performance management system, as identified by DD4 and other participants, was subjectivity.

This subjectivity, according to **NEH4**, was the reason the performance management system was developed. He said there were a number of complaints that were raised by different offices about the implementation of the merit system. The complaints centred around the bias of managers towards a particular trade union, and in this case it was towards NEHAWU. If you belonged to NEHAWU, even if you performed meritoriously, you would not be recognised and rewarded. This barrage of complaints meant that an alternative should be considered because clearly the system was not working for NEHAWU members, in particular, in that it favoured the members of other trade unions. According to NEH4, a decision was then taken in one of the organisation's meetings that the employer should be engaged in developing a new system. The Provincial Chamber is a platform where the employer representatives and the employee representatives meet to discuss issues of mutual interest. The issue was raised. There was a complaint from members who said that the approach should be to develop a new system. An initiative was then taken by the Union to consult extensively and benchmark with other existing systems in other public sector organisations. There was a degree of comfort from all the representatives in the Chamber that the draft presented was a shift from the previous system.

Another complaint received related to inconsistencies in the scoring and rewarding of the PMS system across offices, with more than half of the participants mentioning this was an issue.

**ASD14:** *They are not measured in the same way ... with remuneration ... same - if one compares herself with a career councillor with the same experience but placed in another office, doing the same thing like on a daily basis, the one will receive a merit bonus and the other not.*

The above narratives collectively suggest an inconsistent and inaccurate system that is susceptible to grievances for lack of standardisation across offices and lack of fairness and impartiality.

### **5.5.3 Lack of Accountability and Compliance**

Half of the participants mentioned that weaknesses in implementation of the PMS compromised the legitimacy of the system. Some officials were allowed to refuse to participate without repercussions while others were just writing anything so as to avoid being penalised; and some were even recycling assessments.

**SASA8:** *Last year I refused to assess myself.*

**GW7:** *You just assess yourself to get finished, just to get it done because when you do not assess yourself, you will be pressurised to do it, saying; “We need your PMS; we’re going to penalise you if you do not”.*

**NEH6:** *We are only told to assess ourselves, then we copy from others. We ask others how they did it, so we only get information from other colleagues.*

## **5.6 Theme 3: Rewarding Performance**

The majority of participants repeatedly expressed perceptions and experiences reflecting great dissatisfaction with the reward system and further highlighted the view that the PMS was embedded with favouritism.

### **5.6.1 Rewarding System**

While participants acknowledged the potential of the PMS as a system for motivating them to perform better, in personal interviews the majority of participants mentioned that there was a strong sense across the board that the way rewards were distributed was unjust.

**PSA2:** *I want them to treat us equally because we all go the extra mile. It is only fair that every hard worker receives a merit award for their work as opposed to those that fail to meet the performance expectations.*

The participant below also argued during the interview that, in instances where staff members did not receive a performance bonus, feedback should be provided on why they did not qualify.

**GW9:** *Managers should explain why one doesn’t qualify for a performance bonus and others do. We come to work every day, doing what one is supposed to do.*

The majority of participants in both interviews and in the in-depth questionnaire identified the need for the PMS to measure performance accurately, consistently and without any ambiguity. In doing so, these participants expressed great dissatisfaction with how performance decisions were made. Comments that attested to this were:

**NUPS5:** *The people that get performance rewards are the ones who are not working.*

**NEH8:** *It is not benefiting the people on the ground who are actually doing the job.*

Like the participants above, the two participants below also confirmed the lack of uniformity and discrepancies, and questioned the fairness of the system.

**SASA4:** *Sometimes those that are often absent and dodging at the end of the year they get rewarded with performance bonus.*

**ASD16:** *Poor performers are the ones that get performance rewards.*

Apart from the value of monetary rewards previously described, some participants also mentioned the need for non-monetary forms of recognition and appreciation of hard work that would boost self-esteem and commitment.

**D1:** *People need to be appreciated in various ways including through certificates of excellence so as to boost their confidence and commitment.*

### **5.6.2 Favouritism**

On both in-depth questionnaire and interviews, almost all the participants suggested that the PMS was riddled with favouritism. Participants noted the following as they interacted within their own work environment;

**ASD15:** *Managers have favourite employees. They do not apply fairness when assessing performance.*

**SASA6:** *Favouritism prevails. It is the same people that always get performance bonus.*

Other participants indicated the impact favouritism has on performance and how it created conflict between employees. This is also evident with some participants reporting.

**PSA3:** *It causes friction. It lowers the morale of the team especially when some team members get highly scored and others who contributed equally do not.*

**NUPS6:** *PMS is not working. If your manager favours you, you always benefit from the system and if not, your manager always finds something to discredit you and give you a lower score so you do not get any performance bonus.*

**NEH1:** *Managers are instigators and the beneficiaries of favouritism in the workplace.*

**GW2:** *It is a strange system. Some managers get rewards whereas the subordinates who are doing the work do not.*

Overall, participants felt that favouritism ultimately had devastatingly negative consequences for positive work outcomes such as motivation, job performance, team collaboration and commitment.

### **5.7 Theme 4: Overcoming Barriers to Effective Performance Management**

This theme highlights employees' opinions on key factors for effective performance management. These considerations include: i) re-evaluating the administration of the system; ii) providing adequate training on PMS for all staff; iii) managers' competency and capacity to evaluate employees' performance; and iv) team dynamics and their consequences.

#### **5.7.1 Re-Evaluating the Implementation of the System**

Based on the in-depth questionnaire, many participants suggested the need for a change in the current PMS, by wanting it to be aligned with the previous manual PMS that was perceived to be more user-friendly, with employees merely having to rate themselves on certain criteria using tick boxes as opposed the current one that required motivation for even a 'meet expectation' score.

**PSA5:** *The current online system was not user-friendly and most of the time the system was down and not working.*

**D3:** *The system opened up for a very short time and before one knew it, it had closed.*

**DD3:** *Boxfusion that is supposed to assist with challenges was encountered. It tended to also refer one back to Head Office and that simply did not attend to people's requests/enquiries.*

**DD6:** *Boxfusion was neither user-friendly nor reliable. Emails sent through the online system were hardly ever responded to.*

#### **5.7.2 Providing adequate Training on the PMS for All Staff**

The majority of participants advocated for compulsory training in the PMS for all employees. They expressed the view that they did not feel confident about their capabilities to use the system, and that left them vulnerable to making errors. The training of staff should focus on the process that raters and ratees should follow during the performance management cycle. In doing so, the focus of the training must be centred on setting performance objectives, performance assessment and

communicating performance feedback. These sentiments were shared by the majority of participants and were further expressed by the participant below:

**NEH2:** *We do not even know how to assess ourselves because we are always told that we have wrongly assessed ourselves. This is annoying because no workshop or training has been provided so that everyone can be on board with what is expected.*

During interviews, participants also indicated lack of regular feedback and communication as factors that impacted negatively on them.

**GW6:** *Sometimes one works for the whole semester without getting any feedback from the supervisor and only realises that he or she was not doing things right when it's semester assessment.*

The lack of feedback on performance has prompted participants to suggest:

**NUPS3:** *PMS would only be effective if there was regular feedback between the supervisor and the subordinate and not only an event that takes place after 6 months.*

### **5.7.3 Managers' Competency and Capacity to Evaluate Employees'**

#### **Performance**

Many participants questioned whether managers had the capacity or competency to carry out the PMS effectively. They suggested that managers were involved in many administrative tasks that consumed a substantial amount of their time and thus compromising contact time with subordinates. The following statements illustrate these participants' views:

**PSA7:** *Managers do not have time. They hardly sit down with subordinates to explain what is expected of them and whether or not they meet the expected standard of performance.*

There is currently dissatisfaction with the system, the evaluation, the lack of improvement and management. Some participants suggested that managers did not adequately represent the performance of subordinates during review committee meetings as they sometimes failed to provide motivation for the scores they assigned to each subordinate.

**SASA2:** *Because some managers also do not understand the system, it becomes difficult for them to justify the scores allocated and agreed upon with us.*

Other participants stated that managers were not supportive in assisting them to improve performance and were only concerned with meeting targets, thus, managers were often not proactive in addressing under-performance.

**DD8:** *Managers are not supportive; they are only concerned about the numbers. They are always re-active. They do not provide enabling conditions but are only target oriented.*

It was stated during interviews that although supervisors might have an understanding of performance management, implementation remained a challenge.

To this end, another respondent explained that supervisors understand the system, but implementation of it was something else.

**GW1:** *They understand how the system is supposed to work but there is tendency of not doing the work the way it is supposed to be done because people are trying to save relationships. So when that performance management system is implemented it's not about the performance itself, it's about trying to forge relationships in the workplace. Then it becomes unfair to those who work hard and go an extra mile because you find that some people as much as they deserve it, but if you do not see eye-to eye with the manager and the manager, to get back at you, will use the performance management system. You find that the most lacking person in the office will be the one who gets a bonus and a notch progression, and then you ask yourself why.*

From the in-depth questionnaire, some participants agreed that supervisors had an understanding of performance management; however, implementation remained a challenge. To this end, a respondent explained that managers understand the system, but implementation of it is inconsistent.

**PSA6:** *They understand how the system is supposed to work but have the tendency of not doing their job the way it is supposed to be done. They focus on trying to save relationships. So when that performance management system is implemented it's not about the performance itself, it's about trying to forge relationships in the workplace. Then it becomes unfair to those who work hard and go an extra mile because you find that some people as much as they deserve it, but if they do not see eye-to eye with the manager and the manager to get back at them, will use the performance management system. You find that those who do not work are the ones who get a performance bonus and a notch progression.*

The view about this was echoed by **NEH7** who said managers understood the system but were probably indolent.

**NEH7:** *There is no regular performance monitoring and no one-on-one discussions. As long as the supervisor trusts you, whatever score you give yourself will be accepted. If they do not trust you, whatever score you give yourself, it will be challenged.*

#### **5.7.4 Team Dynamics and their Consequences**

The majority of participants also perceived the PMS as largely individualistic in nature and consequently not encouraging teamwork. Co-operation was regarded as essential to achieve team performance and to improve the quality of collaborative team work. The existing PMS system was viewed as working against collaborative teamwork and needed to be aligned to organisational changes.

**GW3:** *The unrealistic targets are discouraging team work as one has to race to achieve his or her own target.*

**NUPS1:** *The system is dividing the staff. After working hard as a team, only one person will get recognised while others do not.*

**ASD11:** *The system has resulted in people working in silos, chasing their own individual targets.*

### **5.8 Theme 5: Improving Performance and Commitment**

This theme highlighted employees' opinions on key factors for effective and improved performance and commitment.

#### **5.8.1 Managing Human Resources**

More than half of the interviewees reported on how the shortage of staff impacted on performance and staff morale. The following statements support these perspectives.

**GW5:** *How does one improve performance when there is shortage of staff? The biggest challenge is the number of clients that are seen versus the number of staff. This problem is further aggravated by staff turnover and poor retention of experienced staff.*

**G8:** *The shortage of staff is caused by their low morale which in turn results in most employees leaving the Department for greener pastures.*

Similarly, other contributory factors were cited:

**NEH7:** *Job satisfaction and money people leave the Department for greener pastures. They are going to the private sector because the Department's salaries are not market related and do not match with the amount of work being done.*

**NUPS4:** *Employees are not adequately capacitated to meet the required standard of performance. There is ambiguity on how certain aspects of the job must be executed.*

**PSA6:** *Personal Development Plans (PDPs) are not implemented throughout the year, instead, employees get sent for trainings they have not requested just to spend the training budget towards the end of the financial year.*

### **5.8.2 Managing Other Resources**

Managers mentioned the need to strengthen the provision of resources in order to improve the provision of quality service and overall performance.

**DD1:** *There is lack of resources in terms of photocopying machines, scanners and printers to ensure effective and efficient performance by employees.*

**DD9:** *Different systems used by various units are in most of the time down or not functioning as they should and nothing is done about that.*

Managers thus reported shortage of resources as a persisting factor that impacted effective performance.



## **CHAPTER 6**

### **FINDINGS, RECOMMENDATIONS AND CONCLUSION**

#### **6.1 Introduction**

Based on the data collected, this chapter summarises the main arguments and research findings according to the research problem and research objectives identified in Chapter 1. For this case study, the six research objectives were discussed through the reviewing and interpreting of data from semi-structured questionnaires, interviews, and document analysis.

The primary focus of this chapter will be to present the findings from the literature and to determine the research findings for each of the research objectives. The implication of the findings relating to research objectives, limitations of the study and recommendations for further research will be based on the research data collected through the research design and methods discussed in chapter 5. The chapter will conclude with possible recommendations to address the identified problem that ascribe the deficit at DOL to a lack of an accurate and reliable Performance Management System. The aim is to find ways to an effective implementation process and the development of the PMS model for the public-sector institutions. The thesis focused on addressing the following research objectives:

##### **6.1.1 To Ascertain How the Performance Management System Is Applied and Utilised in the Public-Sector Institution**

The findings on how the system is applied and utilised in the public sector revealed that if applied objectively and the correct procedure is followed, the system has the potential to help improve quality of service delivery through monitoring and evaluating performance.

Chapter 2 further provided a theoretical conceptual framework as the basis of the study. The importance of a shared understanding of the Performance Management System, the availability of relevant skills within the organisation and the importance of the involvement of all stakeholders in the development of the system were identified as critical factors toward the successful implementation of a Performance

Management System. The literature review in chapter 2 emphasised the importance of the implementation of an organisational Performance Management System. Definitions and components of the Performance Management System were discussed and linked to the successful implementation of the organisational Performance Management System. The chapter further presented objectives and models of Performance Management System as contributing factors towards the successful implementation of an organisational Performance Management System with limitations thereof attributed to the failures on the implementation process.

Some responses to the interviews and questionnaire also indicate inconsistencies in its application across offices and disparity in employees' understanding of the PMS in the DoL. The respondents viewed the system as very subjective and punitive measures imposed on those not on good terms with their supervisors, especially by those supervisors who did not want to follow the procedure and invariably got away with unacceptable behaviour. Employees felt that their performance evidence would never be convincing enough. In addition, the system was described as generic and did not address an individual and the gaps in his or her particular work situation.

### **6.1.2 To Establish whether Managers and Employees Understand the Purpose of the Performance Management System**

The findings on the understanding and knowledge of performance management and how it is applied at DoL revealed that it was an individual plan that assisted in identifying areas of focus, as well as areas in which the individual employee needed development, this being a continuous process. Generally, the system assisted the Department and its employees to work together to achieve the set goals and standards and to ensure that clients benefited from the departmental activities.

The results showed that the majority of managers and employees understood the purpose of a performance management system in the public service. This is important because a PMS directs the contribution levels of individuals so as to be consistent with the objectives, priorities, targets and indicators contained in the Department's strategic plan. This is also confirmed by McGregor (1960), as well as Armstrong & Baron (2012), who point out that performance management is of critical importance as it ensures that plans are being implemented and have the desired impact on development.

One of the greatest challenges expressed by managers was lack of interest by employees in participating in a performance review; they felt they had to force employees to complete the assessment by threatening to take punitive action against them. Chandra & Frank (2004) report that there is a need to create a conducive environment for employee involvement, that is, an environment where employees feel free to rate themselves honestly, based on their performance. In relation to the poor implementation of the system, the findings highlighted several aspects. Some managers blamed this on poor consultation as a result of no Change Management process, not enough time spent on detail and therefore no common understanding amongst the different offices of the Department on how PMS should be implemented.

### **6.1.3 To Assess Employees' Perceptions Regarding the Effectiveness and Efficiency of the Performance Management System**

The majority of participants complained about poor implementation of the PMS. They indicated that while the appraisal process was meant to acknowledge and reward diligence, this was not always the case. The participants agreed that supervisors were not fair during assessments. They were of the opinion that supervisors used performance management as a process to settle scores with subordinates. They claimed that supervisors seemed to favour some employees over others by giving certain employees higher scores. The findings indicate that, although the system is generally perceived as being technically fair and having good intentions, the manner in which it is implemented renders it unfair in procedure, distribution and interaction. The majority of respondents reported a negative personal experience that was attributed to poor application of the process, perceived abuse and application of the system as a punitive measure, poor relationships with managers and poor communication. This echoes the findings by Rademan & Vos (2001), which indicate that perceptual differences on the fairness of assessments exist between different groups and that complaints raised by the public service can largely be attributed to the inappropriate application of the performance management system.

Goodhew, Cammock & Hamilton (2008) found that performance management was still fraught with inconsistencies even amongst experienced managers. This study revealed that only 8 people in the sample had experienced consistency in the application of the system over the five years or more and that they had participated in the performance management process. All inconsistencies were attributed to lack of

knowledge of the performance management system by supervisors as well as subjectivity in its application. The majority of the respondents felt that their scores were inconsistent with their actual performance and this was attributed to supervisor subjectivity and the focus on the system's monetary reward, which was also used by supervisors to punish their subordinates.

#### **6.1.4 To Determine the Extent to which Performance Management System can Enhance Employees' Performance**

Most of the participants indicated that favouritism had a negative effect on performance and created conflict between employees. Some participants reported that favouritism caused friction and lowered the morale of the team, especially when certain team members were highly scored as opposed to others who contributed equally. The majority of the respondents reported that performance could be enhanced if regular feedback was provided. Some managers do not monitor performance on a regular basis but wait for online assessments before starting to question the scores. Roberts (2003) highlights the view that performance appraisals require employee feedback to be effective, therefore, in order for appraisals to be effective and serve the intended purpose, there must be regular formal and informal feedback.

The respondents said that if applied correctly, PMS had the potential to help improve employees' performance through monitoring and evaluating performance. Most participants noted the usefulness of PMS in an administrative and development capacity, rather than in terms of setting strategic objectives and a shared vision towards improving performance. Imperative to setting performance objectives is a shared understanding of how individual, team and the branches' performance are linked to organisational performance indicators, as well as to overall improved performance outcomes (Du-Plessis, 2015; Mone & London, 2018).

#### **6.1.5 To Establish the Impact of Employees' Perceptions of the Performance Management System on Organisational Commitment**

The findings of the study on employees' perceptions of performance management indicated that the majority of participants were dissatisfied with the current PMS. Employees viewed the PMS as a potentially useful managerial tool if used correctly, as it would assist in identifying poor performance, employee training and development

needs, and in rewarding good performance. Furthermore, managers saw the potential of the PMS to promote positive work outcomes such as job satisfaction, improved employee retention and job commitment. However, participants consistently emphasised dissatisfaction with the implementation of the PMS. This is consistent with the findings by a study in Uganda by Lutwama, Roos, & Dolamo (2013) who report that the negative impact is caused by inconsistent and inaccurate performance management systems. The value of employee participation in the design and implementation of a PMS is confirmed by Lee & Steers (2017), Saravanja (2011), as well as Choudhary & Puranik (2014). These authors argue that increasing employee participation in the design and implementation of PMS initiatives is essential to the success of the system as it increases employee acceptance and support of the system. Boachie-Mensah & Seidu (2012) also believe that lack of involvement of employees in the implementation phase of a PMS contributes to negative perceptions of the system and thus yields negative attitudes and behaviour. For effective evaluation and management of performance, participatory performance assessment is therefore essential and indeed more effective. Managers should encourage employee involvement. Factors that prevent effective participation include lack of training, accountability and employees' resistance.

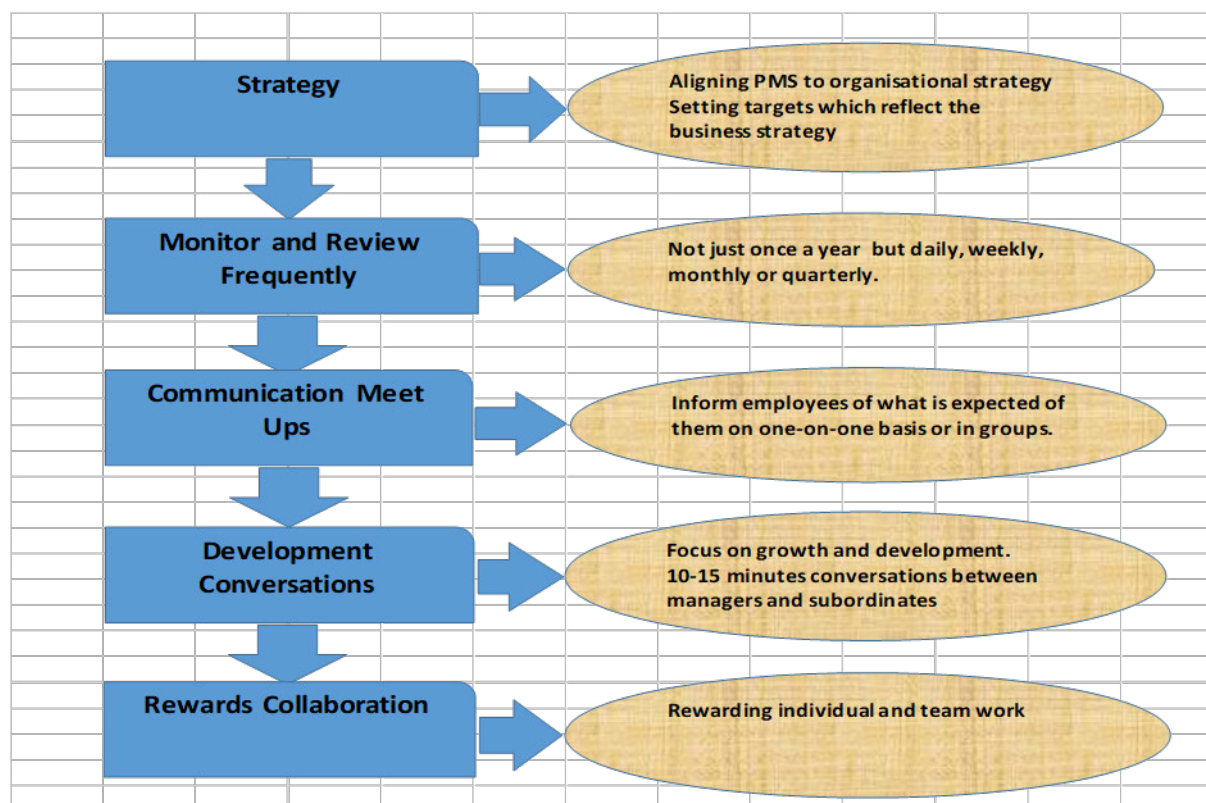
#### **6.1.6 To Develop the Performance Management System Model for the Public-Sector Institutions and Ways of Implementing Performance Management System Effectively**

The literature and the research itself revealed that the current performance management system is not yet effective and employees are demotivated by how the system is implemented in the public service. Literature suggests the need to review performance measurement systems in the ever-changing environment of modern markets and to ensure their sustainability and ability to adapt to environmental changes (Najmi, Rigas & Fan, 2005). It is important to ensure the availability of an effective and efficient means of measuring and reviewing the performance of the organisation.

## 6.2 The Proposed Performance Management System Model

The proposed PMS model is a pro-active process which links people and jobs to the strategy and objectives of the organisation; many managerial planning, measurement and control techniques have been devised to this linkage (Najmi *et al.*, 2005). It is recommended that for the PMS model to function effectively, performance of employees must be linked to the corporate strategy, measured and recognised. The performance management system model presented below is recommended:

**Figure 4: Proposed Performance Management System Model**



Source: Researcher's work

### 6.2.1 Strategy

The organisation's performance management system needs to be aligned to its business strategy. An organisation needs to set targets for each area which reflect its strategy. Each functional or section head should have goals that align with organisational strategy. Setting goals is crucial to organisational success, and contributes to its development. An organisation should therefore create a clear mission statement to meet its stakeholders' needs. Each functional or sectional head should cascade the goals down to their own managers and employees, with tailored

objectives according to everyone's own job function. The purpose should be to ensure that what employees are tasked with will go some way to meeting the organisation's overall business objectives. Targets need to be:

- Realistic – performance targets need to be achievable and realistic Clear –The expectations of the employee must be well detailed. Organisational goals and targets should be clearly defined. Employees should be made aware of what they are working towards as an organisation.
- Documented – the goals and targets should be documented on paper, or if there is an online performance management system, then the objectives and the relevant measurement criteria should be captured.
- Agreed – the goals and targets must be agreed upon to ensure commitment from all the relevant stakeholders. When goals and targets are agreed upon, the organisation will have a mutually accepted plan. This will ensure that employees eagerly accept their responsibility and understand what they are doing to support the organisational and corporate strategies.

### **6.2.2 Monitor and Review Frequently**

Many managers are guilty of treating performance reviews as box-ticking formalities. They confine the performance assessments to just once or twice a year. However, to make the alignment of goals and business strategy truly meaningful, the monitoring, review, assessment and feedback process needs to happen frequently. Performance assessments should happen daily, weekly, monthly, quarterly and not just once or twice a year. There should be daily contact between managers and employees as well as more in-depth weekly and monthly reports. Monthly and weekly reports should not only be prepared and submitted to comply with the internal requirements. The monthly and weekly reports should be used to evaluate and review progress against the set targets and the assessor should then devise alternative plans if the objectives have not been met. Apart from seeking best practices, the PMS should not only focus on past behaviour. Instead, supervisors should engage with subordinates about future goals and what the employee can do to accomplish them. A high-quality and meaningful performance review also recognises where targets have been met. The focus should be on what has been achieved and giving recognition where it is due. Affirmation and commending a job well done will motivate, energise and focus staff for

the future. For all-round reviews, implementing peer-based feedback can also be considered. This helps engender a sense of collective responsibility and further motivates and empowers the workforce.

### **6.2.3 Communication Meet-Ups**

Employees have a need for communication. They appreciate being informed of what is expected of them, being able to celebrate wins and to connect what they are doing with the organisation's purpose. Communication meet-ups can range from in-person huddles to communication apps. They are a way to share information, either one-on-one or in groups, and to empower employees by ensuring they have the right information to foster growth and creative thinking. Having regular and open communication is a huge engagement factor. When employees are informed, they can take great strides in testing their growth skills on the results they are working toward.

### **6.2.4 Development Conversations**

Traditional strategies focused primarily on rewarding top performers and eliminating underperformers. While that is still a part of modern systems, the focus has shifted to include development with accountability. Focusing on growth and development is key to employee engagement. High-performing employees want to keep growing and being challenged. Employees are looking for time with their leaders to assist them with the difficulties they may be having as they grow, items they want to bounce off the leader for coaching, or working through the next steps in their plan. Whatever the focus, development conversations are crucial for today's workforce. Employees are less concerned about career ladders in an organisation but more occupied with growth ladders. These development conversations are not annual or quarterly reviews but they are 10- to 15-minute check-in conversations. If leaders can do them as frequently as weekly, they should.

### **6.2.5 Rewards Collaboration**

Traditionally, employees were assessed individually as the performance appraisal in the past did not always incentivise teamwork. To overcome the current perception of a PMS system as working against collaborative teamwork, the system needs to be aligned to organisational changes. To improve the quality of collaborative teamwork, organisations should know not only how well an individual works alone, but also how



a person builds up a team. A good performance management model for employees is a must. Employees want to work for an organisation that invests in them. The elements shared here do not cost much to get up and running. Most are now basic expectations employees have of their employers.

### **6.3 RECOMMENDATIONS**

Based on the findings of this study, the following strategies are recommended for improving performance management at the Department of Labour, KwaZulu Natal.

#### **6.3.1 Linking the PMS with New Public Management (NPM) Reforms**

The current PMS needs to be thoroughly examined to reflect the current reforms. In particular, there is a need to develop indicators that move away from the sole focus on numbers, towards measuring the quality of work. Kruk, Gage, Arsenault, Jordan, Leslie, Roder-DeWan & English (2018) mention the need for performance measurements to reflect outcomes beyond performance indicators; these would include client confidence in the public service and other measures of quality of service delivery. If the current situation is left unattended, the quality of service delivery will suffer the consequences of poorly-managed and poorly-developed staff, who do not have the capacity to respond to the needs of an evolving public service, although this is an unintended consequence of the PMS.

#### **6.3.2 Change Management**

As with most change processes, implementing a new PMS requires a change management process that recognises the significance of the human factor. When developing and implementing PMS, the public sector organisation needs to address change management issues. Employees' resistance to change should be managed proactively through communication and consideration of their genuine concerns (Saravanja, 2011). As suggested by Gotore (2011), PMS objectives should be clarified and the system should offer opportunities for growth, training and skills development. In redesigning the current PMS, it should be imperative that employees be included at all levels in order to motivate and encourage their sustained commitment to the process. Increasing employee participation in the design and implementation of the PMS will, to a large extent, increase its effectiveness, due to increased acceptance

and support of the system. Without this, managers will continue to witness dissatisfaction with its usefulness and with how the system is implemented.

The PMS should not be used as a way of checking up on agreed targets to prevent under-performance but rather as a developmental tool (West & Blackman, 2015). Furthermore, systemic changes in the design, measurement and implementation of the PMS should be accompanied by opportunities for continuous learning and development at all levels of the system. These interventions should consider both technical and behavioural skills that influence performance. Ultimately, all employees should have the necessary knowledge, skills and attitudes to improve service delivery. Key person-centred enablers, such as strong communication skills and trust between the clients and employees, can be cultivated and evaluated. Confirming organisational readiness to change will also require a re-evaluation of the PMS across offices. It is also important that the PMS is re-evaluated to identify system challenges impeding optimal implementation. Tools used for the PMS should be designed to address specific needs. The review must include key role-players, especially future users. The review should be consultative and interactional in nature. Those who participate in the design must be experts in both performance management and in using PM systems. Those involved must consider current reforms and interrogate the validity of the current system in line with the reforms and its objectives (DeNisi & Gonzalez, 2017). It is crucial to evaluate the validity and accuracy of the current PMS implementation by revisiting the content of assessments used in the PMS and its systematic implications. Performance reviews must be participative and involve all stakeholders. The outcome of the performance review must outline challenges experienced at all levels that have resulted in the flawed implementation of the PMS. Review outcomes must also include a detailed action plan on how to change the current situation and improve the manner in which performance is planned, measured and managed.

### **6.3.3 Regular Feedback**

Managers should move away from viewing performance assessment as an annual ritual whereby they just complete assessment forms and use them to catalogue all the negative information they have collected on an employee over the assessment period (Noe *et al.*, 2010). Strict compliance monitoring with the quarterly assessments must be enforced. This will address the challenge of employees perceiving PMS as a

punishment for those who are not on good terms with supervisors and, as such, feel regular feedback has to be provided. Importantly, aside from the annual evaluation of the PMS, which is advised by the EPMDS guidelines, an external audit of the PMS (every three years) must be undertaken to identify challenges that may threaten the performance management and to proactively update the system, so that it is not obsolete and remains relevant. Managers need to provide regular feedback even when it is uncomfortable. This openness will close the perception gap between management and employees and make the public sector organisation a better, more enjoyable place at which to work.

#### **6.3.4 Building a Culture of Transparency and Accountability**

Building a culture of transparency requires that information be made accessible to all employees. Although some information is more sensitive and needs to be held back for security purposes, most day-to-day information and decision-making processes can easily be made more open and available. Employees must be made to understand that the PMS is a strategic management tool and not a measurement control system, otherwise they will be sceptical and hostile towards it. This can result in delays or can slow down the development and implementation of the PMS. When information is not made available, teams can end up with duplicate work and poor decision-making that stifles innovation and negatively impacts an organisation's performance and, inevitably, its fundamental core. Transparency helps to build interpersonal trust between employees, regardless of position, especially when there are clear systems in place to facilitate communication (Euna, 2020).

#### **6.3.5 Reward System**

The reward system of the PMS needs to be reviewed so that high performance is rewarded and under-performance discouraged. The PMS should be linked to the reward system. Linking PMS with the evaluation and reward system will assist in ensuring that organisational members are evaluated and rewarded accordingly as per the key performance indicators. Further, a comprehensive reward system should not only promote monetary incentives such as bonuses and pay progression, but it should promote other means of rewards and recognition such as public acknowledgments, merit rewards, promotion, and learning and study opportunities. Importantly, staff should be able to witness a clear link between rewards and good performance.

Performance management systems that are riddled with favouritism and organisational injustice result in poor performance emanating from low levels of satisfaction, motivation and commitment towards improving performance (DeNisi & Sonesh, 2011; Lutwama *et al.*, 2013; Saravanja, 2011; Skinner *et al.*, 2017).

#### **6.4 Limitations of the Study**

No study is without its limitations, and some of these are acknowledged in this section:

- The sampling population was a confined pool of individuals who could provide the most relevant information. This was the best sample for the objectives of the study to be met.
- The influence of evaluations that took place in the past could have been problematic; it might have been challenging for participants to recall effects of past evaluations.
- The study was limited to the two offices of the Department of Labour in KwaZulu-Natal. This, to some extent, could affect the study's findings.

#### **6.5 Recommendations for Further Research**

Every study leads to future research; hence, no study is complete in itself. The following topics are suggested for further research:

- The Impact of managerial skills on the implementation of performance management system;
- The role of senior managers in the implementation of a performance management system;
- The impact of monitoring and evaluation on the effective implementation of performance management system;
- The impact of change management on effective performance management systems.

#### **6.6 Conclusion and Implications**

The purpose of the study was to assess employees' perceptions of PMS on the management of their performance. The factors that hinder the effective implementation of PMS in the area of the study were discussed in chapter two (2). The suggested solutions of the problem stated in chapter one (1) have been briefly outlined

in this chapter. The study was meant to be a timely reminder for the policy makers, managers, supervisors and employees about the way forward. It is now their responsibility to consider the recommendations of the study as a possible way to improve effective implementation of the Performance Management System in the Department of Labour, KwaZulu Natal. The study revealed the various challenges experienced in the implementation of the performance management system in the public sector organisation. Whilst there was consensus around the performance management system itself being technically adequate, respondents unanimously agreed that subjectivity in the application of the system, the focus on monetary rewards and utilisation of the system as a punitive tool, the blatant disregard for the process as well as pockets of poor interaction in the management of performance, rendered the system unfair and ineffective in its application.

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Date• 02/11/2017

Dear Ms Kgomotso Selepe

## **REQUEST FOR PERMISSION TO CONDUCT RESEARCH IN THE DEPARTMENT OF LABOUR**

Your signed letter dated 12 October 2017 refers.

Please be advised that your request to conduct research through distribution of the structured survey questionnaires in the Department of Labour KwaZulu-Natal Provincial Office for the purpose of your research is approved,

Please be advised that you will treat the information derived from your research at the KwaZulu-Natal Provincial Office for the execution of your research as completely anonymous and confidential. Furthermore, the information will not be used for the purpose of victimizing the Department of Labour in any way. In addition, you must at all times be obliged to safeguard the confidential information in pursuant of your research. It must also be emphasized that no information must be used, reproduced, disclosed or disseminated to any organ of state, firm, corporation, person, including third parties, except with the express prior consent of the Department of Labour.

Furthermore, no data may be modified or merged with any other data, use it for any purpose or do any other thing that may in any manner whatsoever, affect the integrity, security or confidentiality of such data. You are furthermore, required not to permit any third party to read, copy or use the data other than may be specifically required in terms of your request.

There can be no publication of articles in any journal or book or the like based on your research without the consent of the Department of Labour. The research and its findings are to be made available to the Department of Labour. You must sign the attached Undertaking in order that effect is given to the Department of Labour's approval.

We trust that the above is in order.  
Yours faithfully

**DIRECTOR GENERAL: T LAMATI**

**Date:** 19/01/2018

## UNDERTAKING

I, Ms Kgomotso Selepe, undertake to:

1.

Confine the research to the KwaZulu-Natal Provincial Office.

2.

Restrict the research to the topic, that is, "Employees' Perception of Performance Management System in the Department of Labour". This will be conducted by a questionnaire.

3.

Treat the information derived from the research as completely anonymous and confidential.

4.

Disallow the use of the information derived from the research at the KwaZulu-Natal Provincial Office for the purposes of victimizing the Department of Labour in any way.

5.

Prevent the use, reproduction, disclosure or other dissemination of any such information to any other organ of state, firm, corporation, person, including third parties except with the prior consent of the Department of Labour.

6.

Not modify the data, merge it with any other data, use it for any commercial purpose or do any other thing in any manner whatsoever to affect the integrity, security or confidentiality of such data.

Not permit any third party to read, copy or use the data other than may be specifically required in terms of my request.

Not publish articles in any journal or book or the like based on this research without the approval of the Department of Labour.

Make the research and its findings available to the Department of Labour.



SIGNED AT .....

ON THIS

DAY OF

January

..2018

Kgomotso Selepe



## CONSENT

### 1. Statement of Agreement to Participate in the Research Study:

2. I hereby confirm that I have been informed by the researcher, Kgomotso Selepe, about the nature, conduct, benefits and risks of this study - Research Ethics Clearance Number:

\_\_\_\_\_

3. I have also received, read and understood the above written information (Participant Letter of Information) regarding the study.

I am aware that the results of the study, including personal details regarding my sex, age, date of birth, initials and diagnosis will be anonymously processed into a study report. In view of the requirements of research, I agree that the data collected during this study can be processed in a computerised system by the researcher.

4. I may, at any stage, without prejudice, withdraw my consent and participation in the study.  
 5. I have had sufficient opportunity to ask questions and (of my own free will) declare myself prepared to participate in the study.  
 6. I understand that significant new findings developed during the course of this research which may relate to my participation will be made available to me.

Kgomotso Selepe

**Full Name of Participant  
Thumbprint**

**Date**

**Time**

**Signature / Right**

I, Kgomotso Selepe herewith confirm that the above participant has \_\_\_\_\_ about the nature, conduct and risks of the above study.

Kgomotso Selepe

**Full Name of Researcher**

**Date**

**Signature**

**Full Name of Witness (If applicable)**

**Date**

**Signature**

**Full Name of Legal Guardian (If applicable)**

**Date**

**Signature**

**Please note the following:**

Research details must be provided in a clear, simple and culturally appropriate manner and prospective participants should be helped to arrive at an informed decision by use of appropriate language (grade 10 level - use Flesch Reading Ease Scores on Microsoft Word), selecting of a non-threatening environment for interaction and the availability of peer counseling (Department of Health,

2004) If the potential participant is unable to read/illiterate, then a right thumb print is required and an impartial witness, who is literate and knows the participant e.g. parent, sibling, friend, pastor, etc. should verify in writing, duly signed that informed verbal consent was obtained (Department of Health, 2004). If anyone makes a mistake completing this document e.g. wrong date or spelling mistake a new document has to be completed. The incomplete original document has to be kept in the participant file and not thrown away and copies thereof must be issued to the participant.

**References:**

Department of Health: 2004. *Ethics in Health Research: Principles, Structures and Processes*  
<http://www.doh.gov.za/docs/factsheets/guidelines/ethnics/>

Department of Health. 2006. *South African Good Clinical Practice Guidelines*. 2nd Ed. Available at:

[http://www.nhrec.org.za/?page\\_id=14](http://www.nhrec.org.za/?page_id=14)



Faculty of Management Sciences

Department of Public Management & Economics

Date:

Dear Participant

I, Kgomotso Selepe, a student at the Durban University of Technology, Student No: 21452597, am conducting a research on employee perceptions of the performance management system in the Department of Labour, KwaZulu-Natal.

Hoping for your maximum cooperation

---

Kgomotso Selepe

060 994 7282

---

Student  
Contact Details

---

Supervisor / Promoter  
Contact Details

---

Co-Supervisor/Co-Promoter  
Contact Details

**Questionnaire on the evaluation of employees' perceptions of the performance management system at a selected public sector institution in KwaZulu- Natal.**

**Section 1**

## Demographic Information

1. Gender

Males	Female
-------	--------

2. Employee position in the organisational structure

Director	
Deputy Director	
Assistant Director	
Team Leader	
Chief Administration Officer	
Administration Officer	
Inspector	
Administration Clerk	

3. Number of years employed in the department

0-4 years	
5-9 years	
10-19 years	
20-29 years	
30 years or more	

4. I had an annual performance appraisal discussion with my immediate supervisor for the year 2019/2020

Yes	No
-----	----

5. My worth assessment this year was:

About what I expected
Lower than I expected
Higher than I expected

6. I believe that my performance during the past year was:

Below average
Average
Above average

## Section B

Employee perceptions of the Performance Management System

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

1= Fully agree

2=Agree

3=Not sure

4=Disagree

5=Strongly disagree

	Item Statements	Fully agree	Agree	Not sure	Disagree	Strongly disagree
1.	Translates the Department's goals into directorate, divisional, team and individual goals					
2.	Helps to clarify the Department's goals					
3.	Is a continuous and evolutionary process, in which performance improves over time					
4.	Relies on consensus and cooperation rather than control or coercion					
5.	Creates a shared understanding of what is required to improve performance and how this will be achieved					
6.	Encourage self management of individual performance					

7.	Encourages a management style that is open honest and encourages a two way communication between managers and staff at all levels					
8.	Delivers continuous feedback on organisational, team and individual performance to all staff					
9.	Enables individual staff members to modify the Department's objectives					
10.	Measures and assesses all performance against jointly agreed goals					
11.	Demonstrates respect for the individual					
12.	Have fair procedures					

13. In your view, what are the most important concerns or problems that you experience with the current Performance Management System of the Department of Labour, KwaZulu- Natal?

1.	
2.	
3.	
4.	
5.	

6.	
7.	
8.	
9.	
10.	



## Section C

### Employee perception of the Performance Appraisal System

Instructions: Please cross the number that best identifies your response to each corresponding statement.

1= Fully agree

2=Agree

3=Not sure

4=Disagree

5=Strongly disagree

	Item Statements	Fully agree	Agree	Not sure	Disagree	Strongly disagree
1.	My appraiser has a good understanding of skills required to perform my job.					
2.	My appraiser is familiar with all phases of my work.					
3.	My appraiser has excellent personal knowledge of my performance level in my current position.					
4.	My appraiser has a good knowledge of my position's duties.					
5.	My appraiser has observed my performance under both routine and pressured conditions					
6.	I am given the opportunity to state my side of all the issues discussed during my performance appraisal.					
7.	There is ample opportunity to discuss all aspects of my job during my appraisal.					
8.	I am given the opportunity to express my feelings during my performance appraisal.					
9.	I am encouraged to express my opinion on how my duties could be more efficiently performed.					
10.	I have clear understanding of the reasons behind the appraisals I receive.					
11.	Possible means of self- improvement which I could take in my current position are discussed during my performance appraisal.					
12.	My personal development needs are discussed during my performance appraisal.					

13.	Goals for my job are discussed during my appraisal.					
14.	Possible actions which I could take to improve performance in my present position are discussed during performance appraisal					
15,	My performance appraisal is based on specified performance standards for my position.					
16	My performance is appraised according to previously established responsibilities, standards and goals.					

	Item Statements	Fully agree	Agree	Not sure	Disagree	Strongly disagree
17.	Any plans or objectives for my job are established and mutually agreed upon by my appraiser and goals.					
18.	My formal appraisals are connected to informal meetings between my appraiser and I, which take place throughout the entire year.					
19.	Discussions and review of my performance is a continuous process, not one which occurs only during my formal performance appraisal.					
20.	The overall goals of the Department of Labour are discussed during my performance appraisal.					
21.	The goals of my section/unit are discussed during my performance appraisal.					

22. In your view, what are the most important concerns or problems that you experience with the current performance appraisal/review practices in the department?

1.	
2.	
3.	

4.	
5.	
6.	
7.	
8.	
9.	
10.	

**Thank you for your time and participation.**

**Group Interview schedule**

1. Are there any barriers to effective implementation of performance management system at the Department of Labour?
2. Do employees' perceptions of performance management system affect its implementation and organisational commitment?
3. Do you feel that supervisors have the skills necessary to manage performance effectively?
4. Do you get ongoing feedback that helps you improve your performance?
5. Does the Personal Development Plan (PDP) process help you improve your performance?
6. Has productivity and commitment increased in the department since the performance management system was implemented?
7. Are you confident that supervisors apply the award criteria consistently?

**Personal Interview Schedule**

1. What are the critical factors that have led or may lead to the successful implementation of performance management system at the Department of Labour?
2. Is the department committed to holding people accountable for results?
3. Are you confident that performance management system motivates employees to improve their performance?
4. Has employees' productivity and commitment increased since the implementation of performance management system?

8 SEPTEMBER 2022  
CAPE TOWN

I herewith declare that I have proofread and edited the accompanying research paper titled:

**EMPLOYEES' PERCEPTIONS OF THE PERFORMANCE MANAGEMENT  
SYSTEM AT A SELECTED PUBLIC SECTOR INSTITUTION, KWAZULU-NATAL**

**BY**

**KGOMOTSO NELLY SELEPE**

**21452597**

I trust that the alterations I have suggested have been implemented where applicable.

(MRS) JANIS CLAIRE VAN TONDER  
CELL 0837756445  
TEACHER- LIBRARIAN (Retired December 2019)



B.A. HED (ENGLISH, HISTORY)  
UNIVERSITY OF NATAL, DURBAN (1974)  
SPECIAL DIPLOMA IN EDUCATION (SCHOOL LIBRARY AND MEDIA SCIENCE)  
EDGEWOOD COLLEGE OF EDUCATION, DURBAN (1991)  
ENGLISH AND HISTORY TEACHER (HIGH SCHOOL) AND HOD (LIBRARY)  
(PINETOWN BOYS' HIGH SCHOOL, DURBAN, 1975-1990  
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HEAD LIBRARIAN (BISHOPS DIOCESAN COLLEGE, CAPE TOWN) 1997-2012  
SCHOOL LIBRARIAN, MASERU PREP, MASERU, LESOTHO, 2013-2014  
TEACHER-LIBRARIAN, INTERNATIONAL SCHOOL OF CAPE TOWN, 2014-2019  
EDITOR/PROOFREADER OF POST GRADUATE THESES (WSU, DUT, UWC) 2015-PRESENT

# EMPLOYEES' PERCEPTIONS OF THE PERFORMANCE MANAGEMENT SYSTEM AT A SELECTED PUBLIC SECTOR INSTITUTION IN KWAZULU-NATAL

## ORIGINALITY REPORT

 11% SIMILARITY INDEX	% INTERNET SOURCES	15% PUBLICATIONS	2% STUDENT PAPERS
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## PRIMARY SOURCES

	Andre A. de Waal, Harold Counet. "Lessons learned from performance management systems implementations", International Journal of Productivity and Performance Management, 2009 Publication	3%
	Submitted to Durban University of Technology Student Paper	2%
	Jacob Olufemi Fatile. "Performance Management Systems Productivity in the Public Sector: Wither African Public Administration", Africa's Public Service Delivery and Performance Review, 2014 Publication	<1%
	"HRM and Leadership", Managing Human Resources, 2015. Publication	<1%