AN INVESTIGATION INTO THE IMPLEMENTATION OF PERFORMANCE MANAGEMENT SYSTEMS AT THE INSTITUTIONS OF HIGHER LEARNING IN KWAZULU-NATAL

Mrs. V. Mntambo

Student number: 19956238

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Supervisor: Dr. K. Partington (Nel)

Co-Supervisor: Dr. N. Dodd

Co-Supervisor: Ms C. Tebele

DECLARATION

I, Victoria Mntambo, hereby declare that the study 'An investigation into the implementation of Performance Management Systems at the institutions of higher learning in KwaZulu-Natal' is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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Mrs. V. Mntambo

19956238

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DEDICATION

→   For my family as a whole especially my husband for the support he gave me.

→   For my mom who has been always there for me and sacrificed all for her family.

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ABSTRACT

This research investigates the use and implementation of performance management systems (PMS) at several institutions of higher learning in KwaZulu-Natal. The selected institutions are the University of Zululand, the University of KwaZulu-Natal and Mangosuthu University of Technology. The pilot study adopts a mixed methods approach using both quantitative and qualitative research methodology in order to give as holistic picture as possible of the phenomena under investigation. Quantitative results were analysed using descriptive statistics and qualitative data was analysed using thematic content analysis. The majority of the quantitative and qualitative results supports the study proposition that staff members experience performance management systems in different ways at the specified tertiary institutions and does not support the proposition that performance management systems have been successfully implemented at the specified tertiary institutions.

Keywords: Performance management systems, performance appraisal, performance rewards Institutions of higher learning.

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ABBREVIATIONS

PMS   -   Performance Management System(s)

TQM   -   Total Quality Management

USA   -   United States of America

HR   -   Human Resources

HCM   -   Human Capital Management

KPA's   -   Key Performance Areas

KPI's   -   Key Performance Indicators

MBO   -   Management by Objectives

BSC   -   Balanced Scorecard

BARS   -   Behaviour Anchored Rating Scale

SBL   -   School of Business Leadership

HOD   -   Head of Department

UK   -   United Kingdom

UNIZUL   -   University of Zululand

UKZN   -   University of KwaZulu-Natal

MUT   -   Mangosuthu University of Technology

UNISA   -   University of South Africa

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CHAPTER 1: INTRODUCTION

1.1   Introduction

The quality of institutional outcomes depends on the work of employees, individually and collectively. The University of Texas (2007) defines Performance Management as a dialogue that is ongoing between manager and employee which links expectations, ongoing feedback and coaching, performance evaluations, development planning and follow-up. Heathfield (2008) defines Performance Management as the process of creating a work environment where employees are allowed to carry out duties at an optimum level.   It is a complete work system that begins at the stage of defining the job that is needed and ends when an employee leaves an organisation. Performance management is referred to as a strategic and integrated process that produces success that continues to help organisations by improving the performance of their employees and by developing the abilities of either individual or team contributions (Grobler, Warnich, Carrell, Elbert & Hatfield, 2006). The emphasis is on Total Quality Management (TQM) and decision making and responsibility at lower levels of the organisational hierarchy. Performance appraisal is a separate but central subset of overall performance management. Swanepoel, Erasmus and Schenk (2008) assert that performance appraisal is the process of formally evaluating work performance, making decisions on the effective utilization, rewarding and motivation of staff, rectifying substandard performance and providing feedback to individual employees.

Armstrong (2001) has the opinion that companies are interested in implementing organisational or operational plans at lower levels in the organisation. He asserts that Performance Management Systems (PMS) include the designing and development of clear job descriptions; selection of suitable employees with a suitable recruitment and selection

process; negotiation of performance outcomes and measures that assist with exit interviews used to understand why valued employees leave an organisation. Goals for Performance Management Systems are structured to enable organisations to attain their strategic aims and objectives by connecting performance objectives of individuals and teams to organisational plans. Providing a balanced approach for measuring performance results and competencies and to enable employees to develop core competencies is another goal for performance management. It is also used to build better and stronger core competencies that illustrate the values, attitudes and skills that are necessary for the success of both the individual and the organisation. According to Shabalala (2003) without effective and efficient work performance that is evaluated regularly, there is very little hope of any organisation ever accomplishing its goals.

Performance Management is critical for small and large organisations of all kinds. Performance management systems have been traditionally used in organisations that produce goods for sale, however the contemporary trend is to use them wherever performance is not up to par. Incentives are given for good performance and employees who do not perform up to specified expectations are given counseling and training to ensure their success. Employees tend to view performance management with negatively as they often perceive it as a management tool aimed at working non-performers out of the organisation. In the last two decades tertiary institutions have implemented them to ensure good teaching practice thus motivating staff to perform well (Shabalala, 2003). Fundamentally, the performance of an organisation depends on the performance of its people, regardless of the size, purpose and other characteristics of the organisation.

Brewster, Carey, Grobler, Holland and Warnich (2008) state that to ensure performance

management programmes are ethically sound, managers must ensure that they reflect the principles of procedural fairness, transparency of decision making and respect for individual employees. These researchers conclude that managers may use performance management processes as a decision-making tool for the distribution of performance-related pay and promotions.

According to Slabbert, Prinsloo, Swanepoel and Backer (2003) performance is defined and contract performance agreed upon when an individual is first employed. PMS function properly when employee performance is measured and analyzed and when reward performance and recognition through non-monetary rewards is specified.   After a performance culture has been established in an organisation it is usual to introduce monetary rewards to further enhance individual and group performance.   Monetary rewards are introduced at a later stage because if performance is motivated only through an extrinsic reward such as money, enhanced performance is usually not sustained. If, for some reason, the monetary reward is removed, enhanced performance will in most cases disappear immediately if there is no culture of work performance.   Performance management should operate at two levels, at an individual as well as at a corporate or organisational level. If a performance culture is in place, then any event that might cause a loss to the organisation, resulting in staff not receiving monetary rewards, will not adversely affect performance levels.

As Performance Management is an ongoing process and developmental in nature it should be used to plan the performance and development of an employee, give coaching and progress updates as well as to reassess performance (Nel, Werner, Haasbroek, Poisat, Sono & Schultz, 2008). The process of performance management should be clear and easy to understand and follow; should entail the clear communication of organisational strategic

objectives; should ensure the alignment of individual and group goals with the organisational objectives; should enable the monitoring and assessment of individual and group performance and the early identification and reporting of any different actions from what is expected. It should also involve the development of action plans to put right identified problems, the coaching and mentoring of individuals and groups and the reassessment and evaluation of individual and group performance. PMS should be implemented in such a way that it provides opportunities for employees to identify their strengths and weaknesses and they should be provided with the opportunity to develop on or mitigate these.

1.2 **Motivation for the study**

Testing performance is as important as checking an organisation's bottom line. Performance Management is a process that assists managers and employees in achieving high levels of work related performance. It helps to manage and measure behaviours that contribute to the organisation, team and individual success. It also assists in recognising levels of actual performance in relation to agreed performance targets. Fundamentally, it helps identify gaps in performance and identifies performance interventions for addressing those gaps. The purpose of the performance management process is to ensure that the key performance indicators (KPI's) are achieved effectively and efficiently and in so doing, optimise organisational performance (Minnaar & Bekker, 2005).

Performance management systems also ensure that legal obligations concerning issues of fairness and employee rights are met by Human Resources (HR) practices. For instance, the development of valid, reliable and transparent performance appraisal systems that include specified performance criteria such as position descriptions and performance goals. Formal and documented review processes and written advice to employees in the case of

inadequate performance, including information about processes in place to assist with performance improvement and procedures and consequences for non-compliance also form part of HR practices that ensure fairness and employees rights (Minnaar & Bekker, 2005).

Stone (2008) asserts that improvements to individual and organisational performance are the key to competitive advantage. In today's competitive world, organisations need ever-improving performance to continue to exist, expand and develop in a successful way.

According to Singh (2007) performance and results are important but concern for people, their well-being and fairness of treatment is equally important. He further states that if performance management is in place, a culture will be created where organisational and individual learning and development will be a continuous process. Performance management provides a way for integration of learning and work so that all employees learn from basic successes and challenges they are faced with in everyday activities.

1.3 **Statement of the problem**

Performance Management Systems are not well understood. The study tries to establish whether selected tertiary institutions in KwaZulu-Natal (The University of Zululand, the University of KwaZulu-Natal, Westville Campus and Mangosuthu University of Technology) have appropriate Performance Management Systems or tools to monitor and assess employees' performance. The pilot study will investigate how the existing system works and determine the attitude and commitment of management, particularly the Chief Executive Officers, Vice-Chancellors, Line Management and Human Capital Management to Performance Management Systems. The study will also determine the knowledge different levels of management have about Performance Management Systems.

1.4 Aims of the study

The aims of the current study are to:

- investigate performance management systems at selected institutions of higher learning in KwaZulu-Natal and assess their effectiveness;

- add to tertiary institutions research database on Performance Management Systems (PMS).

1.5 Conclusion

This chapter introduced the study which investigates the implementation of Performance Management Systems at institutions of higher learning in KwaZulu-Natal. It also provides the motivation and aims of the investigation.

CHAPTER 2: LITERATURE REVIEW

2.1   Introduction

This chapter seeks to place this study in context within the contemporary paradigm of performance management. It outlines the legalities and guidelines to be followed when conducting performance evaluations. It also highlights the objectives, benefits and assessment of performance management. Possible rater errors are described and the feedback interview is examined. It also describes global and South African research on the PMS. Existing literature relating to the research problem will be reviewed.

Molefe (2004) points out that the manner in which the performance of staff is managed in tertiary institutions needs to be given priority if world-class status is what institutions of higher learning in South Africa are striving for. Therefore, individual performance as the outcome of work activities must be subject to measurement. Singh (2007) states that if you cannot measure you cannot improve, meaning what is not measured is not worth doing. Supervisors, Managers and Heads of Departments should continuously assess the performance of employees on a daily basis to check how well they are performing their duties. Although such evaluation is informal, managers can motivate those who are performing well and try to address underperformance.

According to Stone (2008) Performance Management provides a strategic link in PMS by officially examining employees' skills, abilities, knowledge and behaviours. He asserts that the performance appraisal determines how well employees are doing their jobs and whether they communicate that information to other employees. In addition, performance appraisals help establish a plan for performance improvement. Rao (2009) notes that newly appointed

personnel should be trained to do the work properly, according to the specified guidelines, given time to settle in to their position and then be evaluated.

Grobler, *et al.*, (2006) state that performance management became popular in the early nineteen eighties. Performance management programmes are regarded as a management tool that includes performance appraisals or reviews which are used to ensure that performance goals are accomplished. They assert that performance appraisal should be accompanied by tools such as job design, training, leadership and reward systems as part of a comprehensive approach to performance management.

Williams (2002) has the opinion that performance management is not a contemporary tool. Organisations have always taken action and used techniques and sets of beliefs and systems which have as their aim the management of performance. The term performance management can be regarded as just another system and as such it became particularly important, in the late 1980s and early 1990s.

Molefe (2004) agrees with Lawler and McDermont (2003) that most organisations see the establishment of performance management systems as a major challenge.   Human resources management literature has discussed performance management arbitrarily for years noting that it is difficult to effectively manage performance without an instrument that measures it accurately. However, in the last two decades performance management has received a great deal of specialised attention. According to Lawler and McDermont (2003) measures of performance are needed so that problems with performance can be dealt with and performance excellence encouraged. Performance management should be used as a tool to align employees' efforts with organisational vision and strategies and the desired organisational culture. As the work environment is subject to rapid change and is becoming

more complex, companies need to rethink their performance management processes in order to stay competitive.

2.2 South Africa's performance appraisal dilemma

Grobler *et al.,* (2006) state that a comprehensive survey of nine leading South African organisations was undertaken by the University of Stellenbosch Business School. The investigation looked at the way employee performance is managed and rewarded in South Africa. The following results were noted, first, the introduction of Performance Management Systems instilled a negative working culture in some employees, second, changes in organisational strategy did not result in employees making appropriate behaviour changes and third, there was inadequate support for the introduction of performance management by line management. Furthermore, there were minimal follow-ups on performance assessments and it was noted that the appraisal aspect was emphasised at the expense of staff development. It was also indicated that more than sixty percent of organisations interviewed did not have a formal performance management system in place. This was seen as problematic as a good performance review system is of great value to an organisation, a department and an individual employee.

2.3 Performance Management

Boninelli and Meyer (2011) assert that although human resources departments advise on designing and implementing performance management systems, those systems must be owned and driven by line management. This means that line management must have an input into PMS implementation and design. If they do not and the performance management system is both designed and driven by HR, line management will comply by filling in agreement and review forms but manage their workers in terms of their own standards.

Nel *et al.*, (2008) define performance management as a comprehensive approach and process used to manage individuals and groups to make sure that an organisation's strategic objectives and goals are reached. Grobler *et al.,* (2006) are of the opinion that performance appraisal is an ongoing process for assessing and managing both individual and group behaviour and specified outcomes in the workplace.

According to Heathfield (2008) the goal of performance management is to accomplish the company objectives or mission and vision. She states that it is not possible for an individual to continue performing for the organisation if his or her own mission and vision are not accomplished as well.   An effective performance management system ensures that arrangements are made for new employees to succeed, so they can work effectively and assist the organisation to succeed. An effective performance management system ensures proper guidance so people are clear about what is expected of them. It ensures sufficient flexibility and a space for quick movement so that individual creativity and strengths are fostered. Hartle (1995) in Molefe (2004) agrees with this definition. It refers to establishing a shared understanding of goals which are to be accomplished and how to achieve those goals. For performance to be improved, an individual needs to have a common and shared understanding about what makes up performance and success in his or her job, whether it is a set of duties, objectives or outcomes or a set of behaviours or a combination of both. Objectives should be clearly defined so that employees know where they are heading in terms of performance. A Performance Management System is an approach to managing people and it focuses on people. It is about how individuals and teams work together to achieve shared aims and also places the onus on managers to work effectively, through coaching and motivation, with those to whom they are accountable. PMS increases the likelihood of accomplishing job-related success.

In the United States of America (USA) Indiana University (2006) defines Performance Standards as standards that provide employees with specific performance expectations for each major duty. A standard explains how a job is expected to be carried out and the outcomes that are expected in order to have a satisfactory job performance. The main aim of setting performance standards is to communicate what is expected for a specific job. The behaviours that determine whether performance is acceptable are based on the position, observable actions and or behaviours and a meaningful description of work performance which are expressed in terms of quantity, quality, timeliness cost and safety or job outcomes.

The duty to manage performance rests with supervisors and managers. Heathfield (2008) has the opinion that performance management starts when a job is defined and ends when an employee leaves the organisation thus the following points must be taken into account if a high-quality performance management system is to be put in place:

Job Descriptions

Heathfield (2008) states that clear job descriptions are considered the first step in selecting the right person for the job because they will produce clear job specifications that are used for developing job advertisements. New employees need to be given clear job descriptions in order to succeed in their jobs. The applicants and new employees must understand what is expected for the position by looking at the framework that is provided by job descriptions. The main purpose of a job description is to provide a clear, important or concise understanding of the duties or responsibilities of the job and the reporting structure for any given position. These descriptions formulate the basis for performance assessment, compensation and benefits and conflict resolution. A detailed job description should identify the basic tasks of the position as well its essential functions. It should also give examples of

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functions that are considered essential. An essential function is one that is, performed by one employee and is key to the job description for example a data capturer must be able to use a computer and specified software programmes.

Appropriate selection of people

According to Meyer (2007) selections should be made in accordance with planned strategy and can be proven right or reasonable in terms of the best match between the job profile, the job candidate and organisational requirements. Individuals have different skills and interests the same way that jobs have different requirements. Organisations should have a first-rate selection and recruitment process in place in order to be able to match the skills and interests of the prospective employee to the requirements of the job. It is important for any organisation to find a good job fit, according to Heathfield (2008) this can be accomplished by using a selection process that allows input from co-workers and the supervisor of the position.

Development of requirements performance standards, outcomes and measures

According to Heathfield (2008) performance management includes activities that ensure that organisational goals are consistently met in an effective and efficient manner. She has the opinion that to develop performance goals and standards, managers, supervisors or team leaders must clearly explicate goals and objectives. These must be clearly distinguished from set performance standards that are precise, can be measured and are reachable, result-oriented and time-bound. Managers will then be enabled to use active language that is based on facts. They must then develop and establish time frames for all performance standards and engage members of their team in creating their own individual standards so that they can take ownership of them. Performance outcomes, standards and measures

should be negotiated and discussed during the initial meeting between the manager or supervisor and employees.

Singh (2007) states that performance measures show whether or not the intended outcome has been accomplished and also if the jobholder has produced the required results. Profitability gets measured on return on investment, return on sale, return on total capital, return on book quality and net income by total assets. Performance measures thus become the foundation of generating feedback information. He asserts that employee performance that is common to most jobs includes the standard of output, amount of output, timeframe of output, availability at work and cooperativeness. The following performance standards are outlined:

Performance Standard One - *Employees receive adequate on-the-job and functional training*

According to Heathfield (2008) managers and supervisors should apply on-the-job training and monitor employee progress, regularly investigate the need for training, and communicate the availability of suitable workshops to employees. They should allow employees to attend scheduled training but discourage the attendance of irrelevant workshops. Further, they should follow-up the training to ensure that employees make use of the new skills they have learned and encourage employees to follow through with development plans. Human Resources staff should ensure that all employees are given the opportunity to attend relevant training on a rotational basis and should monitor the suitability of training programmes.

Performance Standard Two - *Effective performance feedback is given to employees*

Managers and supervisors should give performance feedback to all employees after every quarter or as deemed appropriate. They should inform employee(s) at least a week before the scheduled performance review, keep records of incidents of poor and good performance

during the quarter under review. Performance standards should also be regularly reviewed to ensure that they remain realistic and achievable and understandable. If performance ratings are given the manager or supervisor must be very careful to be objective and rate work performance not personal liking. Managers must also be careful to evaluate each criterion separately and avoid giving the same rating to each one as most employees are good, average and weak in certain areas of their work performance. If an employee is not happy with his or her rating, he or she should follow-up any complaints or suggestions for improvements the employee may have with the Human Resources (HR) department. HR should be seen as a resource that can be used if a manager or supervisor is having problems with the implementation of PMS or feedback.

Performance Standard Three - *Correct application of the grievance and disciplinary procedure*

Follow the prescribed grievance and disciplinary procedure accurately, that is, follow the correct sequence and apply the procedure consistently. Communicate the procedure to employees, thoroughly gather the facts surrounding a grievance or disciplinary action and forward the completed documentation to the Human Resources department. Before resorting to a grievance of disciplinary procedure keep informally written records of verbal warnings, discuss poor performance and bad work habits and seek solutions before resorting to disciplinary action. Always refer to the Human Resources department when experiencing difficulties in applying a grievance or disciplinary procedure. When a grievance or disciplinary procedure takes place ensure the presence of a shop steward if his or her assistance is requested by the employee.

Performance Standard Four - *A sound interpersonal relation with employees is maintained*

Plan problem-solving discussions with employees and treat all employees in a fair and uniform manner. Inform employees of all work related changes and reasons for them, give clear instructions about a task (when, how and where) when delegating, test oral instructions for understanding. It is also useful to consult employees for ideas and improvements and formally acknowledge good performance or significant improvement in performance. This creates a climate of openness, trust and support which allows for a degree of experimentation and calculated risk taking in terms of work performance. As well as performance standards the following points must also be taken into consideration.

Effective orientation, education and training

Heathfield (2008) asserts that employees should have all the necessary information about their job if they are to perform well. This includes providing employees with all the information related to their job role, position in the company and their reporting line. It is imperative that employees should have clear understanding of company procedure and how to use processes by following correct company procedures.

- *Provision of on-going coaching and feedback*

Employees should be regularly provided with feedback that consistently gives them an indication of their strengths and weaknesses in terms of their work performance. Feedback that is effective gives more attention to helping employees be more productive. It is a process that assists in making the employee comfortable in asking for assistance. Feedback is more successful if the employee requests it. Any work environment should allow employees to feel at ease when asking about their work performance.

- *Conducting quarterly performance development meetings*

If employees are provided with frequent feedback and coaching, performance reviews can be looked at in a positive way and employees realise that there is much to be gained from being evaluated. Performance reviews are not then regarded as punitive management tools. If discussions are held quarterly and continuous feedback is given employees know how they are performing and they know when and how to tackle their next goals and challenges.

- *Designing effective compensation and rewards systems*

According to Swanepoel *et al.*, (2008) if a remuneration system is designed to distribute rewards in relation to differences in performance, it is important that the organisation has an effective system in place for assessing the relative quality and quantity of employee performance. They further state that if such an appraisal system is unreliable, or is perceived to lack validity, it is unlikely that the rewards distributed on the basis of that system will have any positive effect on levels of performance and productivity.

Heathfield (2008) suggests that the power of an effective compensation system is frequently made to look less important than it really is. It is inferred that overlooking the power of an effective compensation system is a mistake. Employees deserve to be recognized when they have performed outstandingly. However, it must be stated that money is not the only form of recognizing outstanding work performance.

Singh (2007) states that organisations should reward excellent performers well if they want to attract, retain and motivate them. One of the challenges organisations face is to attract the right kind of human capital and to motivate them to develop and perform in a way that increases shareholder value. Unless an organisation's reward and compensation system accomplishes these objectives it cannot be effective in today's highly competitive business

environment. Money must be spent in ways that attract, retain and motivate the right kind of people (Singh, 2007).

- *Promotional or career development opportunities*

Career development looks at the long-term career effectiveness of staff members, whereas employee development focuses on the present effectiveness of a staff member (Rao, 2005). The supervisor or manager plays a very important role in helping employees develop their capabilities in terms of their potential growth and defining their goals and work objectives in terms of their careers. The manager or supervisor can give challenging job assignments and delegating tasks which gives the employee more responsibility. They can also empower employees by cross-training or up-skilling which contributes to the development of a more effective and productive staff member. This helps to create a situation where people feel free to try new methods, implement new ideas or be engaged in new activities.

- *Exit interviews to understand the reason valued employees leave organisations*

Mathis and Jackson (2010) note that the exit interview is one of the most widely used types of interviews in organisations. In this type of interview a valued employee who is leaving the organisation is asked to give reasons for his or her departure. It is necessary to understand the reasons for this as advertising, selection, recruitment and training new staff costs many thousands of rand. This feedback helps the organisation to improve working relations between employees, management and the working environment. A good work environment is one that is conducive to the retention of staff.

2.4   The Balanced Scorecard and its implication for Performance Management

Boninelli and Meyer (2011) assert that performance management can work successfully if managed well. They have the opinion that the balanced scorecard (BSC) is a strategic

framework because it translates the organisation's mission and strategy into objectives and measures. They state that innovative companies achieve critical management processes by using the scorecard. The BSC has four objectives described as customer service, financial management, organisational internal processes and learning and growth. Kaplan and Norton (1996) in de Waal and Coevert (2009) assert that the BSC provides a full view of an organisation's results to its stakeholders. When providing results, it shows the processes that are followed and how results were measured. Managers use BSC to make formal statements of the financial and non-financial critical success factors (these are areas that need to be excellent in order to benefit customers and that maintain and grow business) and key performance measures (KPI's) in a format that is easy for people who are not experts to use or understand. Hepworth (1998) in Molefe (2004) asserts that the scorecard not only attempts to balance short and long-term objectives but also the financial and non-financial operational situation of an organisation. According to Schwanzer (2004) the scorecard is balanced when employees have achieved the learning and growth targets that meet the work output requirements of the internal processes so that customers are satisfied and business results are achieved in terms of positive financial performance.

2.5   The Performance Management Process

Employee performance management includes planning work and setting standards, continually reviewing performance and developing the capacity to perform and periodically measuring and rating performance and rewarding good performance. According to Grobler *et al., (*2006) the process to be used in managing and measuring performance should be determined carefully. The appraisal should be undertaken seriously and not haphazardly, so that the employees take the process seriously. If employees feel that the performance appraisal process was not consistent or not fair, they can seek legal help. The following

general guidelines should be taken into consideration when developing steps in a performance appraisal system. The first step is to determine performance requirements. In this step, it should be determined what skills, outputs and accomplishments will be evaluated during each appraisal. It is important to determine what areas of performance need to be reviewed and how these areas are related to the organisation's goals. Choosing an appropriate appraisal method would be the next step. Various methods can be used to evaluate performance and there is no one method that is best for all organisations. Within an organisation, various appraisal methods could be used to appraise different groups and different levels of employment. Training supervisors or other raters is a very important step in the performance appraisal. If employees feel that they are rated unfairly, they may lay charges of discrimination. Inaccurate appraisals may lead employees to loose morale and being less productive that may lead to poor compensation or staffing decisions. Supervisors are supposed to discuss the methods of evaluation that will be used with employees prior to the appraisal interview. This discussion should specify the areas of performance to be measured, how often, how the review should be conducted and its significance to the employee. The performance appraisal should measure the employee's performance according to standard set by the organisation. The employees work performance should be checked against specific requirements. The supervisor or manager must discuss the employee's observed and recorded behaviour during the interview. Importantly, the appraisal must be based on facts and actual performance and not be subjective. It must be ensured that when supervisors discuss the appraisal with their employees, employees should be allowed to discuss areas where they agree and also where they don't agree. The supervisor should emphasize good work performance and also highlight areas that need improvement. The last step would be determining performance goals. The use of goal-setting is a crucial

aspect of performance appraisal. It is crucial to set goals for the employee's future appraisal period because it gives the employee direction for continued, good or improved performance. Knowing how past performance has been appraised helps the employee clarify and concentrate on what he or she needs to accomplish in his or her future work performance.

Nel *et al.,* (2008) have the opinion that key categories of performance management are performance planning, performance reviews, coaching and mentoring, performance assessment and evaluation and performance feedback and documentation.

Performance Planning - Planning entails setting the direction and defining performance expectations and determining goals and objectives for groups and individuals, determining the assessor and methods to be used during the reviewing process. Lastly, it entails developing an action plan that will assist in guiding the process to channel employees' efforts toward achieving organisational objectives. The action plan can be used to clarify and communicate requirements and responsibilities and is also used as an effective control tool for the supervisor. It is recommended that employees should be involved in the planning process so that they understand the goals of the organisation (Nel *et al.,* 2008).

The supervisor and the employee should meet during the setting of direction and defining expectations. They should meet to discuss information about the strategic goals of the organisation and how best those goals can be attained. The supervisor shares with the employee the nature and type of support and guidance that the employee will be provided with to ensure that the shared goals are achieved. When determining goals and objectives for employees the goals of employees must be aligned with the goals of the department. This is done in order to instill some key aspects of intrinsic motivation.   Documents should be drafted containing all of the important points of the discussions which should outline the

different roles and responsibilities of the employee and manager or supervisor regarding the achievement of organisational goals. This document needs to be signed by both parties. When there are disagreements about job roles or objectives the document can be referred to for clarification (Nel *et al.*, 2008).

According to Satterfield (2003) key planning activities should include goal setting, clarification of behavioural competencies and how these apply to the job. The outcome of planning should be clear particularly about the goals to be met, the responsibilities to be fulfilled and the behaviours that should contribute to the team and organisational success. In this regard, it is important to create job descriptions that contain Key Performance Areas (KPA's). These are essential for successful performance of a particular job role. Hartle (1995) in support of Finigan (1999) in Satterfield (2003) states that there are four key processes within planning, namely, establishing team or individual objectives, describing the job of individuals, setting objectives and development planning. The following gives a detailed explanation of key planning processes:

Establishing team or individual goals and objectives - Nel *et al.,* (2008) assert that individual or team objectives may be laid down by working on previous year's standards and setting up improvements. External bodies that set targets and standards of achievements and benchmarking can be used to compare internal standards and expectations with those that are noted to be the most excellent ones in that specific field. The setting of team objectives is the responsibility of the manager. To add clarity to the exercise, the manager should consult with employees when setting these objectives. Molefe (2004) asserts that it is imperative to remember that team planning meetings make decisions on achievement goals and who will be accountable for what. These meetings also identify what was not completed or achieved.

He further asserts that a motivated person will always strive towards attaining specific goals that are set and will continuously direct his or her efforts towards attaining stated goals no matter how difficult they are.

Describing the jobs of individuals - Molefe (2004) asserts that defining individual roles and performance expectations is the key to sound performance planning. He states that a good mechanism for the purpose of describing the jobs of individual employees is when they are made aware that they are accountable for their jobs and responsibilities. That is, the jobholder is expected to produce results.

360-degree feedback in PMS - In PMS 360-degree feedback is often used. The rating of the supervisor, self-rating and peer rating are a part of this. The following is a brief explanation of 360-degree feedback.

- *Monitoring* - According to Stone (2008) the effectiveness of a strategy can be evaluated if management decides how to monitor and measure performance. Monitoring is the process of consistently assessing work performance and giving employees ongoing feedback on how they are progressing toward attaining their goals. Effective organisations monitor tasks and projects on a continuous basis. Continuous monitoring helps in highlighting the areas where employees are doing well or are meeting predetermined standards and also to assist where there is a need to make changes to problematic standards. Performance that is unacceptable can be identified at any time during continuous monitoring and help can be provided to address sub-standard performance long before an evaluation.

  According to Schultz and Schultz (2010) in Coetzee and Schreuder (2010) organisations that are properly computerised prefer to use electronic programmes to

monitor and appraise employee performance. Employees who use computer terminals can be continuously monitored and evaluated by the electronic supervisor (the software programme). Programmed computers automatically record every unit of work, the incidence of errors and even the length of break that employees take. Employees may find this method of high-tech performance appraisal technique acceptable as it has no human bias. However, some employees may find this kind of performance appraisal stressful. If the system monitors certain aspects of job performance and gives employees direct feedback, employees are more likely to accept it, if the implementation of this type of programme is not properly managed, then it may be seen as invading employees' privacy.

- *Developing* - Development means increasing the capability to perform through training, giving new tasks and responsibilities that will challenge the employee and helping him or her to develop new skills which will improve work processes. Effective organisations continually develop their employees and work systems. They provide employees with training and development opportunities, increase the capacity of employees, encourage outstanding performance and empower employees to keep up with changes in the workplace by strengthening job-related skills and competencies. Developmental needs are identified during the process of performance management. Actions can be taken to assist employees to improve their performance. According to Nel *et al.*, (2008) when employees are unable to meet changed job expectations or requirements, they become superfluous and redundant. Therefore, they need to be developed. Development refers to development possibilities or improvement within an individual's job or position with reference to the individual's personal growth and

personal goals. Development has a number of dimensions applicable to any work situation within any organisation.

- *Rating* - Performance records should be kept by organisations. It is important for the organisations to know and keep records of their best performers. Rating means evaluating individual employee or group performance against the elements and standards in an employee's performance plan and assigning a summary rating of record. Grobler *et al.,* (2006) assert that a standard approach of performance evaluation has been to have a single rater which is the immediate supervisor. Multiple raters are now used by many firms as this is seen as being more objective. Peer and self-evaluation and also customer or client evaluation are also increasingly used. Contemporary organisations also use employee or reverse ratings and various team rating techniques.

- *Supervisor Rating* - According to Atkins and Wood (2002) research indicates that supervisor ratings are the strongest in terms of predicting performance. However, combining the ratings of peers and employees enhances the predictive validity of performance ratings. Theron and Roodt (1999) cited by Atkins and Wood (2002) confirm that research has suggested that the self-ratings of employees are not correlated with the ratings of peers and that of supervisors. According to Nel *et al.*, (2008) the immediate supervisor should be the rater as he or she is most familiar with the employee's performance and has the best opportunity to observe actual job performance on a daily basis. The disadvantage of using the immediate supervisor as a rater is that he or she may be too lenient or strict in rating an employee due to personal likes or dislikes.

- *Self-Rating* - Grobler, 2001 in Swanepoel *et al.,* (2008) states that inclusion of self-appraisal in a formal performance management process has been found to be very prevalent in South African companies. Nelson and Quick (2002) in Swanepoel *et al.,* (2008) assert that using self-evaluations in performance feedback is reported to lead to more constructive evaluation interviews, less defensiveness during the appraisal process and a high level of commitment to organisational goals.

  In terms of self-rating, the employee (or rater) rates his or her own performance. Most employees have the tendency to rate themselves higher than other assessors. Cascio (1995) cited by Ne *et al.*, (2008) asserts that the opportunity to participate in the performance management process, particularly if the appraisal is combined with goal-setting and the chance to add value to the organisation improves the rater's motivation and reduces defensiveness during the evaluation interview. They assert that self-appraisals tend to be more lenient, less variable, more biased and are probably more appropriate for counseling and development than for employment decisions. Although Atkins and Wood (2002) state that employees who rate themselves most highly tend to be poor or sub-standard performers and high performers usually rate themselves in the midrange of the scale, in self-evaluations employees should praise themselves if they feel they have performed well and they can support this with a portfolio of evidence.

- *Peer Rating* - According to Nel *et al.,* (2008) the rating of peers often provides a perspective on performance that is different from that of immediate supervisors. It is important to specify what an employee's peers are to assess to lessen what is described as skewed feedback. That is feedback, or information, which is of little value

to the organisation and which is often of a personal nature. Atkins and Wood (2002) have the opinion that a high peer rating is also associated with poor performance. Peers are often conscious of the consequences of the 360-degree feedback rating and feel the need to rate their peers high, to cover for their poor performance in order to boost their peers' overall evaluation. These peer assessors may also be poor performers and expect the same type of high rating from their colleagues when rated themselves.

- *Employee rating* - Rao (2005) has the opinion that the input received from reverse evaluation is very useful in the development of the immediate supervisor. The concept of having superiors rated by employees is being used in most organisations today, especially in developed countries. He confirms that in most United States Universities, students evaluate a professor's performance in the classroom. He feels that though useful in universities and research institutions, this approach may not gain acceptance in traditional organisations. However, some organisations are using an approach that would assure the rater that it is work performance not personal issues that are being assessed.

- *Relative rating techniques* - The following types of rating systems can be used in PMS:
  - Employees are ranked from best to worst in a forced ranking or peer ranking system. Swanepoel *et al.,* (2008) state that when using this technique, the rater has to ascribe certain portions of his or her workers to each of a number of specified categories on each performance factor.   Forced distribution aligns employees in accordance with pre-assigned performance-distribution fields. This rating technique is a person-to-standard comparison, for example, it shows

whether an individual exceeds expectations, meets expectations or does not meet expectations. According to Nel *et al.,* (2008) many organisations are using forced ranking and forced distribution rating techniques because they create and sustain high performance by removing poor or weak performers and retain strong performers in the system. This technique establishes well-defined consequences such as large salary rewards for excellent performers. Disadvantages of these techniques are that they may cause damage to morale, emphasize individual performance at the expense of group performance, promote unnecessary competition and may end up attracting legal action. Nel *et al.,* (2008) cited Gary (2001) who has the same opinion as them in that a potential disadvantage of this type of technique is that it does not assess an employee's progress in mastering certain job-critical skills.

➢ A paired comparisons technique is where an employee is compared with every other employee in a selected group. The eventual ranking of an employee is determined by how many times an employee is judged to be doing better than another employee. However, this measurement instrument becomes cumbersome when large numbers of employees are involved. Swanepoel e*t al.,* (2008) suggest that it should be limited to cases where only small numbers of individuals are to be rated.

➢ In the essay method the rater is required to write a report or essay. This report describes the strengths and weaknesses of each employee. The format of the report may be left entirely to the discretion of the rater or certain specified points of discussion may be addressed. This is a time consuming method and is dependent

on the writing skill of the rater. If done well, it may prove valuable as a feedback tool for the rates (Swanepoel e*t al.,* 2008).

➢ The critical incidents technique pays more attention on the continuous recording of real job behaviours that indicates success or signs of failure as they occur. This method is time consuming and can be influenced by incidents that are recorded towards the end of the review period or by incidents that may have been forgotten or omitted and not give a holistic picture of the whole work period under review (Swanepoel e*t al.,* 2008).

➢ Forced choice is a method of appraisal that asks managers to pick a specific percentage of employees in terms of high and low performers (Mathis & Jackson, 2004 in Coetzee & Schreuder, 2010). Haxels and Sasse (2008) in Mathis and Jackson (2010) assert that in this way management will be able to single out the best performers in the organisation. This method of appraisal is only partly objective as it does not consider the possibility that there may be more than a specific percentage of substandard or excellent performers. The appraiser has only a few descriptions which he or she has to use and these may not fully describe an employee's performance. This ranking method is best applied when assessing the performance of a small number of employees.

➢ Graphic rating scales are popular because they are easy to understand and apply. A scale for a specific trait or characteristic consists of a continuum between two poles on which the rater indicates to what degree the employee possesses that characteristic. They are standardized, acceptable to users, less time consuming and provide a high level of consistency. All raters should be trained to avoid rater errors. According to Swanepoel e*t al.,* (2008) the variations on this basic format

stem from the dimensions on which individuals are to be rated, the level on which the dimensions are defined and the degree to which the points on the scale are defined. One such rating scale is The Behaviour Anchored Rating Scale technique (BARS). This scale puts together graphic rating scales and examples of critical incidents. As BARS are job specific, they require supervisors to fully participate. It is time consuming but it is cost effective. Swanepoel e*t al.,* (2008) highlight the rudimentary details regarding the different steps in the construction of BARS. Behavioural statements or incidents describing effective, average and ineffective behaviour are gathered from job knowledgeable employees and supervisors. Supervisors classify the statements in terms of performance dimensions and reject those that are ambiguous. After this a different group of judges retranslates each statement by rating it on a scale ranging from outstanding to poor performance. At the conclusion of the process specific statements are then chosen as anchors on the final scale, with the calculated average of the assessors ratings determining where on the scale the statement will feature.

- *360-degree feedback in Assessment Centres* **-** Swanepoel *et al.,* (2008) assert that an assessment centre is a procedure originally adopted to assess managerial potential. It is an assessment method that consists of a standardized evaluation of behaviour based on multiple raters and multiple measures such as in-basket exercises, paper-and-pencil ability tests, leaderless group discussions, simulations and personality questionnaires. The researchers feel that an assessment centre is designed to appraise individual's current managerial ability rather than their past performance. Rao (2004) has the opinion that such multi-rater feedback contributes a lot in preparation of an individual's profile. This profile highlights how well the assessee is performing in various managerial roles as

well as other strengths and areas that need improvement as perceived by the assessee and others.

Based on this feedback, the assessee can then prepare action plans to develop or work on his or her managerial outcomes which will have a positive impact at the workplace. An employee's confidentiality is protected because raters remain anonymous.   Often this approach also includes self-rating as well. Feedback from peers is regarded as a strong motivator for improving performance and is an excellent method for recognizing good performance.   360-degree feedback ratings are not linked to rewards thus reviews are used mainly for developmental purposes. Nel *et al.,* (2008) have the opinion that 360-degree feedback can be valuable if it complies with the following requirements. It should be completely tested for reliability and consistency, it should strictly measure what it says it measures and it should clearly give attention to a specific set of skills, competencies or behaviours.   It should also generate easy to understand, detailed and personalized feedback and also guarantee confidentiality.

Peiperl (2001) in Nel *et al.,* (2008) suggest that managers can succeed if they can deal with the following four paradoxes which are inherent to 360-degree feedback. Firstly, the paradox of roles where colleagues juggle being both peers and appraisers; secondly, the paradox of group performance which is steering between assessing individuals and the reality that much of today's work is carried out by teams; thirdly, the paradox of measurement that arises because simple, straightforward, quantitative rating systems do no always produce the most useful evaluations and finally, the paradox of rewards which reveals that most people pay attention almost exclusively on reward outcomes during appraisals, omitting developmental issues.

According to Rao (2004) the benefits of 360-degree feedback include the fact that it is more unbiased than many assessment tools. It is participative and allows better planning of performance and facilitates the opportunity to develop and improve quality of inputs and services to internal customers. 360-degree feedback is also a developmental tool by nature as it assists in revealing hidden and unknown problems.

2.6   Management by Objectives (MBO)

Minnaar and Bekker (2005) state that performance management is based on the theory of management by objectives, a management process which originates from strategic management. Moorhead and Griffin (1995) cited by Minnaar and Bekker (2005) describe MBO as a collaborative goal-setting process during which organisational goals spill down through the organisation. Similar to Performance Management Systems, top management has to buy the idea first and thereafter support the programme. After organisational goals have been set by the top managers, supervisors and employees throughout the organisation collaborate in setting department or unit related goals. Organisational goals are communicated to all members of staff and each manager explains the departmental or unit goals to their employees. Together they determine how individual employees can most effectively contribute to these goals, both organisational and unit or departmental. The manager or supervisor should ensure that employees develop goals that are achievable. Finally, the manager and the employees should ensure that each individual employee has the resources needed to reach his or her goals. The whole process spills downwards as each employee meets with his or her own employees to develop their goals.

As a way of managing the performance of individuals throughout the year, the manager or supervisor periodically meet with each employee again to check progress. The manager may

need to modify goals to accommodate new information, provide additional resources or take other relevant action. When the appraisal time comes, managers hold a final evaluation meeting with each employee to assess how well goals have been met. This last meeting might serve as the initial goal-setting meeting for the following year's management by objectives cycle. MBO creates a link between the main strategic objectives of the organisation and its sub-objectives which is the objectives of subunits or departments.

According to Grobler *et al.,* (2006) Management by Objectives is one of the most widely used performance appraisal methods and most of its programmes contain the same essential elements. Employees can approach the manager at any time to discuss any problems regarding performance informally. During review periods, the manager measures progress towards attaining the goals set. If the manager, through continual monitoring, notes that the employee's progress is slow, then coaching and counselling can be given to assist that individual. The final assessment and ranking is carried out at the end of the period of review. The interval between the review periods allows the manager and employees a period for building good relationships. MBO forms a foundation for performance management. Performance management incorporates the strengths of MBO with performance development and reviews and performance result evaluations. According to Swanepoel *et al.,* (2008) MBO is unable to appraise whether achievements are really the outcome of individual excellence or of external factors because it does not address the *how* part of performance.

Figure 1:
The MBO process
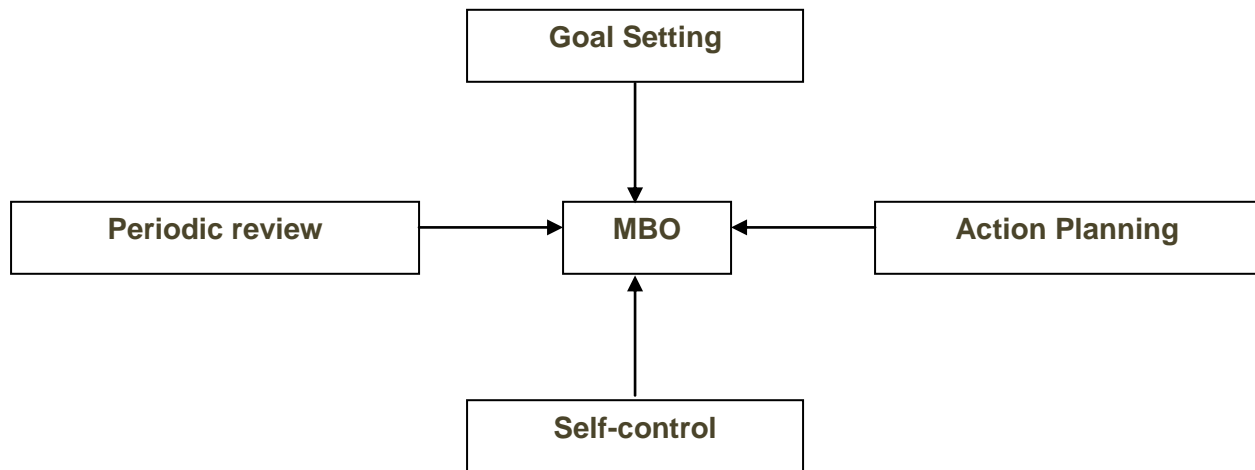
Shabalala (2003) cited Beer and Ruh (1976) who have the opinion that Performance Managements Systems were developed as a response to dissatisfaction expressed by line managers with management by objectives systems. Performance Management Systems were developed to assist managers give feedback in a helpful and constructive manner and to aid the supervisor and employee in creating a developmental plan. Characteristics that distinguish performance management systems from other appraisal systems are its formal recognition of the manager's role in dealing with employees, its emphasis on both development and assessment and its use of a profile displaying individual's strengths. In Performance Management Systems the objectives of individual managers evolved as part of integrated goal and standard setting. MBO is generally limited in application to middle managers. However, performance management schemes are extended to all staff. The whole process is far more cohesive and strategically focused than MBO and consequently stands a better chance of success. Fowler (1990) cited by Molefe (2004) agrees with Wiese and Buckley (1998) also cited by Molefe (2004) indicate that performance management system adds more benefits to the success of the organisation as the technique gives

attention to the output of the worker as the result of performance and it moves the orientation from past behaviours towards future actions.

2.7   **Employee Measurement and Reward in PMS**

Coetzee and Schreuder (2010) have the opinion that employees are unique individuals and that they each perform their duties differently. Managers use Performance reviews to clearly define individual employee performance. This information assists in determining which employees are to be promoted, or to receive bonuses and also to determine which employees the organization should invest in. Conscientiousness and leading by example are two unique factors that differentiate employees from each other.

Grobler *et al.,* (2006) have the opinion that the aim of an incentive or performance-based pay system is to connect employees' pay directly to their performance. Employees tend to be more highly motivated and thus put more effort into their productivity, if they perceive that they will be rewarded if they perform at optimum levels. Good performance can be acknowledged in various ways, such as a sincere thank you for a specific job well done or a pat on the shoulder, to setting up formal cash incentives and recognition award programmes. Good performance is acknowledged without waiting for people to be selected for formal awards. An acknowledgement should be a continuous daily experience. Formal and informal rewards are used to recognize positive behaviour(s). The following six reward principles are useful guidelines:

- create a positive and natural reward experience. Supervisors need to create work atmospheres where good performance is really and fully appreciated and acknowledged;

- align rewards with business objectives to create a win-win partnership. This is when the organisation gains from high performance employees and the employee is compensated accordingly. Employees are encouraged to continue to add value to the organisation;

- extend peoples' line of sight. Employees need to acquire more information so they can see how they enhance the organisation's outcomes;

- integrate rewards. Incorporate base pay, variable pay and benefits into the total design of the employees compensation package;

- reward individuals, ongoing value with base pay. Base pay is used to reward employees for the skills and competencies required by the organisation and used to generate outcomes; and

- reward results with variable pay.

Grobler *et al.,* (2006) recommend using variable pay programmes such as acknowledgement or group incentive programmes to reward outcomes because they are flexible and able to change to fit changing work contexts.

2.8 **Performance Criteria**

Coetzee and Schreuder (2010) assert that performance criteria are products from detailed job analysis that are used as measures of determining successful or unsuccessful performance. According to Grobler *et al.,* (2006) there are three types of performance criteria. The first one is a trait-base criterion which focuses on the personal characteristics of an employee such as loyalty, reliability, good communication skills and being innovative. This is where the focus is on what a person is and not on what he or she does or accomplishes on the job. The second one is the kind of criteria which are behaviour-based

which focuses on specific behaviours that will take a person through to job success. The last one is results criteria also called outcome-based criteria. This one is concerned with what was accomplished or produced instead of focusing on how it was accomplished or produced. The criticism of this criterion is based on missing the imperative aspects of the job such as quality.

2.9   Implementing Performance Management Systems

According to Williams (2002) it is a mistake to introduce or implement a performance management system across the whole of the organisation straight away because of the magnitude of the task. A phased approach is more sensible. An organisation that is ready to implement a performance management system should have taken various steps such as forecasting labour demand by means of various quantitative and qualitative techniques, estimating labour supply, implementing a workforce plan and controlling and evaluating the workforce plan which is already in place. Total quality management (TQM) is often part of this process and it requires different organisational structures and leadership styles to be successful (Nel, Werner, Haasbroek, Poisat, Sono and Schultz, 2008). They further state that in an organisation where quality standards are to be upheld, planning the workforce must be in line with the skills and behaviours that support TQM. For organisations emphasizing TQM it is important that employees are able to perform effectively in a continuous-improvement and high-involvement environment. TQM implies a continuous improvement in products and services through the active learning and participation of all employees. It is therefore important that an organisation should have a motivated workforce with a culture that emphasizes the importance of its human capital.

2.10 **Performance management systems versus performance appraisal systems**

Rao (2004) confirms that although Human Resources officials almost always claim that their performance management systems are excellent and working well, it is very rare to come across a manager who would claim that their performance management system is good and is working well. He identifies new features included in the Performance Management Systems field. The following similarities and differences between Performance Management Systems and Appraisal Systems are identified:

- in performance management the focus is on managing performance throughout the year and in performance appraisal systems the focus is on performance evaluation and producing rating;

- the stress in performance management is on performance improvements of individual employees, teams and the organisation and also on planning performance, conducting reviews, analyzing the data gathered and developing and improving performance;

- it is a continuous process with quarterly performance review discussions versus performance appraisal's emphasis is on relative evaluation of individuals and ratings;

- performance management is an annual exercise normally though periodic evaluations are made.

Swanepoel *et al.,* (2008) assert that performance appraisal is a part of performance management which is focused on organisational performance improvement through a number of HR processes. Appraisal is a formal time-specific assessment or dipstick of individual employees' performance, whereas performance management entails a cyclical and ongoing endeavour. Although performance management designed by Human Resources (HR) departments can be monitored by different departments. HR usually facilitates its implementation. Performance appraisal is usually designed and monitored and owned by

Human Resources thus departments often do not buy into key aims and objectives of the system. They often see it as a punitive management tool. For instance, individuals perceive that if they do not perform up-to-expectations they will eventually be worked out of a company (often they feel expectations of management and HR are too high).

In performance management Key Performance Areas (KPA's) are used as planning mechanisms. It is useful to identify the difference between performance management and performance appraisal. Essentially, performance management is a system with deadlines, meetings, input, output and format and on the basis of competencies required for the coming year recognizes the gaps and needs for development and improvement in the beginning of the year. Performance management is a process driven with stress on the format as it helps to make things easier. There are various review mechanisms which are there fundamentally to bring about performance improvements. It is linked to performance improvements. Performance appraisal is a format driven emphasizing on the process, review mechanisms are there to ensure objectivity in ratings. Performance appraisals are linked to performance recognitions and incentives such as promotions, monetary rewards and correct placement and also developmental interventions such as training and workshops. The basic strategy and the benefits of performance management are the same in all organisations, only the procedures to implement it might differ. A performance management approach makes better use of performance evaluations or ratings because it uses information to support definite goals. It also makes for a fairer and more accurate performance review because defining the aims of the organisation and the department clearly helps to form better, more job-related criteria for the evaluation (Rao, 2004).

2.11   Characteristics of an effective Performance Management System

Performance Management systems must communicate the organisation strategy, measure performance in exact time, offer an integrated project management capability and acknowledge and enable psychological contracts with all staff. This is vital for linking individual commitment and activity to the attainment of organisational plans.

Table 1:

Spangenberg's (1994) systems model of Performance Management

INPUTS	PROCESS	LINKAGES	OUTPUTS
Strategic drivers	Developing organisational mission, goals, and strategic capabilities	Business strategy	**Short-term**
Corporate strategy; purpose of Performance Management		Human Resources systems	Production Efficiency Satisfaction
	Formulating goals and alignment at team and individual levels	Career management.	
Leadership Culture			**Longer-term**
		Training and development	Stabilization of Performance Management
Internal stake-Holders	Designing and redesigning structures	Rewards	
			Organisational adaptability and development
Management Employees Trade union.	Managing performance at three levels		
	Reviewing performance		

FEEDBACK   >   FEEDBACK   >   FEEDBACK

Rao (2004) asserts that performance management continues throughout the evaluation period and when the evaluation period is over, performance management doesn't come to an end, it goes on and on throughout the year. He presents the following eight step process.

Step **One** - *Performance and Development Plans*

Both the performance and the development plans are agreed to by the manager and the employee. The manager sets performance objectives and works out a performance plan with the employee in the appraisal discussion. A development plan is also agreed to and the standards of performance for the performance factors are clarified.

Step Two *- Year-long on-going feedback, coaching, counselling and documentation*

Throughout the year, the manager conducts periodic informal or formal feedback sessions. The manager documents incidents relevant to the employee's performance, letting the employee know how he or she is progressing with respect to the goals set and how he or she is performing with respect to the agreed-on standards. If necessary, the manager intervenes to improve performance or to offer coaching and counselling.

Step Three *- As time of appraisal approaches and prior to writing the performance appraisal, manager solicits the employee's self-evaluation*

This is intended to prepare the employee for the appraisal discussion as well as to provide the manager with an additional source of input when writing the appraisal. The employee is not asked to write his or her own appraisal. The employee should be given adequate time to collect the self-evaluation and provided with a copy of last year's appraisal, if necessary. A copy of a blank performance appraisal form may help an employee collect thoughts regarding current performance, significant work assignments or how well objectives are being met.

Step Four *- Manager meets with the employee to discuss employee's self-evaluation*

Still prior to writing the appraisal, the manager and employee meet to review the employee's self-evaluation. The primary goal of this meeting is to get information from the employee. The manager's questions or comments should only help to clarify, not challenge. This is not the time to discuss the merits of that individual's view or the final evaluation at this meeting. The input should be seen as an aid in writing the appraisal and preparing for the appraisal discussion.

Step Five *- Manager completes the Report Card portion of the performance appraisal form*

The manager uses all the sources of information available, including the performance data which has been gathered throughout the review period. The employee's input and feedback from internal and or external sources (for example, customers and vendors) are used where appropriate.

Step Six *- Manager preview appraisal with his or her superior or Human Resources*

Organisation policies often dictate that appraisals be previewed by the next level of management prior the supervisor's meeting with the employee. This ensures the managers understanding and agreement for the process which is to take place. The human resources department may also be involved in this step.

Step Seven *- Manager schedules appraisal meeting with employee*

The manager sets a date, time and place for the meeting which gives both parties an opportunity to focus on the appraisal without interruption. There should be enough time for the entire appraisal and following development discussion.

Step Eight *- The manager conducts the appraisal discussion*

The manager discusses the completed appraisal and development plan with the employee. The manager should maintain control but give ample opportunity for the employee to be involved in the discussion. The employee should be given an opportunity to write comments into the record if he or she wishes. The employee's signature affirms only his or her participation in the process and also affirms that the performance appraisal has taken place, not necessarily that he or she agrees with the content. During the same meeting the manager and the employee will work out the performance plan for the following thus step eight of the process blends into step one. All steps make an invaluable contribution to the process, making it both effective and efficient.

2.12 Criteria required for PMS to work

Line managers must take performance management systems seriously and performance plans must be completed for the majority of employees in any given year. All reviews must be completed on time means within two weeks of the stipulated time. Line managers must also spend adequate time in performance planning and review discussion.   Performance plans must have stated the objectives for clarifying goals, roles and time frames and performance standards for each department and individual.   The performance review discussions conducted must be of a high quality and the majority of employees should treat them as learning opportunities. Organisational support should be in the form of trying to ensure that training is arranged and job rotation, if required, after planning sessions takes place. Performance improvements must be taken seriously by all employees who must try their best to assist each other in their effort to meet organisational goals and objectives.   A performance culture must be generated in the organisation of which the performance management system forms an integral part.

2.13 Implementation Process Mistakes

According to Rao (2005) performance appraisals are negative for reasons such as the manager having minimum information on the actual performance of the employee. Other reasons for negative reviews are if there are no clear standards to evaluate an employee's performance, if the manager does not take the evaluations seriously or the manager is not prepared for the appraisal review, or if the manager is not honest or sincere during the evaluation and lastly if the manager lacks appraisal skills. Also the implementation of performance management system will fail if employees do not receive ongoing performance feedback and if insufficient resources are allocated to reward good performance. Failure

could also be caused by the ineffective discussions between the manager and the employee or if the manager uses confusing or ambiguous language in the review process.

Most mistakes and problems in performance management systems are encountered during the implementation process. The common problem areas are over criticism of how performance was previously managed and over projection of the new or changed system as a cure-all for all past problems. Often a system is introduced and not enough support from HR is given to help the employees understand what is required. There is often a lack of competency within the Human Resources department itself as all officers are not properly trained to manage a performance management system. This often occurs because top-management have not fully bought into or understood the concept behind PMS.

2.14 The Need for Performance Evaluation

Shepard (2005) spent fifteen years researching the American work ethic. He does not believe that some employees have a real desire to perform their work well. His opinion is that there are superstars and derelicts that make up the employee complement in organisation. He also states that an extremely large number of employees falls between these two extremes. He notes that performance evaluation has its own advantages and disadvantages and that there would be more advantages if performance evaluations are carried out conscientiously. Informal performance evaluations are carried out on a day-to-day basis when supervising employees. Supervisory activities such as verbal warnings, written warnings, suspensions, decision-making, leave management, personal-improvement plans, to place an employee on probation, giving an employee a raise, promoting employees, giving bonuses are all methods used in evaluating performance. He further states that a recorded performance appraisal is simply a formal feedback mechanism which makes all

management or supervisory actions clear-cut and less likely to change. The study concluded that performance evaluations work well when administered appropriately. The study also recommended that coaching and monitoring of employees should be carried out on a daily basis.

2.15 **The Objectives of Performance Appraisal**

According to Grobler *et al.,* (2006) performance appraisals are used as key elements in developing an organisation's most essential resources which are its workforce. They are used for administrative purposes such as making decisions about pay, promotion and retention. There are two categories of performance appraisal, namely, evaluative and developmental objectives.

Figure 2:
Evaluative and developmental objectives in Performance Appraisal

```
         ┌─────────────────────────────────────────┐
         │    Objectives of performance appraisal   │
         └─────────────────────────────────────────┘
            ↙                               ↘
   ┌──────────────────┐          ┌──────────────────────┐
   │    Evaluative    │          │     Developmental    │
   └──────────────────┘          └──────────────────────┘
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- Compensation decisions   . Performance feedback
- Staffing decisions   . Direction for future performance
- Evaluate selection system   . Identify training and development needs
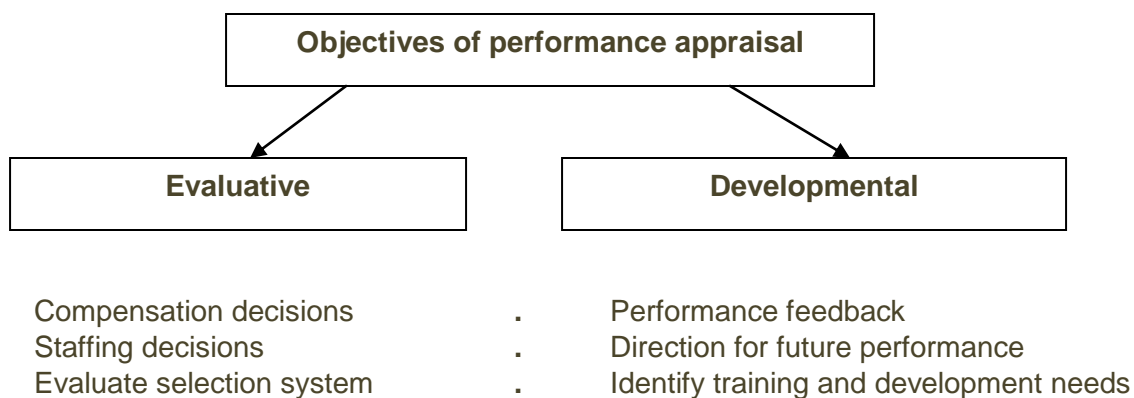
Objectives of evaluation - One of the primary purposes of performance appraisals is looking at past performance. Performance appraisal has an effect on future pay in the short run it may determine merit increases and in the long run it is likely to indicate which employees will be promoted into higher-paying jobs. A second evaluative objective of performance appraisal is constituted by staffing decisions because managers and supervisors are responsible for

making decisions concerning promotions, demotions, transfers and lay-offs. Functions such as recruitment, selection and placement systems can also be evaluated by using performance appraisals (Grobler *et al.,* 2006).

Developmental objectives - Grobler *et al.,* (2006) assert that a developmental objective, which the second type of performance appraisal encompasses, motivates employees to perform better in the future and to improve their skills. Feedback on performance is classified under primary developmental needs because almost all employees want to know about how their supervisors evaluate their work performance. Developmental performance appraisal focuses on guiding and directing staff for future performance. It gives the direction an employee should take to improve on the strengths and weaknesses that were identified in their performance appraisal. If there are gaps identified, they can be fixed by training and development.

2.16 Aligning of management objectives – the starting point

According to Molefe (2004) alignment of management objectives deals with the extent to which the vision, goals, objectives and actions are shared through the organisation. This is a starting point to world-class organisational status. There should be a clear and common understanding on these issues. The issues in this regard relate to the direction and alignment of strategic team objectives.

Clear direction - Molefe (2004) asserts that the directors of organisations should give clear direction to all employees in the organisation. He feels that senior managers need to have all organisational aims and objectives operationalized so that all workers from middle management to the shop floor are able to understand them. They should also be able to give clear direction in solving organisational difficulties in terms of typical problems that seem

insoluble to junior staff and shop floor employees. If an organisation is not given clear direction it suffers what is termed corporate malaise. If this happens the organisation should check whether:

- the organisation's vision is a crystal-clear, one-sentence statement that identifies the business, where it wants to be and by when and what measures it needs to take to get there;

- the goals are simple, constant and attainable by all staff;

- the goals have spilled down to every level in the organization, enabling each level to set their own objectives and actions in respect of the goals;

- all specialist and support functions are focused on the same organisational goals;

- the performance for each functional area is measured against the organisations goals, objectives and actions;

- values and support behaviours are shared at every organisational level;

- non-managerial staff have been engaged in projects that focus on making the job easier, making the job better and making the job cheaper (adapted from Pennington, 1998, cited by Molefe, 2004).

Strategic goals and objectives - The job of senior executives in an organisation is to ensure that they position the company well in order to deal with the external environment. This can be done only by people who possess a special set of skills and a sophisticated understanding of the contemporary business world. These managers have the intellectual ability and a wide range of business experience to make decisions in a context where there are rapidly changing scenarios (Pennington, 1998 cited by Molefe, 2004).

The vision statement of an organisation should be concise and it must identify with the business goals so that every employee will remember it and identify with it. If the goals are accompanied by simple tasks and measures that are easily explained to all employees in the organisation then chances are that every employee in the organisation will be able to understand them and carry them out every day. The distinction between strategic goals and strategic objectives is that a strategic goal is a statement about what the organisation wants to achieve over the long term and a strategic objective is more precise formulation of what an organisation wants to achieve over a shorter or specified time span (Slabbert and Swanepoel, 1998 in Molefe, 2004). Letting the vision, goals and leadership objectives spill down or cascade to the next level of management is the second step in aligning management objectives. Depending on the size of the organisation, team objective meetings will have to be cascaded down to supervisorial levels as this will further reinforce the alignment process. If this is carried out properly, friction between functional areas will be reduced and a common language on profit, growth, customer service, employee development and world-class business practice will spread throughout the organisation. This will ultimately reinforce a common sense of purpose throughout the organisation (Pennington, 1998 cited by Molefe, 2004).

2.17 Characteristics of good performance objectives

Pennington (1998) cited by Molefe (2004) asserts that performance objectives that are vague or hard to measure can lead to misunderstandings and poor performance. A performance objective should be focused on specific results that must be achieved rather than on general tasks and duties. These objectives must be realistic, specific, measurable, prioritised and weighted, clearly worded and limited in number. They should be synchronised with the organisations objectives as well as division or departmental objectives.

2.18   The Performance Contract (Agreement)

According to Minnaar and Bekker (2005) all organisations including public sector organisations have started to implement performance contracts as a way of managing the performance of senior managers.   The rationale for the development of performance management is to assist managers in executing authority and helping top management in directing the performance of senior managers. The performance objectives of senior managers are aimed at aligning strategic plans of departments with organisational objectives. This assists senior managers in defining their key responsibilities and priorities. The performance agreement, also known as a performance contract outlines the responsibilities of a particular job, the required outcomes and the attributes (skills, knowledge and expertise) and competencies required to achieve these results. It also identifies the measures used to observe, review and assess work performance. The contract is between two parties and consists of two elements namely the clarification of performance requirements and an agreement pertaining to appropriate support in terms of resources, training and management direction and expectations.

Performance contracts cannot be used as a substitute for ensuring that the right people are occupying the right jobs.   Also the experience of developing and linking appropriate performance targets and performance measures to programmes and services is important for developing performance contracts.

2.19   Essential Characteristics of an effective appraisal system

Rao (2005) asserts that performance appraisal systems should be effective because a number of crucial decisions are made based on scores or ratings received from the assessor which are based on the evaluation system used in that organisation. He has the opinion that

an effective appraisal system should possess characteristics such as reliability and validity, job relatedness, standardization, practical viability, legal penalties, training of assessors, two-way communication, employee access to outcomes and due process. A brief description of these characteristics is given below:

Reliability and validity - An appraisal system that does not have consistent, reliable and valid data cannot be defended by the organisation in the case of a legal challenge by an employee.   If two assessors, equally qualified and competent, use the same appraisal technique to rate an individual a similar rating should be obtained. This is consistent with inter-rater reliability. An example of validity would be, if the evaluation is made to assess if the employee has the potential for promotion, it should supply the information and data relating to the capability of an employee to assume higher responsibilities and carry out duties at a higher level.

Job relatedness - The assessment in terms of job relatedness must be made with reference to skills being related to an employee's potential job success. It should measure work performance and provide necessary information in job related activities.

Standardisation - Forms that are used for evaluation should be standardised and the same form must then be used for all staff which is fair and helps avoid bias. The administration of the evaluation should also conform to a given set off standards which also makes the evaluation fair and helps avoid any unfairness.

Practical viability - The evaluation techniques used should be viable. In other words easy to administer, reasonable in terms of the work context, easy to implement and they should not be unreasonably costly.

Legal penalties - Performance appraisal must meet the laws of the land.   The evaluation system must comply with provisions of various statutes in relation to labour laws.

Training of assessors - It is crucial that appraisers be provided with appropriate training on how to administer the organisation's appraisal system. This includes training on how an evaluation is planned, how to conduct an appraisal and how to rate individuals in an objective and consistent way. It also includes teaching appraisers how to keep proper records of appraisals. Organisations should develop written policies approving only a specified procedure as a guide for conducting appraisals. If a rater is made aware of the types of bias that can occur when rating he or she can improve his or her performance. An objective and fair appraisal helps build confidence in performance assessments.

Two-way communication - Staff generally likes to know how well they perform at their jobs. If an organisation has a good appraisal system in place, the needed feedback is provided on a continuous basis. Gaps in performance should be identified during the appraisal interview and the appraiser and the appraisee should take appropriate measures in planning and preparing themselves for future. It is essential that managers and supervisors clearly explain what performance expectations are expected from employees. They should communicate target dates for any goals that need to be achieved to their employees well in advance of the review period. If an employee is aware of a performance expectation they have time to learn about the standards and criteria required in completing specific tasks, it becomes easier to improve or better job performance.

Employees' access to feedback - Employees are entitled to adequate feedback on their performance. If performance appraisals are meant for developing and improving employee performance, then not giving feedback or withholding appraisal outcomes does not serve any

purpose. Employees cannot be expected to perform better without having access to their performance outcomes. If employees are permitted to review the outcome of their appraisal, they will be able to not only improve their performance but also discover any errors they feel have been made in their review.

Due-process - In due process appraisal the organisation is required to provide adequate notice of training for both staff and managers to negotiate, communicate and develop standards before setting dates of performance reviews. It requires that appraisals are fair hearing and the outcomes of the evaluation based on evidence. Due-process appraisal develops formal procedures to cater for those employees who disagree with the outcomes of the appraisal process because they feel that it is inaccurate or unfair.   Employees are encouraged to pursue any grievances which are then addressed objectively.

2.20   People Need Feedback

According to Rao (2005) workplace feedback implies two things: a) it could be feedback on job performance, that is whether an employee has the ability to do work which has been assigned to him or her and; b) feedback on work-related behavior, this relates to the way an employee performs his or her tasks and the way the employee relates to other team members and other employees at all levels of the organization (and with customers if s/he deals with the general public).

Shepard (2005) has the opinion that employees expect feedback although they don't like receiving poor evaluations or bad news. This is one of the reasons employees dislike performance evaluations. However, it is advisable to disclose bad news in terms of work performance in feedback from an appraisal rather than an employee being subject to a disciplinary process for poor or inadequate work performance. This, because, after an

appraisal an employee is given time to correct any negative performance. It must be noted that disciplinary procedures are designed to correct poor work behaviours whilst performance reviews are, in part, used to prevent poor work behaviours.

2.21 **Top Management response to new appraisal systems**

According to Rao (2004), for new appraisal systems to be successful, a high degree of commitment is required from top management. Top management should also recognize the link between the development of the capabilities of their employees and organisational growth and dynamism. They should also recognize the need to pay special attention to the development of human resources in directions that facilitate the achievement of organisational objectives and growth plans. As well as determining the extent to which human capabilities can be developed and the conditions required in the organisation for the nurturing of human capabilities. Top management should recognize their responsibility in humanizing the organisational environment in terms of making employees feel that the organisation where they work values their input. Managers at all levels, particularly those at senior levels, should ensure that they spend part of their time in developing their employees as this is the best investment they can make for the organisations human resources. During the transition period or a new appraisal system managers must make a substantial investment of time for this purpose and should be willing to receive negative feedback. They should view such feedback with understanding and use it for any corrective action that needs to be taken. It must be stated that the positive consequences of adopting a Human Resources Development philosophy and introducing new appraisal systems may not be noticeable in terms of visible goals like improved productivity, profits and cost-reduction in the short term. There may be less visible changes like increased problem-solving capacity, more

healthy inter-personal relationships, increased managerial confidence, more employee initiative, better managerial action, strong superior employee relationships, less tension and more role clarity in the organisation. Top management must be willing to state openly and clearly the culture they want to establish in the organisation, the values they want to promote and the processes they would like to encourage. They should then promote this by setting personal examples for others to follow.

2.22 360-degree feedback as a multirater assessment and feedback system

According to McCathy and Garavan (2001) in Molefe (2004), 360-degree feedback was used as an executive tool for measuring performance and it gained popularity in the 1980s. It gained momentum in the 1990s, after the total quality movement with its emphasis on customer satisfaction acted, as a driving force in its development. In 360-degree feedback, customers and suppliers provide feedback in various quality dimensions within the organisation. Those closest to the work are seen as being in a better position to assess performance and suggest ways for performance improvement. The tool thus acted as a powerful source of information and started the movement from the traditional top-down evaluation to multiple performance evaluation. According to Molefe (2004) 360-degree feedback is an appraisal system that is gaining popularity. It utilizes questionnaires which various people such as managers and superiors, employees, peers, internal and external customers answer. The questions are designed to find out the way an employee behaves in certain specified areas and the way he or she performs certain duties. Feedback gleaned from this appraisal system is utilized as a very important input for developing a career plan and for training and development purposes. Individual strengths and weaknesses are noted from the appraisal which assists the manager or supervisor in helping employees gain self-insight which assists the employee in developing their full potential. It is stated that in recent

years some organisations have been trying to break the top down approach that is synonymous with traditional performance appraisal approaches. 360-degree feedback is a method that provides a flow of information to employees from all directions which fulfills the need for providing holistic and useful feedback.

Figure 3:
360-degree feedback Source: McCarthy and Garavan (2001) cited by Molefe (2004)
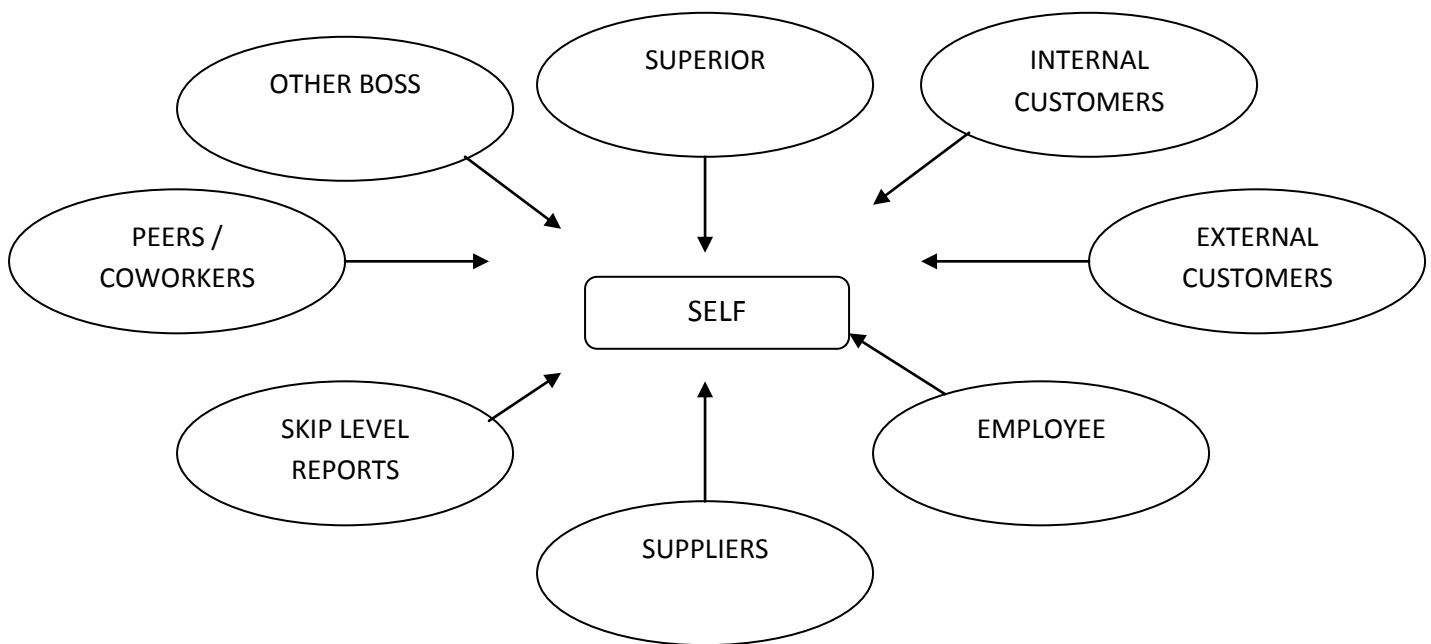
Source: McCarthy and Garavan (2001)

2.23 **Recording and communicating performance results**

Nel *et al.,* (2008) recommend that human resources officials and those in charge of performance management programmes must take legal imperatives into account in the design, development and implementation of performance management programmes. Under the Code of Good Practice in terms of South African labour relations, any person establishing if a dismissal for poor work performance is unfair has to think carefully whether or not the employee did not meet a required performance standard. The Labour Relations Amendment

Act (2002) states that when considering a dismissal, it must be both procedurally and substantively fair. The input that is received and recorded during the performance evaluation process in an organisation is very important at this stage of a dismissal on the grounds of poor work performance. It is therefore imperative that the appraisal process be legally sound to avoid any liabilities (Grobler e*t al.*, 2006).

Carrell, Elbert, Hatfield, Grobler, Marx and Van der Schyf (1998) in Nel *et al.*, (2008) suggest that organisations dealing with poor performers need to consider that documented appraisals must be conducted at all levels in the organisation and must never be backdated or altered later. All assessors whether managers, supervisors, employees, peers, or customers require appropriate evaluation training before rating any employees. Performance standards have to be job-related and must be consistent, absolute and objective. Timetables for meetings should be set and specific goals for improvement must be established when identifying substandard performance. They also suggest that employees be given sufficient opportunity to respond to negative feedback and that recorded evidence must be provided so that the employee can fully participate in the review process. They also suggest that performance evaluations must be checked to find out where there is an evidence of rater bias especially if there are grounds for dismissal.

Katz (2000) in Nel *et al.,* (2008) acknowledges that managers often dread appraising their employees' performances, but they believe that appraisals can be enjoyable, productive and successful if the following reviewing steps are followed. Each review should go over the goals that were set when the employee started the job or set during the last performance evaluation. Then the reviewer should check the performance of the employee toward reaching those set goals. The employee assesses or rates his or her performance, in

addition to relying on objectives measurements and the rating of the reviewer. The supervisor or rater and the employee must then meet to discuss the goals that haven't yet been achieved and both should set goals for the new appraisal cycle. The traditional year-end performance review, alternatively called the appraisal interview, represents the end of the annual performance management cycle.

According to People Resolutions (2010) to cut down exposure to employees defending dismissal claims in court, employers should develop a checklist to make sure that the performance appraisal system followed was fair, consistent and legally sound. They suggest that employees should be appraised of performance standards in advance and when a new employee is hired, or when new standards are adopted, supervisors should amend job descriptions and performance review forms accordingly. Copies of amended job descriptions and performance review forms must then be given to all affected staff. All problems related to performance should be documented regularly on suitable appraisal forms and employees should be provided with copies immediately. Employees should be regularly provided with appropriate feedback and unclear generalized or subjective comments must be avoided as this may lead to the employee laying grievances or claims against the supervisor or employer. Organisations should identify non-productive employees or employees with performance problems and should assist those employees in correcting or improving on their performance during the period between each review. If an employer tolerates poor work performance for months or years and then gives an employee a negative evaluation and decides to dismiss them, employees may claim that the action was arbitrary or discriminatory. They may also be able to show that no opportunity for improvement was given which means the employer will not win their case against the employee.

2.24 **Performance Problems**

Grobler e*t al.,* (2006) have the opinion that the proper analysis of a performance problem is a critical managerial skill. To treat problems of poor performance, managers should define expectations, identify possible causes of the problem and select a workable corrective approach. Some managers or supervisors take it for granted that employees know what good performance is and think it unnecessary to state management's expectations. If a manager describes performance standards in vague or subjective terms, leaving the employee to decipher the job standards on their own, it might cause problems because an employee's perception of good performance may differ markedly from that of the manager. Therefore, managers should define clearly and precisely what good performance means. After the supervisor has identified that there is a performance gap existing between ideal and actual employee performance, he or she should try to find the cause of the performance gap. If there is no proper analysis of the problem, any solution that is implemented will probably be ineffective and unsatisfactory performance will likely continue. Unsatisfactory performance can be managed effectively if the correct cause of the problem is identified however some problems may be incorrectly identified and inherent to a faulty appraisal system. Rao (2005) outlined the following problems inherent to performance appraisal:

- *Judgment errors* = Appraisers make mistakes while assessing people and their performance. Judgment errors and biasness may ruin the review process. Bias in this case would refer to falsification of a measurement.

- *First impressions (primacy effect) -* The assessor's first impression of a candidate may colour his or her appraisal of all behaviours coming after. Negative primacy effect, is when the employee seem to do nothing right and when we talk about positive primacy effect, it's when the employee can do nothing wrong.

- *Halo effect* - This is where a rater judges an employee based on a first impression which is positive. Essentially, 'I like you because you are like me.' This type bias has to be properly explained to individuals who become appraisers.

- *Leniency* - There is a possibility of raters who rate very strictly or very leniently, depending on their mood at the time of appraisal. Most appraisers find evaluating employees difficult, especially in the case where the appraiser has to give negative ratings. An appraisal system can become ineffective due errors of leniency or strictness.

- *Central tendency* - Central tendency occurs when appraisers avoid using high or low ratings. They prefer to settle on the midpoint of the rating scale where they rate many as average performers. This is a direct contrast to the leniency effect above.

- *Contrast effect* - This is when an employee's rating is influenced by another employee's performance. For example, when an outstanding employee is evaluated first then an average employee is evaluated immediately after. In this instance an average performer might be rated poorly.

- *Recency effect* - In this case, the rater gives greater weight to an employee's recent work performance rather than earlier performance. For example, if an employee has performed outstandingly in the past six month or so and is given a poor rating because he or she has not performed well in recent weeks (and vice versa).

- *Poor appraisal forms* - If appraisal forms or the rating scales used by raters are vague or not clear, they might influence the appraisal process negatively. It can also be influenced by the factors related to the design of the form. For example, forms may ignore important aspects of job performance, the rating form may contain additional, irrelevant performance dimensions and the forms may be too long and complex.

- *Lack of rater preparedness -* The rater may have limited skill to perform performance management activities.   It might turn to be a serious limitation in case where the technical competence is to be assessed by a rater who has limited functional specialization in that area.   The rater may lack adequate time to conduct the assessment and to give complete feedback sessions. Due to lack of self-confidence or poor self-image, the rater might feel incompetent to do the appraisals. Appraisers may be confused by the unclearness or vagueness of the objectives of appraisals.

2.25   Key steps in a poor performance/incapacity and discipline

Managing employee performance should not be confined merely to periodic performance appraisals. The guiding principle is that any sign of poor performance should be discussed immediately with the employee and corrective action should be taken straightaway. A disciplinary policy deals with the process that needs to be followed if an employee does not comply with the company's rules and regulations or if he or she is behaving in an unexpected manner or if an employee is not performing at an acceptable level. The responsibility for enforcing the disciplinary policy and process in an organisation falls on its management. When the disciplinary process starts, the management should set out with an open mind and seek to remedy the situation and to restore an effective working relationship between the employee and the company, rather than looking for reasons for terminating the relationship (Cloete & Allen-Payne, 2007).

There is a process to be followed in cases there of poor performance or incapacity. Poor performance should not be confused with non-performance. The latter occurs when an employee, through absence or neglect, does not perform his or her duties or does not report for work. Poor performance occurs when an employee is on duty but is unable to perform his

or her work in terms of the required standards. The labour relations practitioner should ensure that managers follow proper processes and that employees are not peremptorily dismissed for poor performance. Cloete and Allen-Payne (2007) have the opinion that the role of the poor performance procedure is to highlight the areas requiring improvement to the employee and to agree on a way in which performance can be improved. They state that the initial phase of the poor performance procedure is usually informal, for example, a verbal discussion between a Line manager and an employee regarding the areas of their work that are not up to the required standard and a detailed plan on how the required skills and competencies will be developed. Poor performance procedures are governed by the Labour Relations Act in South Africa which is clear in detailing the responsibilities of both parties in the process. Despite the process being less formal at this stage, it is essential that detailed notes and records are kept of all the steps taken, actions agreed upon and meetings held. It is important to give the employees the opportunity to explain their circumstances and detail their needs in the learning process. Poor performance may arise due to the staff member being new and not being able to reach the required standard in the normal time period or the employee attended training programmes, but still being unable to perform tasks to the required level or the employee's work performance deteriorations.

Step 1: *Performance counselling and coaching* - the Line manager together with the employee should explore the reasons for poor work performance and identify ways to address the areas requiring improvement. Both parties should be actively participating in this process. The Line manager should give the employee specific examples of where their work was not at the required level, so it is clear as to where development areas exist and what is required to address them. They should schedule follow-up meetings and the employee would need regular feedback on the standard of his or her work. The Line manager should

give both positive and negative feedback so the employee knows what they are doing well, plus where they still need to improve.

Step 2: *Follow-up performance counseling* - in this step, the employee is been given an opportunity to improve his or her work performance. Usually two or three formal follow-up meetings should be held in which clear performance goals are agreed and timeframes allocated in which improved performance needs to be demonstrated. The principles of fair and reasonable apply and the complexity of the tasks, support required from the Line manager and formal training options need to be considered in this process. There are no hearings in the first two stages. Only follow-up meetings should be formally agreed and convened and notes should be taken for both parties to refer to detailing agreements reached and goals set.

Step 3: *Consultation hearing/poor performance inquiry* - this step takes place if the problem persists. The employee should be served with a written notification that the decision has been reached to call a consultation hearing, also termed a poor performance inquiry and details regarding date, venue and time must be provided. In this form of hearing, the rights and obligations for both parties remain the same. An impartial Chairperson is appointed to hear the case, adequate notice needs to be given, the employee may appoint a representative to assist them with their case and mitigating and aggravating factors would be presented. The Chairperson would hear the evidence presented by both parties and make a decision as to whether the employee's services should be terminated.

2.26 Appeals against performance reviews

Employees retain the right to appeal against decisions reached in either a disciplinary hearing or a poor performance hearing. In the case of dismissals, appeals must be lodged

with the organisation within five days of being dismissed. An alternate Chairperson will review the case and consider the appeal. Should the employee still be dissatisfied after this process, he or she retains the right to take the matter to the Commission for Conciliation, Mediation and Arbitration within thirty days from the date of their dismissal. Grobler *et al.,* (2006) assert that the disciplinary action taken against an employee is to motivate an employee to comply with the company's performance standards related to the tasks performed by the staff member or to the regulations that define proper conduct at work. The disciplinary also serves to create or maintain mutual respect and trust between the supervisor and an employee. A disciplinary that is administered improperly can create problems such as low morale, resentment and bad and unkind feelings towards the supervisor. If the administration of the disciplinary is done properly, it will not only improve employee behaviour but will also cut down on future challenges related to discipline through a positive relationship between the supervisor and the employee. Disciplinary actions can only take place when it has been properly established that the staff member is the cause of unsatisfactory performance.

Figure 4:
Analyzing and correcting unsatisfactory performance models

Step 1

Define
performance
expectations

Lack of skills or
abilities

Lack of
motivation

Step 2

Identify causes of
unsatisfactory
performance

Rule breaking

Personal
problems

Step 3

Select appropriate corrective
approach (es)

Train

Transfer/demote

Change the work

Rehabilitate

Counsel/refer

Discipline
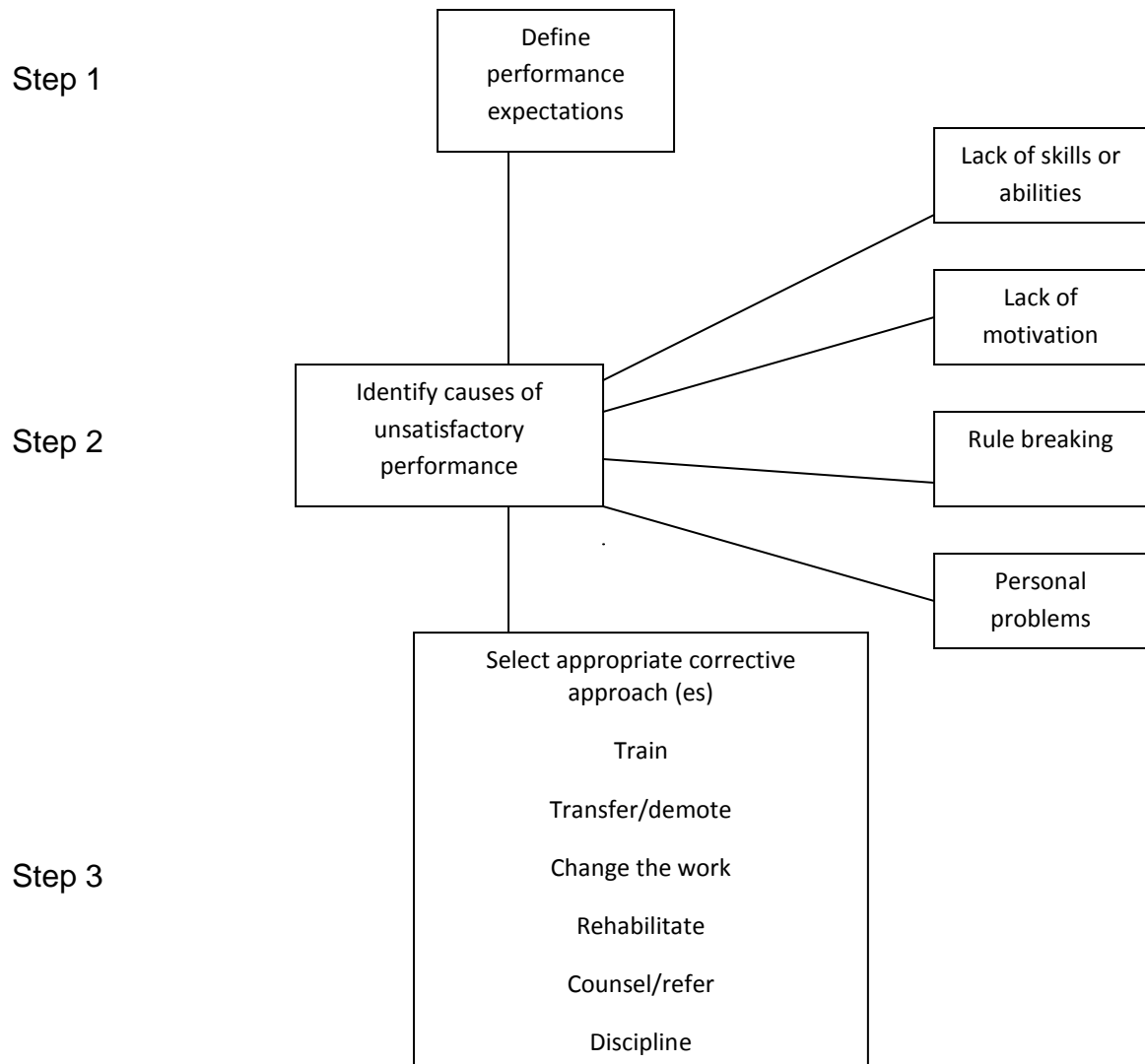
Source: Cloete and Allen-Payne (2007)

2.27 **Improving Performance Management and Rewards**

Strack, Francoeur, Dyer, Ang, Caye, Bohm, McDonnell and Leicht (2008) are of the opinion
that improving performance management and rewards helps to align individual objectives
with business goals, leading to more efficient processes and clearer direction for employees.
It also increases fairness and transparency and allows management to stay focused on
important business goals. It is very important that management emphasize and reward the

correct values because if not, performance management systems can impede an organisations overall strategy. It is advisable that performance management systems be developed thoroughly and carefully, taking into account the corporate strategy and vision and related desired behaviours.

Human Resource departments have found some creative ways to deploy performance management systems. An example given by Strack *et al.,* (2008) is that following an acquisition, employees of the acquired company had not yet received the newly proposed strategic direction for the company. Rather than push the new strategy, the HR department brought in a new performance-based HR system at the acquired company. The system allowed the company to change the culture of the company in a way which made it flexible to any new vision or strategy that was to be introduced. It is therefore, essential that a performance management system be properly focused should be specific, measurable, actionable, realistic and time-specific.

According to Strack *et al.,* (2008) the action that will be deemed most important in the future is rewarding good performance with compensation and actions that establish a clear link between performance and pay. In order to reward good performance with financial compensation, companies need to be able to measure performance. It is stated that many companies have not yet mastered this action and that measuring performance more selectively is the action expected to grow most rapidly. They believe that creating transparency in performance management processes helps to build trust in the process amongst employees. It is noted that increasing transparency is likely to be the second most popular action for managing performance in the future.

According to Rao (2009) to get the best performance out of people, the Chief Executive Officer should bring a culture of excellence into the organisation. This culture is one that motivates employees to match organisational objectives with individual desires, equips them with requisite skills and encourages teamwork and has an open-door communication policy. He has the opinion that raters should be rewarded for carrying out assessments. He feels that they will be more motivated to do assessments properly if they have an incentive. If inconsistent or poorly administered assessments are conducted by appraisers this could impact negatively on both the appraiser and the employee. Fundamentally, all appraisers must be properly trained and understand the rating system that is used by the organization.

2.28 Developing a Performance Management System

Any organisation can develop its performance management system that is design to suit the organisation's specific needs, environment and culture. According to Swanepoel *et al.,* (2008) it is imperative that the following are taken into account when designing and developing a Performance Management System.

Pre-design considerations - If the performance management system is effective, Line management should be empowered to carry out the main aims and objectives of the organisation. First, a survey should be done and the pertinent questions be addressed such as the purpose of the performance management system and the way in which the organisations' strategic goals will spill down to work teams and individual employees.   It should also address how work systems will be aligned with other aspects of the organisation. It is crucial to know the actual reasons for developing the performance management system and to know which personnel will be involved in it. It should be demonstrated that the system is central to the actual process of the business execution. If it is simple and straight forward

and top management understands how it will improve the bottom line the organisation will be keen to adopt it.

Designing the system - the system should be developed as soon as the decision to introduce PMS has been taken by top management. Then inputs from specialists are needed. It is crucial that the system be designed to fit the actual organisation and its work and environment by taking the following points into account.

- *Obtaining basic job information* - There should be a proper job design and analysis. This is very important when gathering job-related information. It is also important to have written job descriptions as the nature of the work and typical job duties and responsibilities should guide how the system should look and work.

- *Setting-up performance standards and performance criteria* - Swanepoel *et al.,* (2008) assert that performance standards outline the conditions for desired work performance. The supervisors and the employees should mutually agree upon performance standards. The researcher feels that these standards should indicate details such as the activities to be performed by an employee or the indicators that will be used for measuring the performance, the criteria to be used for the assessment and how performance will be assessed.

- *Choosing the format and the sources of appraisal information* - A thorough decision should be taken when choosing the format of the appraisal instrument and the source of appraisal information.

- *Preparing documentation* - The performance management policy and procedure document should be used as a guide. The performance management agreement

forms are very important because they form the basis for discussions as well as guidelines for actual work performance processes.

Swanepoel *et al.,* (2008) suggest that the essential elements in designing performance assessment systems such as the content of the performance appraisal are based on job analysis or shown to be job related. To do this a subject-matter expert, such as current job incumbents should have input on factors to be evaluated. The appraisal should be specific rather than generic and should be based on observable job behaviours rather than on personal characteristics. Appraisals need to be reliable and appropriate standardization of administrative procedures and forms is required.

Introducing and operationalizing the system - According to Swanepoel *et al.,* (2008) this process mainly focuses on different training sessions. Training for the raters takes on many forms ranging from providing information to dummy-run conferences and extremely thorough workshops. It also includes aspects such as the training format which allows raters to be actively involved in the training process for example modelling, role play and group discussions and in depth training on the measurement instrument and scales. This ensures that all raters agree with the interpretation of performance standards and relative levels of behavior. During training, raters should be given exercises where they practice and gain practical experience. Raters need to be given feedback regarding their own rating behaviour and to be given periodic follow-up training to reinforcing desirable rater behaviours.

Maintaining the system - the maintenance of an appraisal system entails activities such as monitoring the consistent application of performance ratings, reviewing satisfaction levels of managerial as well as non-managerial staff who are using the system and finding out about what can be done to improve the system and dividing and make arrangements for the

training and development interventions as per outcomes of the review. It also entails monitoring forces for change from the   perspective of the entire organisation.

2.29   **Examples of research on Performance Management Systems**

Alton and Strydom (2005) conducted a study investigating performance management against the backdrop of the call centre industry in South Africa. It was noted that many companies are becoming more and more frustrated by the fact that there is no connection between formulating their performance management strategy and successful delivery against it. The researchers have the opinion that the call centre industry is an area that has a potential growth in South Africa and it will need continuous evaluation to improve the performance results to meet or exceed international benchmarks.   The level of global pressure compels call centres to emphasize the exploration of Performance Management. The main findings of the research were that a successful performance management system should take cognizance of internal and external factors of the organisation as well as the looking at the interplay between hard and soft elements in the organisational system.

In his research, Ferreira (2007) reports on the high quality standards and academic depth imposed by the University of South Africa's (Unisa's) School of Business Leadership (SBL). This, he suggests, is because Unisa uses an integrated Performance Management System to rate its academics. The purpose of this is to ensure that the tuition offered by the institution is of a high standard and that the business school enjoys a competitive edge. Lecturers are assessed on three levels namely, the quality of the tuition which has the biggest weighting, research and their contribution to the academic society as a whole. The school of Business Leadership maintains high academic standards and as a result of PMS it

offers performance bonuses. SBL courses are developed or updated every year and the curriculum for every programme is renewed every three years to ensure that new books, articles, web pages and relevant ideas in the courses are included.

Ferreira (2007) feels that the greatest challenge ahead for the SBL is in line with Unisa's vision to be the finest University for Africa in Africa and to be the business school of first choice in Africa. He notes that twenty-five percent of the SBL's students are international and live in countries such as Australia, Britain and the United States. These students understand and enjoy Unisa's teaching model. He notes that Unisa must ensure that its courses are relevant and applicable to African students and notes that PMS can assist with this endeavor.

According to Ramsingh (2007) any effective retention policy must be linked with a performance management system.   He regards performance management as an essential barometer in finding out whether employees' commitment to their organisation grows or not. He notes that there was a belief that through effective performance management the attitudes of public servants would change and focus on prioritizing service delivery of government to the various communities in South Africa. He stressed that performance management systems in the country focus on principles which improve and develop good work performance and the retention of individuals identified as good employees. Performance management approaches for public servants in South Africa has three separate parts designed to retain employees. The first is to facilitate the development of human resources through the way performance management is applied. It focuses on empowering employees by building their knowledge and skills. This helps them to perform their duties with

confidence. The second is the granting of performance incentives to individual employees. This is facilitated by an effective performance management and development system. If applied correctly, performance incentives that are offered by the system allow not only for work growth but also for self-insight and emotional growth. Properly implemented performance management systems include the essential elements necessary in the staff retention. The importance of remuneration cannot be played down when discussing staff retention. Outcomes of performance ratings can be used to award increases to staff and also salary progression from one salary band to the next. Employees become motivated to stay in an organisation which recognizes their performance by annual cash incentives through the rewarding of merit based awards and cash bonuses. It is also true that once-off performance bonuses serve as mechanisms to enhance employees' performance. The retention of staff that performs well is facilitated by the fact that if they know that they work hard and well on a continuous basis they are rewarded appropriately and fairly.

Ramsingh (2007) asserts that the reason why performance assessments is indicated under the analysis of top five causes of grievances in South African Public Service is because of incorrect and ineffective application and the other cause could be the undermining of the principles of performance management. He concluded by stating that staff retention needs a multi-dimensional approach. He asserts that performance contributes to various practices such as good remuneration package or staff compensation and human capital development and improvement. Performance management that is implemented correctly can be a powerful management tool in attracting staff and retaining talent.

Thorpe (2004) identifies what the nature of a research contribution to the field of performance management might be. Thorpe briefly reviewed the nature of management as a discipline

and how performance management might be located within this context. He asserts that performance management is being used as an organizing principle for the Open University business school's Diploma in Management. He tried to find the exact position of the study of performance management by looking at the nature of management as a discipline and the way performance management might be situated within this context. It also attempts to test the evolution of performance management research. He noted that over eighty percent of companies in South Africa make use of benchmarking, over fifty percent carry out pay for performance and over forty percent apply some form of Balanced Scorecard. The argument is that as academics engage in the study of performance management from a broad range of disciplines, they should situate their knowledge within the context of their own disciplines and fields of study. He stressed that growing criticisms attached to current absolute research agendas, in terms of management studies, need to be addressed. The University of Cape Town conducts a performance review on academic staff only. It attempts to give academic staff the best opportunities for professional development and career advancement. In performance reviews, individual employee plan and review their activities with Heads of Departments (HOD) and it differs in performance assessment in that the Head of Department needs to make an implication on performance of each staff member. The Deans and HODs may inform the workforce in the form of writing that they should request applications for the recognition of high achievement. Assessment must be carried out for all academic ranks, including professors in the department. Each Faculty has a framework for a rating system against which staff members are ranked. The rating system seeks to give an objective set of criteria that are used to score and rank candidates.

Brown (2005) conducted a study attempting to provide an overview of the different ways used in implementing performance management in England's primary schools. His study focuses

on specific challenges and difficulties associated with various aspects of the initiative. He seeks to evaluate whether or not introducing a system of performance management might finally help to improve the quality for primary education in England. The performance management in Schools initiative was outlined as the world's biggest performance management enterprise. It covered approximately eighteen thousand primary schools, three thousand five hundred secondary schools, one thousand one hundred special schools, five hundred nursery schools, twenty three head-teachers, four hundred teachers and an unidentified number of auxiliary staff. In order to gain a variety of viewpoints on the initiative, a triangulation approach was adopted, with regard to both research methods and categories of research participants included in-depth audio-taped interviews, documentary analysis of both government publications on the Performance Management in Schools initiative and schools' own performance related documents and observations. The paper attempted to provide an overview of the different ways used to implement performance management in England's primary schools. The question attempting to find out if performance management is helping to improve the quality of primary education in England was still left open. Limitations of research conducted were small numbers of research participants, which could result in the findings that could not entirely be representative of the opinion. Experiences of primary school head-teachers, teachers and governors through England as a whole were considered in the research. The actual worth of establishing performance management into primary schools is an area that still needs further research. Under findings, the following information was provided on some aspects of performance management in primary schools, the real meaning and purposes of performance management in primary schools, education and training for performance management, the establishment and the content of performance management objectives, measuring the performance of various head-teachers and teachers,

the results of performance management on teachers' professional improvement and viewpoints concerning the suitability and reality of performance incentives.

Lawrie and Cobbold (2004) conducted a case study to analyze the design of a new corporate performance management system for a United Kingdom (UK) government agency. It identified trends such as the effort to make the public sector more accountable for achieving better performance. Since the late 1990s, many UK public sector organisations have been required to show more accountability in their delivery of national government-defined standards. The UK government provides detailed requirements identifying the requirement for public sector agencies to demonstrate clear plans and the systems they have in place to monitor performance against those plans. The research tested the relevant academic literature and made conclusions based on empirical learning from the approaches used to manage performance in large devolved organisations. The main topic analyzed was the manner by which large devolved organisations approached the issue of performance management so as to enable the demonstration of progress in achieving strategic goals. It also looked at if a strongly improved approach to the development of strategic and operational plans impacted on performance management. The research concluded that Public sector organisations have become increasingly compelled by complex corporate governance legislation to publish large amount of performance statistics and that performance management is integral to the public sector. The research helped in the formulation of a new planning and control system in order to audit such performance management systems.

de Waal (2007) researched performance management to discover if it is a competent management tool for organisations in developing countries. He conducted the research in

Tanzania. Although the study was conducted at one organisation in one developing country, his results indicated that performance management is a suitable tool for use in developing countries. The results also indicated that management needs to be dedicated and stay focused on performance management to make it work. It was concluded that performance management cannot be underestimated as a positive tool for managing employee performance however, it needs continuous attention and it should be well planned before implemented.

de Waal and Coevert (2009) conducted a study on the effect of the implementation of a performance management system in a bank. The purpose of their study was to find out the impact of the process. Although the research was carried out in one bank it was inferred that it was likely that results would be similar in other banking organisations. One result noted that management had to really focus on encouraging employees to comply with the processes of performance management in order to ensure the system was successfully implemented. However, the system had different effects in the two commercial divisions of the bank branch. It was noted that only the Private Clients division came up with significantly improved performance results while the Business Clients division showed only a slight improved results. These results were further analysed and the results indicated that the difference was caused by the way the new system was implemented by the people in charge. The Business Clients division manager did not pay attention to the behavioural factors, or the way in which employees were likely to perceive the system. Essentially, it was not implemented in a manner in which employees could see its benefits. This highlights the fact that any type of performance management system must be implemented with properly trained and motivated individuals.

Radnor and Barnes (2007) investigated the historic viewpoint of performance measurement and management within operations management throughout all sectors, focusing on manufacturing, service and public sectors. Traditionally, efficiency and effectiveness are considered as the most important aspects of performance. It was stated that the measurement of efficiency had a lot of influence on operations management since the beginning of the modern industrial era. This emphasis is needed because organisations need to ensure that their businesses are financially stable and have achieved growth. It was noted that performance measures do generally have a positive impact on employee behavior. Because of this organisations started to put more effort on measures such as levels of innovation, motivation and customer retention instead of focusing on outcomes. The research findings indicated that there is a shift from performance measurement towards performance management. It was noted that over the last several decades, views of performance measurement and management have shifted and three general trends have emerged. These are analyzing the larger volume of work for example, re-engineering business processes and increasing the depth and the range of performance measures.

Andersen, Henriksen and Aarseth (2006) conducted a pilot study with the aim of developing an integrated framework for holistic performance management. They based their research on specific theory as a contributing factor within performance management, careful examination of performance management trends and total quality management (TQM). They asserted that in order for enterprises to cope with tough competition they have to develop new ways to produce a competitive advantage. The research indicated that organisations work better when more than one approach to PMS is used. They developed a

concept called 'just in time' which integrates the balanced score card approach and total quality management. The concept was mostly used by manufacturing industries mainly to eliminate waste in the manufacturing processes. Their conclusion indicated that organisations should come up with their tailor-made versions of PMS that encompass elements of various performance management approaches in order to achieve optimum performance results.

2.30 **Conclusion**

In this chapter a detailed discussion of performance management including alignment of management objectives, performance standards, setting the stage for performance management and the rating techniques that are used in PMS was provided. The key component of PMS such as 360-degree feedback which is a multirater assessment and feedback system and management by objectives was discussed in some detail. The differences and similarities between performance management and appraisals systems were also discussed. Performance appraisal interviews and performance and development plans as well as essential characteristics of an effective appraisal system were also outlined.

CHAPTER 3: RESEARCH METHODOLOGY

3.1   Introduction

This research investigates the application of performance management systems at specific institutions of higher learning in KwaZulu-Natal. These institutions are the University of Zululand (Unizul), the University of KwaZulu-Natal (UKZN) and Mangosuthu University of Technology (MUT). All three institutions are public institutions. They all accommodate a diverse cultural range of students. However, the majority of students at all the institutions are first language isiZulu speakers from previously disadvantaged communities.

The University of Zululand is the only Comprehensive University in KwaZulu-Natal. Unizul was first established in 1960. It is situated north of the Uthukela River in KwaZulu-Natal and also north of Durban about 142 kilometres. The main campus is situated in KwaDlangezwa which is 19 kilometres south of Empangeni. There is a new campus in Richards Bay which is 30 kilometres away from the main campus. Unizul has 239 academic, administrative and research personnel and 7742 students.

Mangosuthu University of Technology is based at Umlazi Township about 25 kilometres south of the City of Durban. Mangosuthu Technikon was renamed Mangosuthu University of Technology at the beginning of 2005 following the restructuring of the institutional landscape of Higher Education in 2004. MUT has 143 academic, administrative and research staff and 10096 students.

The University of KwaZulu-Natal has five campuses and are all situated in KwaZulu-Natal. UKZN was formed in 2004 after the merger between the University of Durban-Westville and the University of Natal. The Westville Campus was chosen to participate in the study as it

houses the main administration block which officiates over all the other campuses. UKZN has 1472 academic, administrative and research staff and 37850 students.

3.2   **Research design**

This chapter gives information about the research design of the study and how the investigation is conducted. The key purpose of this research is to establish whether tertiary institutions employ performance management systems or tools to monitor and assess their employees' performance. It also investigates how the systems they have operate. In order to do this a specific plan, approach or research design was utilized. Frazer and Lawley (2000) in Molefe (2004) state that research design and research methodology explain how information is collected in order to address a research question. This study adopted a mixed methods approach using both quantitative and qualitative research methodology in order to give as holistic a picture as possible of the phenomena under investigation.

Kerlinger and Lee (2000) agree with Smith (2002) in Molefe (2004) that a quantitative research approach depends on the use of numbers and measurements and focuses on phenomena which can be illustrated using numbers and statistics. This process requires a structured plan from data sampling through to data collection and analysis and the reporting of data. It attempts to be objective and is often used for large studies which collect data using surveys or questionnaires. Conversely, qualitative data is concerned with explaining how people think or feel about a specific topic. In this case individual interviews are noted as a method of collecting rich data (See Appendix "H" for a detailed comparison). The analysis of qualitative data, in this case, is undertaken by using an interpretive approach (Thematic Content Analysis).

The research design of the study is consistent with a quasi-experimental design as it uses multiple waves or different types of measurements. The different types of measurement used are a self-report survey with questions gleaning mostly categorical data which are analysed using descriptive statistics. To ensure a well-rounded study open ended questions were added to the questionnaire. This allowed respondents to express their views and feelings. To give a further dimension to the study interviews were conducted with HR officials using a semi-structured interview schedule. This allowed the researcher to gain more knowledge about the PMS process at the institutions. It also allowed the researcher to gain an insight into the views and feelings of the participants.

3.3 Propositions

The study has the following propositions based on a reading of relevant literature:

- staff experience performance management systems in different ways at the specified tertiary institutions;

- performance management systems have been successfully implemented at the specified tertiary institutions.

3.4 Sampling Procedure

A convenience sample was deemed appropriate as it is consistent with the type of sampling used in pilot studies. Convenience sampling is a non-probability method and is referred to as haphazard or accidental sampling. It is a method that is commonly used as it is inexpensive and often used in exploratory research. Participants were drawn from the population of employees who were included in the Performance Management Systems process of the participating institutions. This included academic and administrative or support staff members and management who were willing to take part in the study. Questionnaires were

distributed via e-mail by the HR Directors of the participating institutions. This type of sample is useful in exploratory or pilot studies.

Sixty questionnaires were distributed to each participating institution. Fifty-eight questionnaires were returned from the University of Zululand, five of them were from temporary employees and three were from internships (these were discarded as the individuals were not on the institutions performance management system). Forty questionnaires came back from Mangosuthu University of Technology. Thirty-three questionnaires were returned from the University of KwaZulu-Natal three of which were not filled in correctly (thus they were discarded). The final sample therefore consisted of one hundred and twenty respondents.

3.5   **Questionnaire (See Appendix "B")**

The questionnaire was not pre-tested as it was based on one used by Shabalala (2003) and only up-dated with questions that made it more appropriate to context, no major or content changes were made. The questionnaire is a commonplace instrument for observing data below the physical reach of the observer. Furthermore, it can be a useful and confidential way of finding out what people actually think. It facilitates the measurement of a person's knowledge, a person's likes or dislikes or what he or she thinks. The questionnaire is therefore a useful tool to measure perceptions (Molefe, 2004).

3.6   **Administration of the questionnaire**

A survey questionnaire (See Appendix B) was conducted using a prepared questionnaire. The questionnaire consisted of eighteen items of which twelve were close-ended and six were open-ended questions.   The questionnaire comprises of three parts, part A is

demographics, part B is the PMS survey and part C is for participants' views. The questionnaire was first piloted at the University of Zululand amongst ten staff members, five academics and five administrative. This was carried out to see if the questionnaire had any ambiguity in content and/or language. In piloting the questionnaire, the importance and the aim of conducting a research was explained to the participants. After the questionnaire was piloted any ambiguities or problems with language were adjusted. The institutions which were identified as being appropriate for the study were visited after securing appointments via e-mail and telephone with the Managers of Human Resource Departments. Letters were given to the HR Directors who sought permission from university management for the study. Copies of the questionnaire and covering letter, which explained the research and matters pertaining to participant's confidentiality, were e-mailed to the HR Directors who distributed them via e-mail to staff members. Participants were asked to complete the survey which means that the questionnaires were self-administered.

3.7   Interviews

To give more depth and information to the study, face-to-face interviews were conducted with human resource officials who were regarded as the drivers of performance management at the institutions. The Human Resources Directors at the institutions sent out e-mails to HR staff requesting if anyone was willing to participate in the study. They were asked to contact the researcher directly per e-mail or telephone. Appointments were arranged with those HR staff members who responded. Those participants were visited at their institutions for interviews. Arrangements were made with the HR Directors for appropriate rooms to be made available so that interviews could be held privately. This helped to ensure the respondents' confidentiality.   It was explained that notes would be taken during the interview sessions.   At the beginning of each interview the reason for the research and ethic and

confidentiality were explained. At Mangosuthu University of Technology interviews took place on the 04 May 2009 and again on the 06 July 2009. At the University of KwaZulu-Natal interviews were carried out on the 06 July 2009. The interviews at the University of Zululand were carried out on different dates that were found to be most suitable for the interviewees.

Face-to-face verbal exchange type of interviews were used so that the interviewer could be able to acquire more information and opinions on the implementation of performance management from the interviewees. All questions asked during the interview were based on the semi-structured interview schedule (see Appendix "I"). As the interview schedule was semi-structured follow-up questions were asked when more clarity was needed. The responses were recorded manually (pen and paper) by the interviewer. Five Human Resources staff members were interviewed at the University of Zululand, three at the University of KwaZulu-Natal and two at Mangosuthu University of Technology.

3.7.1 Rationale for using a semi-structured interview technique

A semi-structured interview technique was used so that the interviewer could be flexible when interviewing the participants. In other words, if a reply was not clear the researcher was able to clarify and explore the respondents' answers. This type of interview technique allows for the exploration of new and developing themes in a conversation. This technique suited the research purpose as some questions were created during the interview, allowing the interviewer and the interviewee the flexibility of discussing the topic (PMS) in some detail.

3.7.2 Telephone calls

In addition to the questionnaire, survey efforts were backed up with the telephone calls to the HR directors to obtain further information and clarity. Frankfort-Nachmias and Nachmias (2002) assert that a telephone interview is quite accurate and is likely to improve the quality

of the data. They are also flexible (in terms of time and date) and have the strengths of face-to-face interviews with the added bonus that they are usually less costly (Neuman, 2003).

3.8   Data Collection methods

UKZN and MUT questionnaires were e-mailed to the HR Directors who were requested to distribute them to academic and administrative staff per e-mail. All UKZN questionnaires came back per e-mail. Some questionnaires from MUT were sent back by e-mail and some were deposited in the internal box of the Senior HR Officer who kept them for the researcher to pick them up. Those questionnaires were all deposited in sealed envelopes which had not been tampered with when collected. At the University of Zululand questionnaires were distributed by e-mail. Some of them were returned via e-mail and the rest were returned via the researcher's internal post box.

3.9   Data Analysis Techniques – quantitative data

In analysing the quantitative data non-parametric statistics were utilised because the sample was not randomised. The aim of data analysis was to give a description of the information gathered and to identify the meaning of the data. The integrity of the data set was established and descriptive statistics were used to give a summary of data. Descriptive statistics using Frequency tables and Bar charts were used as they are consistent with analysis for a study using non-parametric statistics. They give a clear illustration of the data, are useful in comparing groups of data and are also useful in making direct comparisons between two or more items.

3.10 Data Analysis Techniques – qualitative data

Thematic Content analysis is used to analyse data from the open-ended questions and the material produced by the interviewees. Below is a summary of the steps used to analyse such data according to Terre Blanche & Durrheim, 2002:

- familiarisation and immersion which is carried out by reading and re-reading the text over and over. This in order to fully understand it so that meaning and interpretations can be made;

- inducing themes which the researcher is able to do on reading and re-reading the text. The themes occur naturally out of the data;

- coding which is defining categories by putting the data into analytically suitable themes;

- elaboration which is to continue with coding until no new insight is found and

- interpretation of the data and re-checking which is examining whether an interpretation is given of the thematic categories found in the data.

3.11 Practical and ethical considerations

Permission to conduct the research at the University of Zululand was requested and granted by the Department of Industrial Psychology and the Executive Director of Human Capital Management. A detailed letter was sent to the Manager of the Performance Management System at the University of KwaZulu-Natal (Westville Campus) and another one to the Director of Human Resources at the institution. A letter was sent to the Director: Human Resources Management at Mangosuthu University of Technology. Amongst the five

campuses of the University of KwaZulu-Natal, Westville Campus was chosen over other campuses because it is the official address of the University of KwaZulu-Natal, housing the Vice-Chancellor's office and the University-wide administrative divisions. Staff members who participated in research were assured that confidentiality and anonymity would be maintained at all times (See the attached specimen of a letter that was sent to the Institutions, Appendix "A" and that of the Questionnaire as Appendix "B"). Respondents were reassured that their well-being would not be compromised in anyway by participating in research. They were advised to exclude their names on the questionnaire and not to put any information of a personal nature on the questionnaire.

3.12 **Methods used to ensure validity and Reliability**

Validity

Validity means truthful and in scientific studies it refers to the link between construct and the data (Neuman, 2003). Validity is a component of the dynamic process that grows by accumulating evidence towards a research outcome. Measuring validity refers to how well the conceptual and operational definitions fit together with each other and is the extent to which an investigation or test measures what it claims to measure. Terre Blanche, Durrheim and Painter (2006) emphasize that to ensure validity the importance of stating the purpose of the study, understanding the paradigms supporting the study and taking into account the environment within which the research takes place is a necessity. They also note that the instrument used and how a sample is drawn is also vital in determining validity. In this study, validity is ensured through:

- using the models and theories relevant to research topic, aims and problem statement as guidelines;

- selecting measurement instruments that are applicable to the models and theories informing the study.

In order to ensure this the original questionnaire designed by Shabalala (2003) was given to several Human Resource professionals with Human Resource Management degrees at the University of Zululand for their comments and suggestions. Their suggestions and comments were taken into consideration. After the questionnaire was amended, it was resubmitted to them for their further comments. This cyclical process was carried out using Human Resource Management officials to determine the validity of the content of the questionnaire.

Reliability

Terre Blanche, Durrheim and Painter (2006) assert that reliability refers to the extent to which the measuring instrument gives the same results when used repetitively. The questionnaire was constructed so that answers could be standardized and thus yield the same results when used repeatedly.

3.14 **Conclusion**

The research methods used in conducting the study were explained in this chapter. The chapter provided a theoretical foundation to the research approach and elaborated on the target population, sampling procedure, propositions, data collection, data analysis and ethical considerations. In the next chapter data analysis and interpretation are presented in order to draw conclusions and make informed implications.

CHAPTER 4: RESULTS AND ANALYSIS OF RESULTS

4.1 Introduction

This section focuses on the results produced by analysing and interpreting data collected from the University of Zululand (UniZul), the University of Kwa-Zulu Natal (Westville Campus) and Mangosuthu University of Technology (MUT).

Section 1 of the questionnaire asks respondents demographic questions pertaining to their age, gender and ethnic group. This data is presented first followed by data pertaining to the appointment and level at which the respondent is employed. Section 2 of the questionnaire asks respondents questions related to the research topic, that is Performance Management Systems. This data, which is quantitative in nature, is analysed using descriptive statistics and presented with frequencies in tabular format and bar charts. Questions eleven to thirteen (11 – 13) require written answers accordingly and a synopsis of answers from each institution is given. Section 3 of the questionnaire is made up of two open-ended questions. The analysis is undertaken using thematic content analysis and presented in themes using a tabular format. Further, data collected from the face-to-face interviews is analysed using thematic content analysis. Themes gleaned from this analysis are presented in a tabular format. It was decided to use both Frequency Tables and Bar Charts as a clear picture (for the reader) is given, this practice is consistent with the presentation of social research data. A brief discussion of the themes is then undertaken. This is followed by a conclusion.

4.2   **Section A – Analysis of Demographic data**

Bar chart 1:

Frequency distribution and percentage of respondents according to Institution

Bar chart for respondents in selected institutions
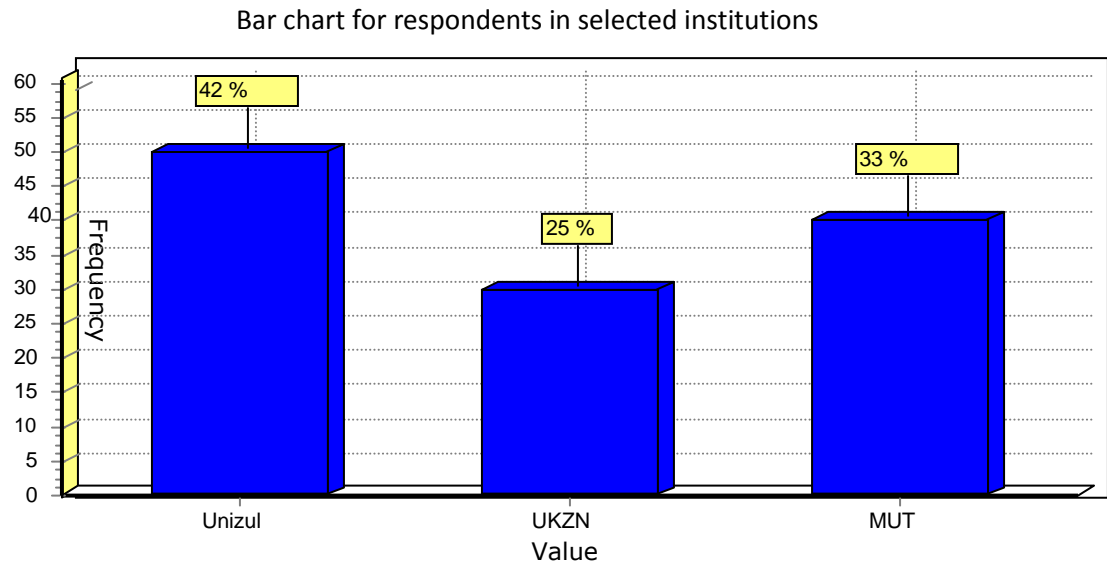
Table 2:

Frequency distribution and percentage of respondents according to Institution

Institution	Unizul	UKZN	MUT	Total
Respondents	50	30	40	120
Percentage %	42	25	33	100 %

Key: Unizul = University of Zululand

UKZN = University of Kwazulu-Natal

MUT = Mangosuthu University of Technology

Bar chart 1 and frequency table 2 indicate that the majority of the respondents, that is, forty-two percent (42%) come from the University of Zululand, followed by the Mangosuthu

University of Technology with thirty-three percent (33%) and the University of KwaZulu-Natal with twenty-five percent (25%).

Bar chart 2:

Age of respondents

Bar chart for Age
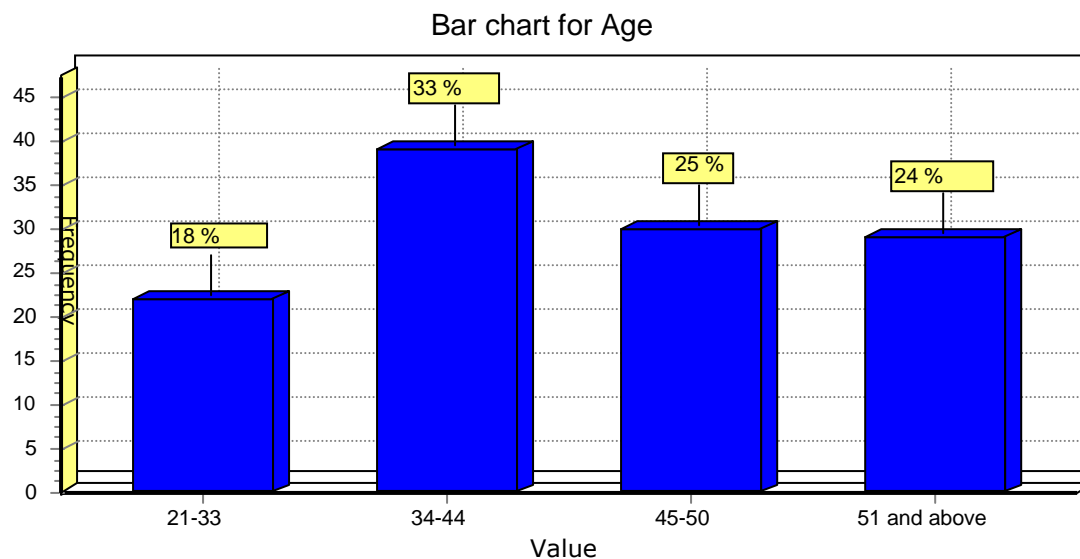
Table 3:

Frequency distribution and percentage of respondents according to age

Age	21 – 33 yrs	34 – 44 yrs	45 – 50 yrs	51 & above	Total
Respondents	22	39	30	29	120
Percentage%	18	33	25	24	100 %

Bar chart 2 and frequency table 3 indicate that thirty-three percent (33%) of respondents come from the age group between thirty-four and forty-four; twenty-five percent (25%) come from the age group between forty-five and fifty; twenty-four percent (24%) come from the age group fifty-one and above and eighteen percent (18%) come from the age group between twenty-one and thirty-three.

Bar chart 3:

Bar chart distribution and percentage of respondents according to gender

Bar chart for Gender
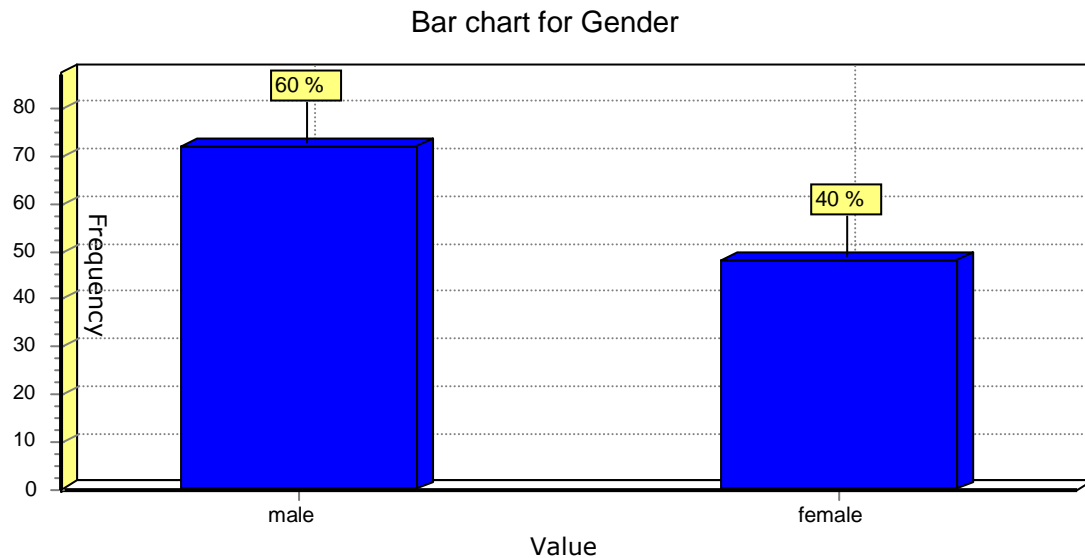
Table 4:

Frequency distribution and percentage of respondents according to gender

Gender	Male	Female	Total
Respondents	72	48	100
Percentage %	60	40	100 %

Bar chart 3 and frequency table 4 for gender indicate that sixty percent (60%) of the respondents are male and forty percent (40%) are female.

Bar chart 4:

Frequency distribution and percentage of respondents according to ethnicity
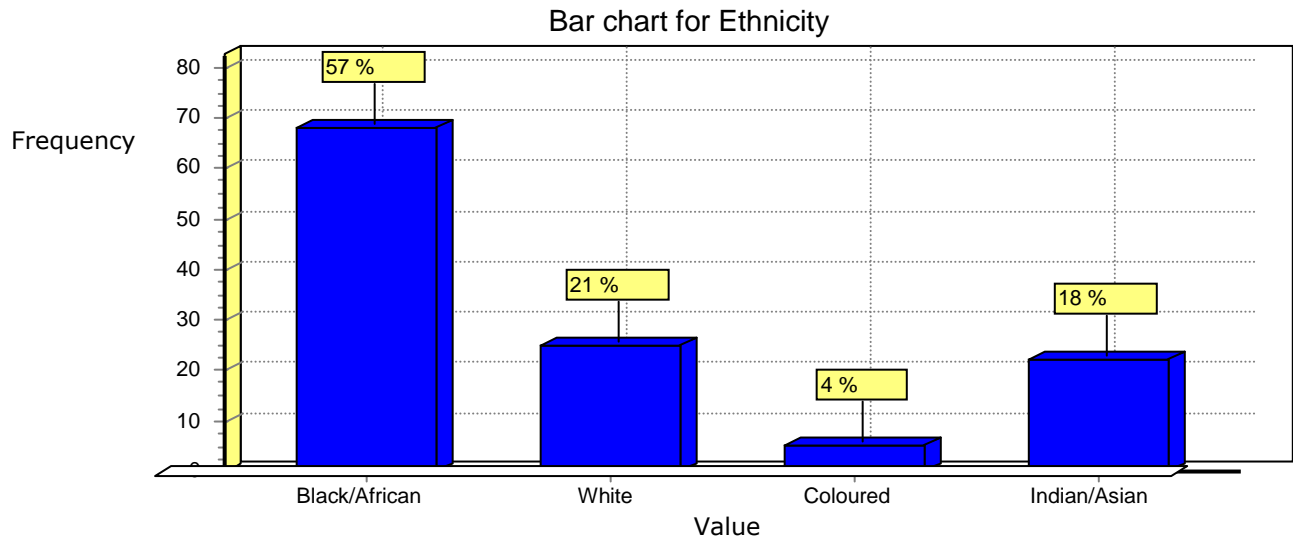
Bar chart for Ethnicity

Frequency

Ethnicity	Black/African	White	Coloured	Indian/Asian	Total
Respondents	68	25	5	22	120
Percentage %	57	21	4	18	100 %

Table 5:

Frequency distribution and percentage of respondents according to ethnicity

Bar chart 4 and frequency table 5 for ethnicity indicate that the majority of the respondents are Black/African with fifty-seven percent (57%) followed by the White group at twenty-one percent (21%) and the Indian/Asian group at eighteen percent (18%). The Coloured group makes up only four percent (4%) of the sample.

Bar chart 5:

Frequency distribution and percentage of respondents according to job title.

Bar chart for Job title
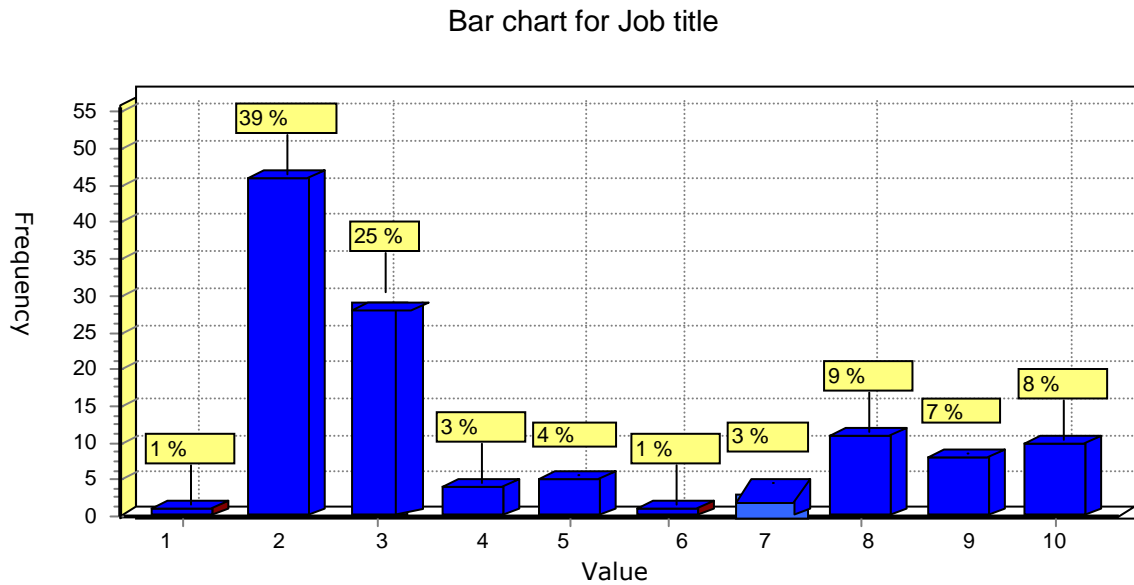
Key to Bar Chart	
1 Junior lecturer	2 Lecturer
3 Senior lecturer	4 Associate professor
5 Full professor	6 Senior professor
7 Senior management	8 Middle management
9 Line management	10 Administrative level

Table 6:

Frequency distribution and percentage of respondents according to job title

Job Title	Number	Percentage
Junior Lecturer	1	1
Lecturer	46	39
Senior Lecturer	30	25
Associate Professor	4	3
Full Professor	5	4
Senior Professor	1	1
Senior Management	4	3
Middle Management	11	9
Line Management	8	7
Administrative Level	10	8
Total	120	100 %

Bar chart 5 and frequency table 6 for job title indicate that Lecturers make up thirty-nine percent (39%) of the respondents; twenty-five percent (25%) of respondents are Senior Lecturers; nine percent (9%) of respondents are from middle management; eight percent (8%) are administrators; seven percent (7%) are first line management; four percent (4%) are full professors; three percent (3%) are associate professors; a further three percent (3%) are senior management while   Junior Lecturers and Senior Professors make up one percent (1%) of respondents.

Bar chart 6:

Frequency distribution and percentage of respondents according to job type

Bar chart for Job type
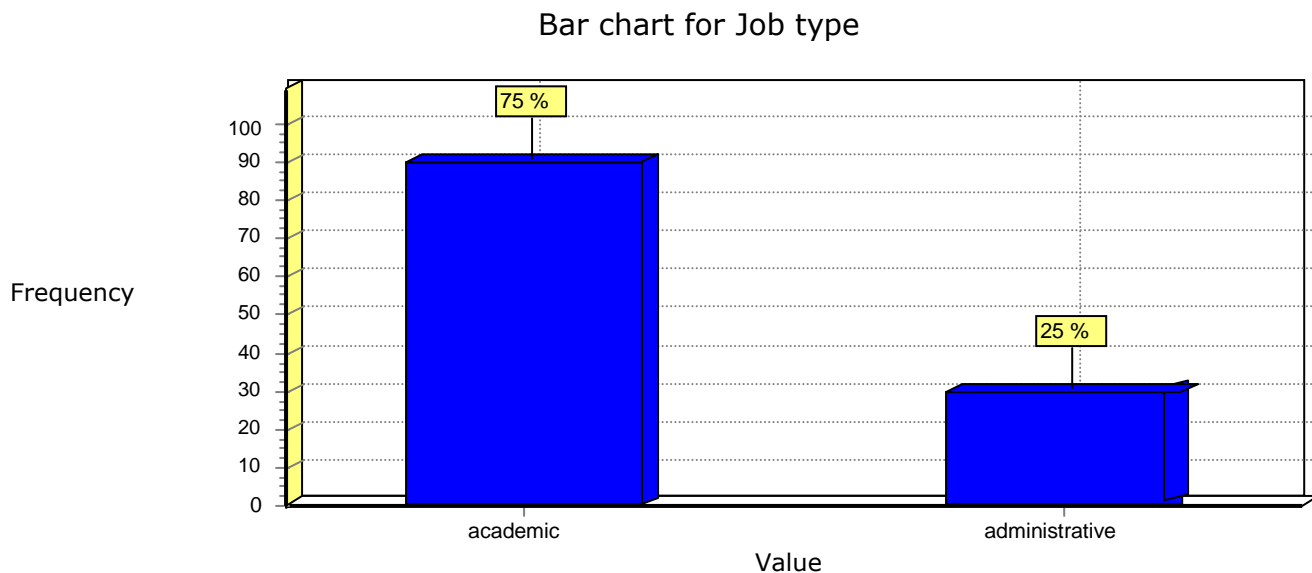
Table 7:

F*requency distribution and percentage of respondents according to job type*

Response	Academic	Administrative	Total
Respondents	90	30	120
Percentage %	75	25	100 %

Bar chart 6 and frequency table 7 for job type indicate that seventy-five percent (75%) of the respondents are academics and twenty-five (25%) are administrative or support staff.

Bar chart 7:

Distribution and percentage of respondents according to appointment type

Bar chart for Appointment type
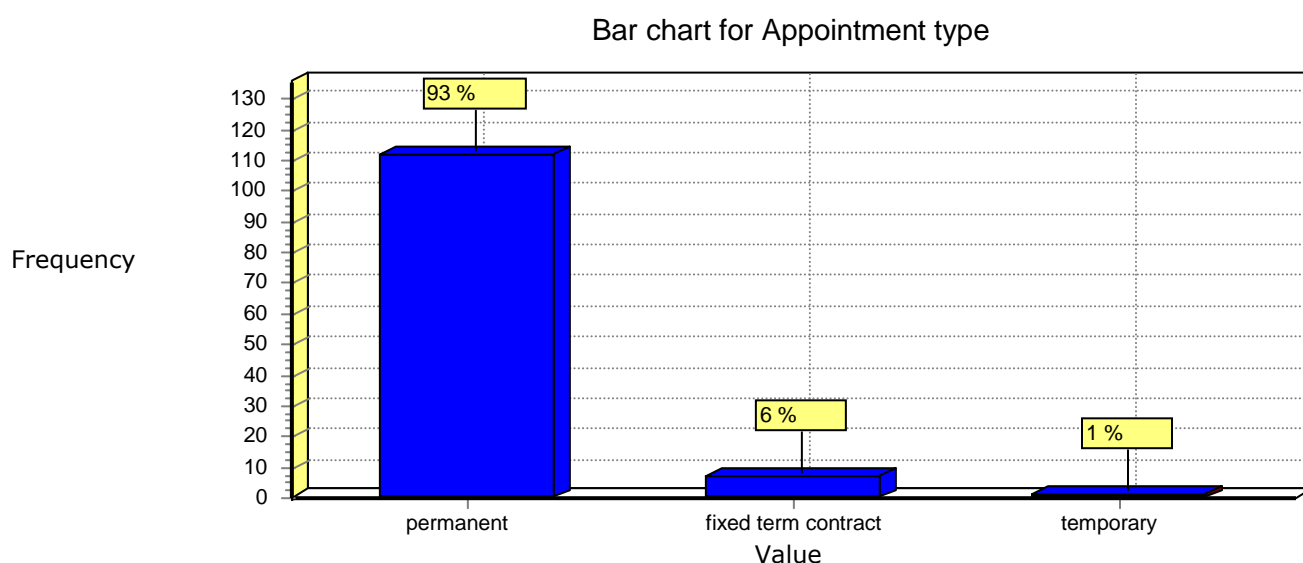
Table 8:

Frequency distribution and percentage of respondents according to appointment type

Response	Permanent staff	Fixed-term contract	Temporary staff	Total
Respondents	112	7	1	120
Percentage %	93	6	1	100 %

Bar chart 7 and frequency table 8 for appointment type indicate that the majority of the responses come from permanent staff. They make up ninety-three percent (93%) of the sample while six percent (6%) of respondents come from fixed term contract employees.

Temporary employees make up only one percent (1%) of the respondents. The University of KwaZulu-Natal includes fixed-term and temporary employees who are employed from a period of two years and upward in their performance management system. The University of Zululand does not include temporary employees in their performance management system. However, fixed-term contract employees for a period of two years are also included. Mangosuthu University of Technology includes permanent and temporary or contract employees who are in the payroll system from a period of a year in their performance management system.

4.3   Section B – Analysis of performance management questions

Bar chart 8

Question: Are you using a Performance Management System?

Bar chart for using PMS
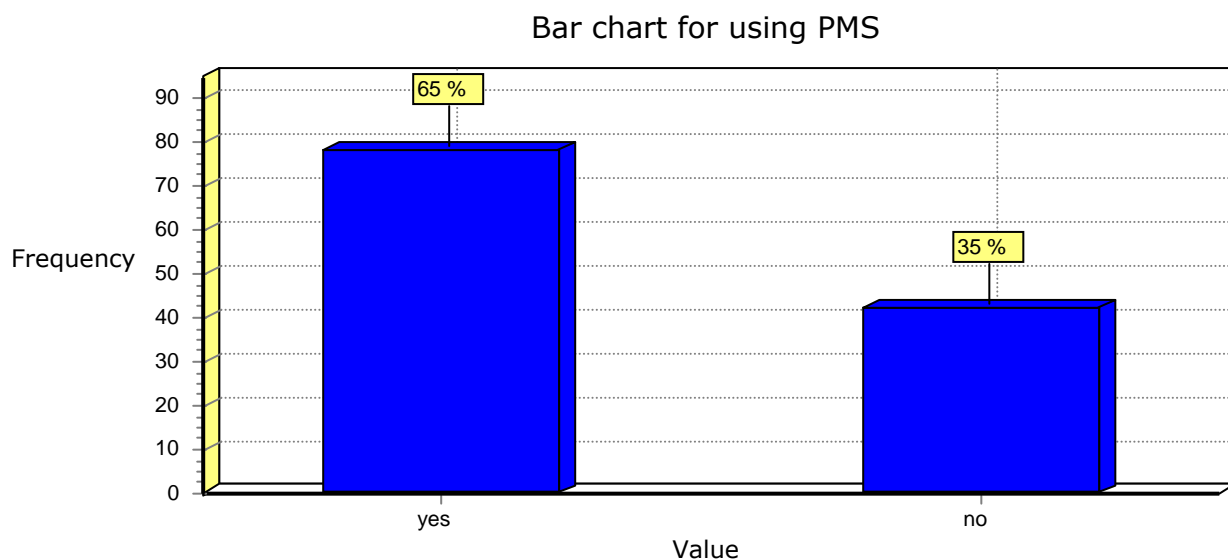
Table 9:

Question: Are you using a Performance Management System

Response	Yes	No	Total
Respondents	78	42	120
Percentage %	65	35	100 %

Bar chart 8 and frequency table 9 indicate that sixty-five percent (65%) of the respondents are aware that their institution is using a Performance Management System and thirty-five percent (35%) responded that their institution does not use PMS.

Bar chart 9:

Question: Do you know what type of performance model your institution uses?

Bar chart for Performance model
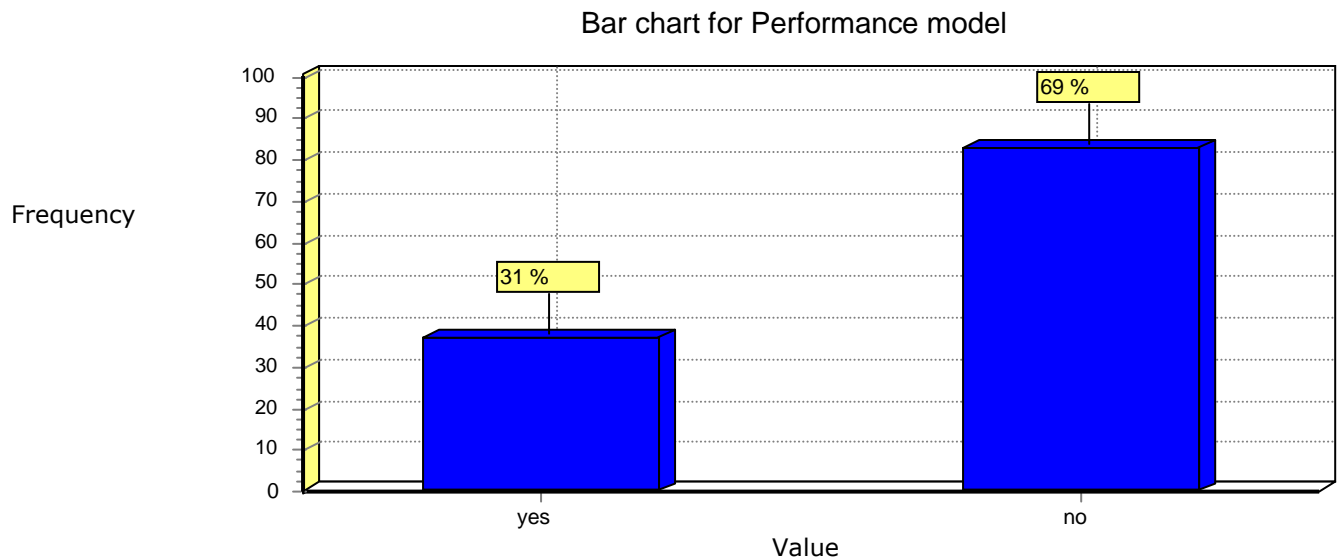
Table 10:

Question: Do you know what type of performance model your institution uses?

Response	Yes	No	Total
Respondents	37	83	120
Percentage %	31	69	100 %

Bar chart 9 and frequency table 10 indicate that sixty-nine percent (69%) of the respondents are aware of the type of performance model used by their institution and thirty-one percent (31%) do not know.

Bar chart 10:

Question: Does your institution have a policy on Performance Management Systems?

Bar chart for Policy on PMS
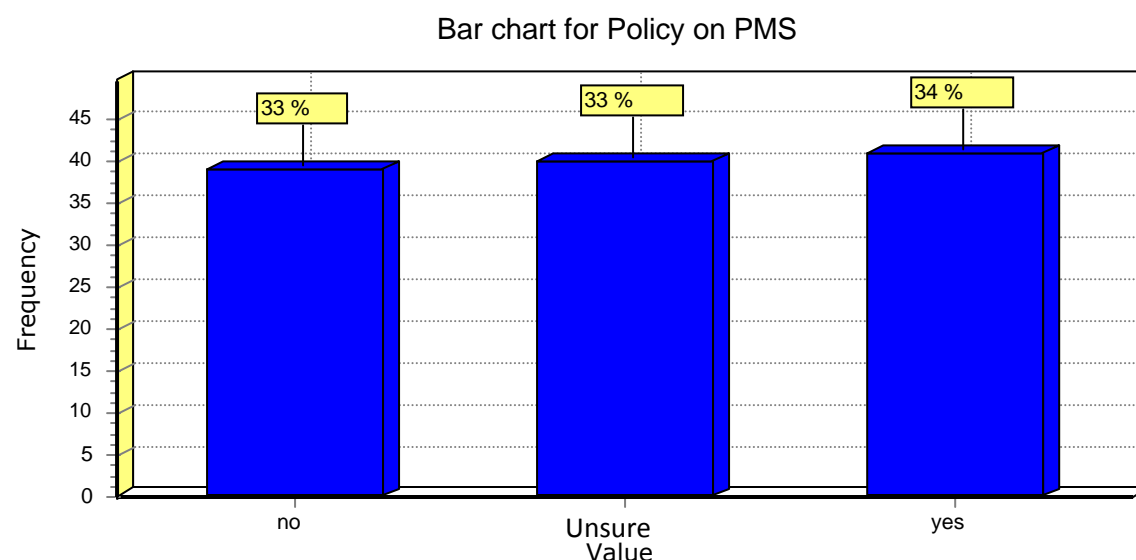
Table 11:

Question: Does your institution have a policy on Performance Management Systems?

Response	No	Unsure	Yes	Total
Respondents	39	40	41	120
Percentage %	33	33	34	100 %

Bar chart 10 and frequency table 11 indicate that thirty-four percent (34%) of the sample are aware that their institution has a policy on Performance Management Systems. Thirty three

per cent (33%) of respondents are unsure about this and a further thirty three percent (33%) answer that their institution does not have a policy on PMS.

Bar chart 11:

Question: Are managers held accountable for developing, maintaining and improving the performance management system?

Bar chart for improving PMS
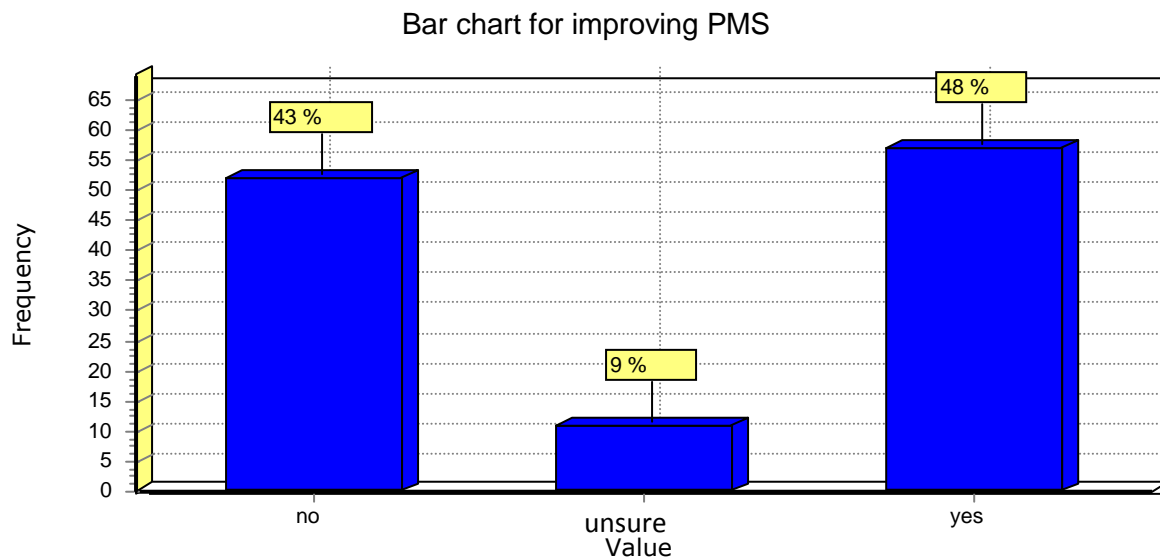
Table 12:

Question: Are managers held accountable for developing, maintaining and improving the performance management system?

Response	No	Unsure	Yes	Total
Respondents	52	11	57	120
Percentage %	43	9	48	100 %

Bar chart 11 and a frequency table 12 indicate that forty-eight percent (48%) of the respondents think that managers are held accountable for developing, maintaining and improving the performance management system; forty-three percent (43%) think otherwise and nine percent (9%) are unsure.

Bar chart 12:

Question: Are there incentives for performance improvement?

Bar chart for incentives for performance improvement
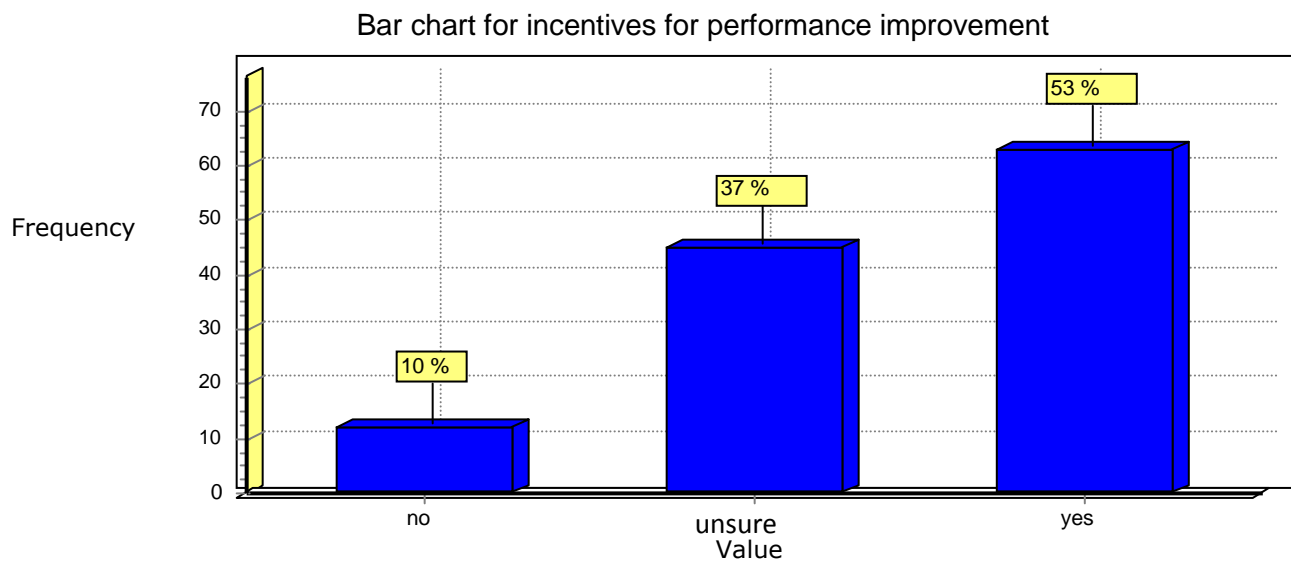
Table 13:

Question: Are there incentives for performance management?

Response	No	Unsure	Yes	Total
Respondents	12	45	63	120
Percentage %	10	37	53	100%

Bar chart 12 and frequency table 13 indicate that fifty-three percent (53%) of the respondents state that there are incentives for performance improvements; thirty-seven percent (37%) are unsure and ten percent (10%) say that there are no incentives for performance improvements.

Bar chart 13:

Question: Do you set specific performance targets to be achieved in a certain time period?

Bar chart for targets to be achieved
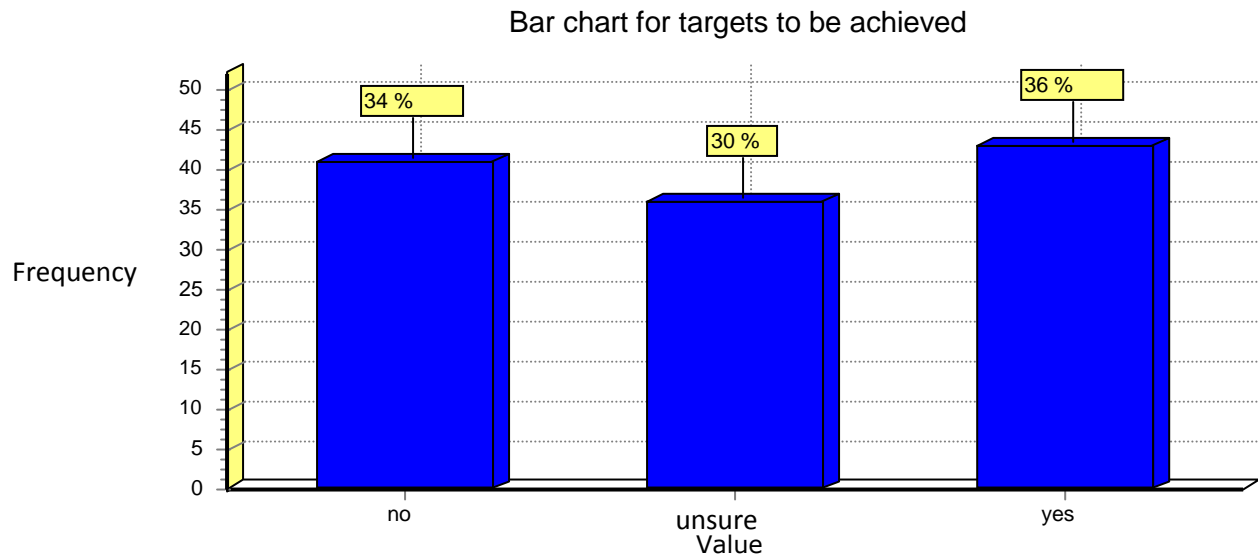
Table 14:

Question: Do you set specific performance targets to be achieved in a certain time period?

Response	No	Unsure	Yes	Total
Respondents	41	36	43	120
Percentage %	34	30	36	100 %

Bar chart 13 and frequency table 14 indicate that thirty-six percent (36%) of the respondents confirm that their institution set definite performance targets to be achieved in a specific time period; thirty-four percent (34%) say their institution does not set specific performance targets to be achieved in a certain time period and thirty percent (30%) of the sample are unsure.

Bar chart 14:

Question: Are managers and employees held accountable for meeting standards, indicators or targets?

Bar chart for meeting standards
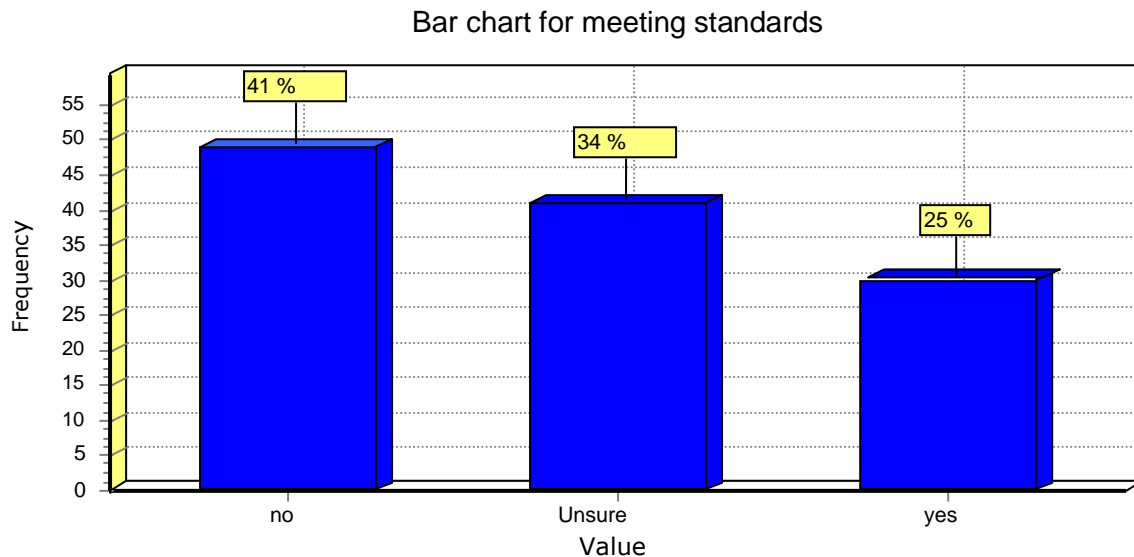
Table 15:

Question: Are managers and employees held accountable for meeting standards, indicators or targets?

Response	No	Unsure	Yes	Total
Respondents	49	41	30	120
Percentage %	41	34	25	100 %

Bar chart 14 and frequency table 15 indicate that forty-one percent (41%) of the respondents answer that managers and employees are not held accountable for meeting standards and indicators or targets; thirty-four percent (34%) are unsure and twenty-five percent (25%) are positive that managers and employees are held accountable for meeting standards, indicators and targets.

Bar chart 15:

Question: Do you benchmark against similar institutions?

Bar chart for benchmarking
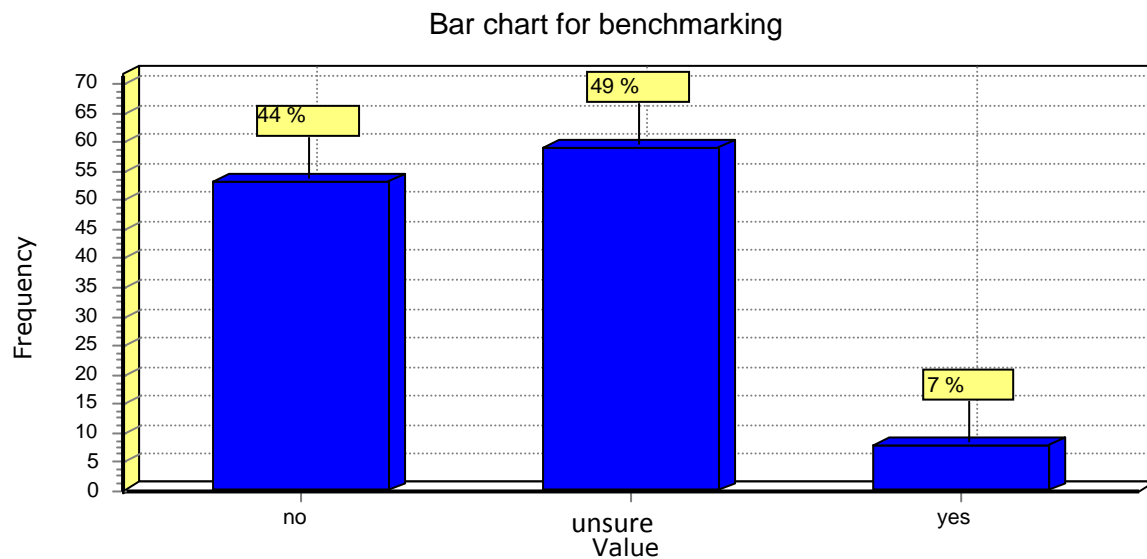
Table 16:

Question: Do you benchmark against similar institutions?

Response	No	Unsure	Yes	Total
Respondents	53	59	8	120
Percentage %	44	49	7	100 %

Bar chart 15 and frequency table 16 indicate that forty-nine percent (49%) of the respondents are unsure whether their institution benchmarks against similar institutions; forty-four percent (44%) responded that they do not and seven percent (7%) are positive that their institution does benchmark itself against similar institutions.

Bar chart 16:

Question: Do you test your standards and targets so you are sure people understand them?

Bar chart for testing standards & targets
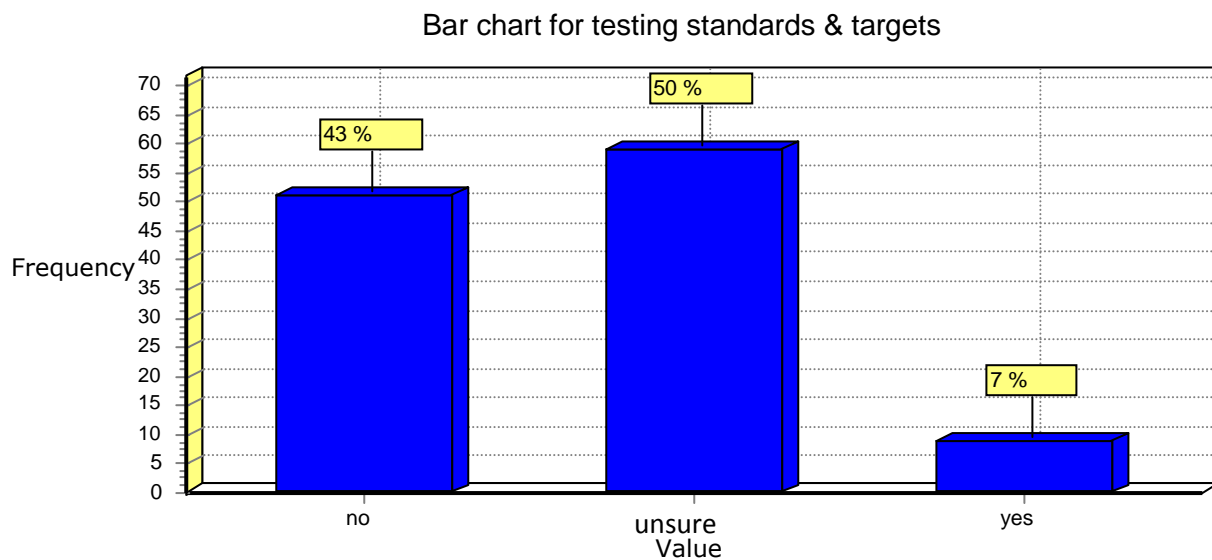
Table 17:

Question: Do you test your standards and targets so you are sure people understand them?

Response	No	Unsure	Yes	Total
Respondents	51	59	9	120
Percentage %	43	50	7	100 %

Bar chart 16 and frequency table 17 indicate that fifty percent (50%) of the respondents are not sure whether their institution tests the standards and targets to ensure that people understand them; forty-three percent (43%) of the respondents do not know and seven percent (7%) answer that they do test their standards and targets to ensure that people understand them.

Bar chart 17:

Question: Is training available to help staff use performance standards?

Bar chart for training
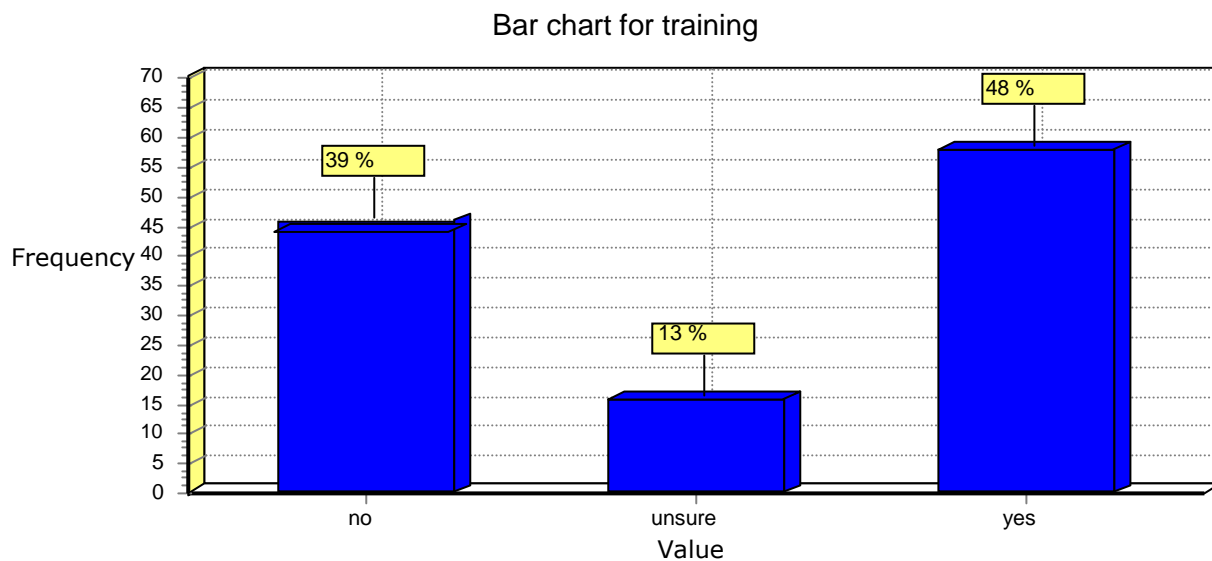
Table 18:

Question: Is training available to help staff use performance standards?

Response	No	Unsure	Yes	Total
Respondents	46	16	58	120
Percentage %	39	13	48	100 %

Bar chart 17 and frequency table 18 indicate that forty-eight percent (48%) of the respondents confirm that training is available to help staff use performance standards; thirty-nine percent (39%) of the respondents say that there is no training available to help staff use performance standards and thirteen percent (13%) are unsure.

Bar chart 18:

Question: Have you defined methods and criteria for selecting performance measures?

Bar chart for methods & criteria
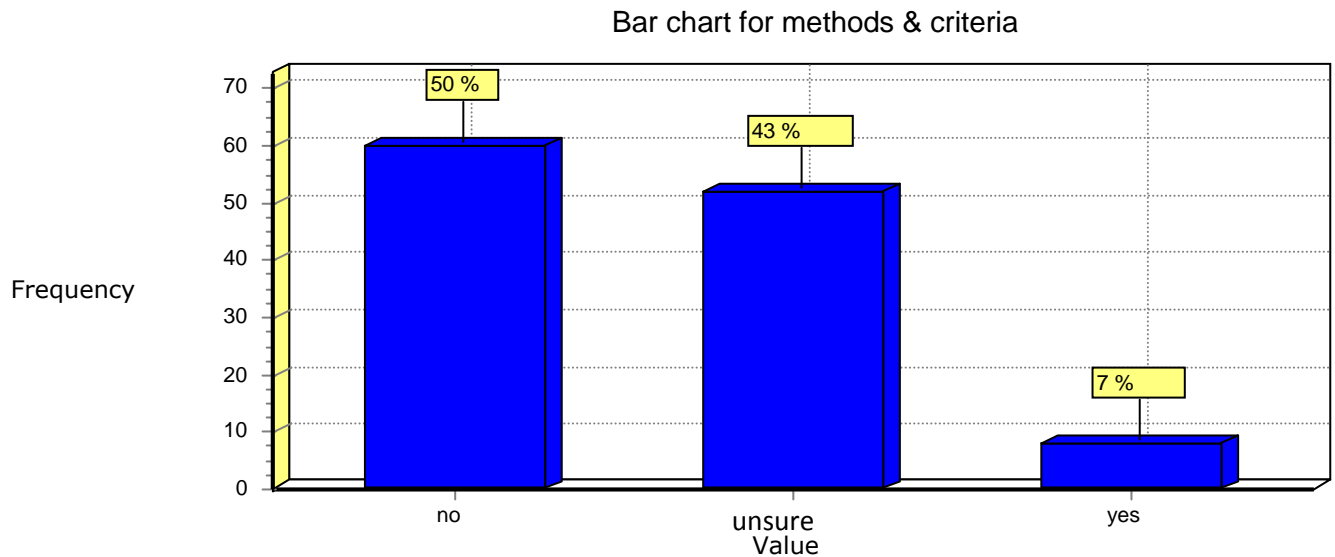
Table 19:

Question: Have you defined methods and criteria for selecting performance measures?

Response	No	Unsure	Yes	Total
Respondents	60	52	8	120
Percentage %	50	43	7	100 %

Bar chart 18 and frequency table 19 indicate that fifty percent (50%) of the respondents answer that their institution has not defined methods and criteria for selecting performance measures. Forty-three percent (43%) of the respondents are unsure if this is the case and seven percent (7%) answer that their institution has defined methods and criteria for selecting performance measures.

Bar chart 19:

Question: Is training available to help staff measure performance?

Bar chart for training availability to measure performance
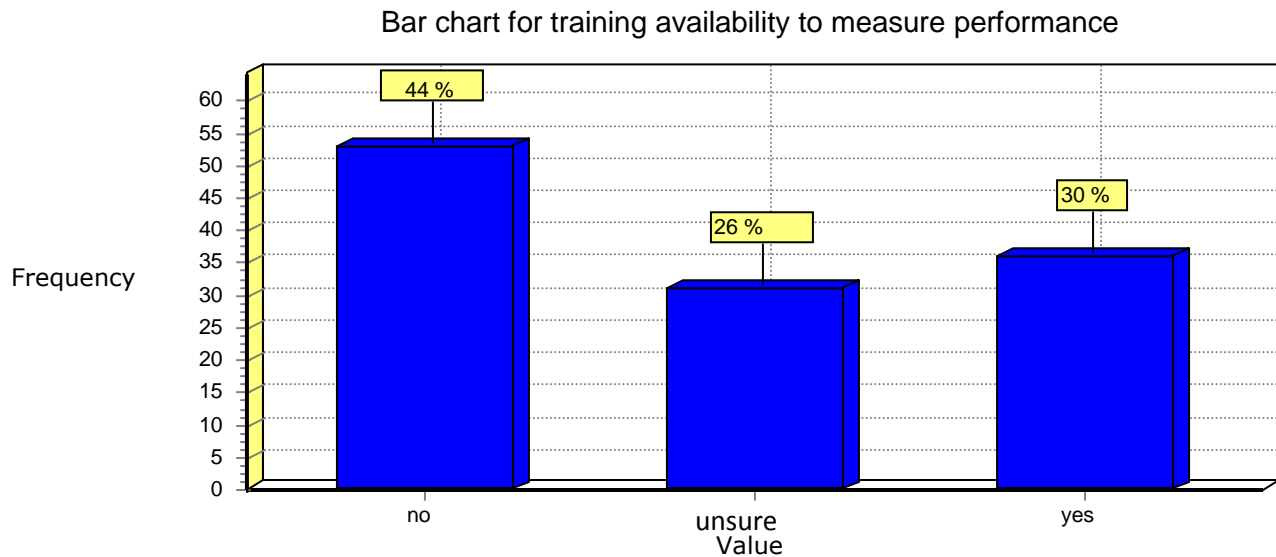
Table 20:

Question: Is training available to help staff measure performance?

Response	No	Unsure	Yes	Total
Respondents	53	31	36	120
Percentage %	44	26	30	100 %

Bar chart 19 and frequency table 20 indicate that forty-four percent (44%) of the respondents answer that there is no training available to help staff measure performance. Thirty percent (30%) answer that, yes there is training available and twenty-six percent (26) are unsure.

4.4   Performance Management Questions - written responses

The following close-ended questions required written responses. The responses are summarized and presented under the institution they were received from.

4.4.1 Question 3: How was this system introduced in your institution? Answers from the University of Zululand

Various responses were received from this institution. Around half that is fifty percent (50%) noted that PMS was introduced through a series of seminars or workshops by the Human Resources Department. It was also noted that the Director conducted or facilitated these sessions within various Units within the University. The others stated that PMS was imposed on them and that it was not introduced properly. A few respondents noted that PMS was introduced to top Management only and they were left out. Several participants from HR stated that PMS was still going to be introduced to lower level employees.

4.4.2 Question 3: How was this system introduced in your institution? Answers from the University of KwaZulu-Natal

All the respondents noted that the system was introduced through meetings, trainings and workshops. Respondents from Human Resource Management added that the Council took a decision in 2005 and the system was introduced after the appointment of the Performance Manager in 2007. HR respondents also stated that the implementation of PMS was delayed by approximately a year whilst the Performance Manager was working on the organizational structure and job descriptions.

4.4.3 Question 3: How was this system introduced in your institution? Answers from Mangosuthu University of Technology

The majority of respondents' that is over fifty percent (50%) noted that it was introduced over the intranet. The remaining respondents did not answer the question.

4.4.4 Question 4: Who are the drivers of this system? Answers from the University of Zululand

The majority of the respondents (that is over 50%) stated that Human Resource Management is driving the performance management system. The remainder thought that it was driven by

top management. Several participants reported that PMS is driven by the Executive Director: HR and the heads of Departments at the institution.

4.4.5 Question 4: Who are the drivers of this system? Answers from the University of KwaZulu-Natal

The majority of the respondents (over 50%) stated that the Human Resource Management is driving the performance management system. The remaining participants stated that it is driven by the Performance Manager together with the Heads of Departments and others did not answer the question.

4.4.6 Question 4: Who are the drivers of this system? Answers from Mangosuthu University of Technology

The majority of respondents from this institution (over 50%) did not answer and very few of them responded that it is driven by an outside Consultant.

4.4.7 Question 11: When did your institution start using the current assessment tool? Answers from the University of Zululand

Seventy five percent (75%) of the respondents from this institution stated that it started using the current performance management tool in 2008. A few of these respondents' noted that originally PMS was introduced in 2005 and re-introduced (that is, using a different process) in 2008. The remaining twenty two percent (25%) of the sample either did not answer or were unsure when the institution started using its current performance assessment tool.

4.4.8 Question 11: When did your institution start using the current assessment tool? Answers from the University of KwaZulu-Natal

The broad majority of the respondents, that is over ninety percent (90%) answered that PMS started at UKZN in 2009. A minority of respondents, mostly those from Human Resources Management, indicated that it started in 2008 as a pilot study and was fully implemented in 2009.

4.4.9 Question 11: When did your institution start using the current assessment tool? Answers from Mangosuthu University of Technology (MUT)

The majority of the respondents, that is over fifty percent (50%) from this institution left blank spaces for this question. A few respondents from Human Resources answered that the current PMS started in 2009. It should be noted that an outside Consultant is being used to develop and implement PMS.

4.4.10 Question 12: Who monitors your Policy and how? Answers from the University of Zululand

Fifty nine percent (59%) of the respondents thought it was monitored by Human Capital Management (HCM) or Human Resources. The remaining respondents did not answer.

4.4.11 Question 12: Who monitors your Policy and how? Answers from the from the University of KwaZulu-Natal

The majority of respondents (over 50%) noted that the Policy is monitored by the Performance Manager in Human Resource Management. The rest were unsure.

4.4.12 Question 12: Who monitors your Policy and how? Answers from Mangosuthu University of Technology

All of the respondents were unsure. This is likely because MUT doesn't have a policy on Performance Management Systems. Very few respondents from HR noted that the policy making task team is busy drafting one.

4.5 Section C – Analysis and discussion of open ended questions

Two qualitative questions were added to the questionnaire. Qualitative research produces a lot of rich textual data, Pope, Ziebland and Mays (2000) emphasize that the skill, integrity and vision of the researcher contributes a lot to a high quality analysis of this type of data. Thematic Content analysis was used to analyse the material produced by respondents. The themes are summarized into key themes and presented in a tabular format in table 21. A

further explanation is then given in paragraph form for answers from each institution. The open-ended questions on the survey are as follows:

- Any comments on the questionnaire?
- Do you have any suggestions or opinions about PMS?

Table 21:

Key themes derived from open-ended questions 15 and 16

Number	Themes	Illustrations	Direct Feedback (examples)
1.	Did not know what PMS is	Not well introduced	HR to explain to lower level employees, how PMS works.
2.	Did not know about Performance Policy	Not well circulated	HR to send the copy of the policy through intranet and to make hard copies available for those who don't have computers.
3.	Badly constructed performance form	Employees need somebody to show us how to fill in the Performance Form properly	Performance Agreement/Review Form is not user-friendly and Supervisors are also not sure of how to fill it in.
4.	Training needed	Supervisors/managers lack training in PMS	HR to organize training for supervisors and for the employees.
5.	No understanding of how process works	Supervisors not clear of how the system works and don't even know how to do appraisals	Senior managers didn't cascade the information down to employees.

The themes in table 21 above are a summary of key themes gleaned from the answers the respondents gave from the institutions that took part in the survey. A brief summary of the answers per institution is given below.

4.5.1 **University of Zululand (Unizul)**

Many of the comments received from this institution refer to the fact that employees are not aware of the policy on Performance Management Systems. Respondents' commented that PMS was not properly discussed, before being implemented. It was also noted that

employees need to be trained on how to fill in Performance Review Forms properly and on how the evaluation system works.

4.5.2 University of KwaZulu-Natal (UKZN)

Very few comments were received. The few that were received noted that there wasn't anyone spearheading the performance management project as far as they could see.

4.5.3 Mangosuthu University of Technology (MUT)

There were very few comments from MUT for this question. The few that were received indicated that respondents had very little idea of how the process works.

4. 6 Analysis of data gleaned from interviews

The interviews add a holistic element to the research as more in depth knowledge and a better understanding of how people feel about the PMS process is gained. Ten Human Resources staff members were interviewed from the different institutions. Five Human Resources staff members were interviewed at the University of Zululand, three at the University of KwaZulu-Natal and two at Mangosuthu University of Technology.

 A synopsis of the interviews per institution is presented in paragraph format followed by a summary of the key themes in tabular format. The semi-structured interview format questions used in the interviews are listed below.

- Do you have a clear understanding of performance management processes?
- Do you know if there is a policy on PMS?
- Is the PMS policy accessible to you (Can you get it if you want to read it)?
- Do you know how to fill in PMS forms?
- How long do you have to fill in the forms?

- How do you receive feedback from the review?

- Are there any scheduled performance meetings between you and your supervisor (or your employees)?

- Have your received training on PMS?

- What do you think about your PMS?

4.6.1 **University of Zululand**

Comments received from the respondents indicated that although they understood what the term PMS meant they were unsure of the processes involved in it. They also indicated that they were not properly trained in performance management systems or processes. Respondents stated that they were invited to the sessions where the Executive Director introduced PMS but that they did not receive any further training. Essentially, they indicated that their knowledge was the same as all staff members (as all staff received the same introduction). However, they felt as they are expected to answer questions to staff outside of the HR Department on PMS staff members.   Their training was inadequate. All of the interviewees noted that in the introductory sessions the Executive Director of Human Capital Management did not demonstrate how to fill in the Performance Agreement/Review Form as a result they don't know how to complete it properly. The interviewees felt that if they were properly trained they would be able to drive the process properly. Several of them stated that this would help them gain confidence especially as they had to answer questions about it to support staff, administrative staff as well as academic staff.

All the interviewees stated that they participated during the HCM policy reviews where the Executive Director: HCM reviewed the PMS policy and explained it to them. They were informed that the policy was going to be presented to the HR Personnel Committee of the

Council and feedback would be given to them after that. However, they were never given feedback. Interviewees stated that the HCM Administrator keeps hard copies of the policy and if you need to check something, you have to ask her to see one. They also noted that the PMS policy is not on the intranet and has not been distributed to employees (HR included) per e-mail.

Interviewees stated that they were informed that at the beginning of each year the performance agreement form must be filled in thereafter it will be filled in when reviews take place. No indication was given of how often reviews should take place. Interviewees found this worrying as they thought the form looked complicated and were unsure how to fill it in. At the time of the interviews none had yet completed their forms (although it was well past the beginning of the year). A summary of the key themes gleaned from the participants at Unizul is given in table 22.

Table 22:

Key themes derived from interview questions at Unizul

Number	Themes	Illustrations	Direct Feedback (examples)
1.	No clear understanding of PMS	Not well introduced	Director: HCM to give more training to HR staff.
2.	Did not know of the status of the Performance Policy	Not sure of the status of the draft PMS Policy. Old PMS Policy was not transparent	Poor communication. HR staff not sure whether reviewed PMS Policy was endorsed by the Council. Old PMS Policy not well circulated.
3.	PMS Policy not transparent	Not well circulated	Director: HCM to communicate with all HR staff members on policy matters.
4.	Badly constructed performance review form	We need the Director: HCM to show us how to fill in the Performance Form properly	This Form is not user-friendly and our Supervisors are also not sure of how to fill it in.
5.	No scheduled performance meetings	Nothing related to PMS meetings written down	Immediate managers to schedule the meetings.
6.	Training needed	Supervisors/Managers lacking the performance management skills	HR to organize training for supervisors and for the employees. Will give confidence in driving process
7.	PMS not well implemented	PMS not well introduced No soft copies of policy e-mailed to staff. Hard copies also unavailable	If well introduced, PMS is a good tool to measure performance.

4.6.2 **University of KwaZulu-Natal**

All the participants in the qualitative interviewees were knowledgeable of the processes of the PMS. They stated that there is a policy in place and it is accessible to all employees. They confirmed that they undergone many training sessions. They stated that their system seemed to be working better because they have a Performance Manager who works closely with other Managers and performance meetings are scheduled well in advance. Interviewees stated that it is easy to complete their performance form because their system prompts you (the form can be filled in on line). Interviewees stated that they feel positive that even low level employees are able to complete the form because they undergo proper training at all levels were included in the piloting phase of the PMS.

At the time of the interview they had not encountered any problems and were busy with performance reviews. Interviewees were convinced that the system is working as thus far they had not received any queries or complaints. They felt positive about their own reviews which they were currently involved with.

Table 23:

Key themes derived from interview questions UKZN

Number	Themes	Illustrations	Direct Feedback (examples)
1.	Knowledgeable about PMS	Policy and processes in place	Working well because there is a Performance Manager working closely with other managers
2.	User friendly review form	Can be filled in online	Easy to fill in as the system prompts you
3.	Proper training given	Training given to all employees	Positive because all levels of employees were given training even at piloting stage
4.	System working	No queries or complaints	Positive about their own review process

4.6.3 **Mangosuthu University of Technology**

The interviewees had very limited knowledge of PMS. They felt this was because they had not worked there for very long and had not been informed about PMS. However, they did know that the process was run by an outside consultant. One of them confirmed that there is a draft PMS policy which was prepared by an outside consultant. The interviewee thought it was a different outside consultant to the one who was driving the process thus felt that is why information was lacking because the process was not in-house. The HR Officials, who had worked there for several months, had not seen the performance form. Interviewees did not have a good understanding of what PMS is or what kind of policy or processes are related to it.

Table 24:

Key themes derived from interview questions MUT

Number	Themes	Illustrations	Direct Feedback (examples)
1.	Limited knowledge	Poor understanding of PMS	Lack of knowledge because no information for new employees
2.	Outside consultants	Different consultants	Information lacking because not in-house

4.7 **Conclusion**

In this chapter analysis of the quantitative and qualitative data was presented. Quantitative data was presented using frequency tables and bar charts. A synopsis of qualitative data was given followed by a brief discussion of key themes presented in tabular format. The following chapter presents a discussion of the results obtained through analysis of the data.

CHAPTER 5: CONCLUSION - DISCUSSION OF MAIN RESULTS

5.1   Introduction

In this chapter the discussions of results of the study for both quantitative and qualitative data are presented.   The aim is to summarise and clarify the pertinent results with regard to the study predictions. The quantitative results are discussed in terms of demographics, knowledge and the study propositions which were based on a reading of relevant literature. The qualitative results are also briefly summarized with reference to the study assumptions. The study has the following assumptions based on a reading of relevant literature:

- staff experience performance management systems in different ways at the specified tertiary institutions (2 tailed proposition, no direction given);

- performance management systems have been successfully implemented at the specified tertiary institutions (1 tailed proposition, it gives direction).

5.2   Discussion of results in terms of the propositions

The sample population is made up of forty-two percent (42%) from Unizul, twenty-five percent (25%), from UKZN and thirty-three percent (33%) from MUT.   The sample consist of twenty percent (20%) more males than females. The majority of the population is made up of fifty-seven percent (57%) Blacks/South Africans, twenty-one percent (21%) of the population is composed of the White group and Indians/Asians form eighteen percent (18%) of the sample. The least represented population in the sample is the Coloured group which makes up four percent (4%). These demographics are consistent with the demographics of the mix of the population in KwaZulu-Natal (Statistics SA, 2010). Thirty-three percent (33%) of the

sample is aged between 34 and 44 years; twenty-five percent (25%) is aged between 45 and 50; twenty-four percent (24%) is aged 51 and above and eighteen percent (18%) is aged between 21 and 33 years. Seventy-five percent (75%) of the respondents are academics and twenty-five percent (25%) are administrative staff. This might be an indication that academic staff is more open to expressing their feelings than administrative or support staff. The majority of the sample is permanent staff and fixed term contract staff form only six percent (6%) of the sample.

Sixty-nine percent (69%) of the entire sample indicate that they do not know the type of performance model that is used by their institutions and thirty-one percent (31%) know the type of performance model their institutions use. All UKZN respondents know the type of performance model used by their institution. Almost all Mangosuthu respondents are not aware of the performance model that is used as performance management is contracted to outside consultants. Most of Unizul respondents do not know the type of performance model used by their institution. These results do not support the assumption that performance management systems have been successfully implemented at the specified tertiary institutions. An indicator of successful implementation is that at least ninety percent (90%) of the sample should be aware of the type of performance model used at their respective institutions.

Thirty-four percent (34%) of the sample report to knowing that their institutions have a PMS policy, thirty-three percent (33%) are not sure and another thirty-three percent (33%) report that their institutions do not have a PMS policy. All Mangosuthu participants report that their institution does not have a policy on performance management. It was noted that many of the Unizul participants report that they have not seen a PMS policy. Thirty four percent (34%) of UKZN respondents are aware they have a PMS policy. This is most likely due to the

fact that HR policy documents are on their intranet and all new employees are provided with the hard copy during their orientation period. These results do not support the assumption that performance management systems have been successfully implemented at the specified tertiary institutions as too few employees at the specified institutions report to knowing that a PMS policy is followed. The results also support the proposition that staff experience performance management systems in different ways at the specified tertiary institutions.

Fifty-three percent (53%) of the sample report that there are incentives for good performance, thirty-seven percent (37%) are not sure whether there are incentives for good or outstanding performance and the remainder of the sample report that there are no incentives associated with performance management. Although more of the sample are aware that there are incentives for PMS it would be expected that round ninety to one hundred percent (90 -100%) of the sample would be aware of incentives as these are often monetary and impact on the individual's salary. As a consequence these results do not support the assumption that performance management systems have been successfully implemented at the specified institutions. The results also support the proposition that staff experience performance management systems in different ways at the specified tertiary institutions.

Just over a third of the sample that is thirty-six percent (36%), report that their institutions set specific performance targets to be achieved in a certain time period which means that two thirds of the sample are not aware. However, the majority of the UKZN sample reported to being aware that there were specific performance targets. However, as this divergence to the other results it may be that they are not aware what a performance target actually is. This

result also supports that staff experience performance management systems in different ways at the specified tertiary institutions.

Forty-one percent (41%) of the population report that managers and employees are not held accountable for meeting standards and indicators or targets. All Mangosuthu respondents and a quarter of Unizul sample report negatively. Thirty-four percent (34%) of the population is not sure. The majority of UKZN sample is unsure. Half of the Unizul sample report that managers and employees are held accountable for meeting standards, indicators or targets. This result supports the proposition that staff experience performance management systems in different ways at the specified tertiary institutions. It does not support the proposition that performance management systems have been successfully implemented at the specified institutions. This is further supported by the fact that fifty percent (50%) of the population report that their institutions have not defined methods and criteria for selecting performance measures.

Forty-nine percent (49%) of the sample report that they are not sure whether their institutions benchmark against similar institutions. This result again supports the proposition that staff experience performance management systems in different ways at the specified tertiary institutions. It does not support the proposition that performance management systems have been successfully implemented at the specified institutions as not even half of the sample is sure if their institutions have benchmarked PMS against other institutions.

Fifty percent (50%) of the population is unsure if people understand PMS standards and targets. Forty-three percent (43%) of the population that reported that they are unaware of

the above is from MUT and a quarter who are unaware of the above is made up of the Unizul sample. These results do not support the proposition that performance management systems have been successfully implemented at the specified institutions as half of the sample is unsure of PMS standards and targets. This in turn does not support the proposition that performance management systems have been successfully implemented at the specified institutions. This is further underpinned by the fact that fifty three (53%) of the sample report that they are unaware if there is training available on PMS at their institutions.

The qualitative interviews, notably those from MUT and Unizul generally supported the above results. They thus supported the study assumptions that staff experience performance management systems in different ways at the specified tertiary institutions and do not support the proposition that performance management systems have been successfully implemented. However, the results from the University of KwaZulu-Natal interviews were in contrast to the above. The three interviewees at that institution knew about PMS and were aware of how it was implemented. However, the three interviewees were volunteers from Human Resources, who would be expected to know more about PMS than the population at large. In quantitative terms this amounts to two and a half percent (2.5%) of the entire sample.

5.3   **Final Conclusions**

The results infer that the business culture into which Performance Management Systems are being introduced at the institutions in the study is not truly open to change. The complexity of performance management means that much time needs to be spent educating and informing staff of the necessity for such an intervention and how, ultimately, it will benefit both them and

their employer. Many Managers or Heads of Departments do not have the management skills necessary for PMS success. In addition, the on-going support processes required to effect successful PMS, namely training and coaching are not provided. As a consequence participants' in the study note a widespread dissatisfaction with PMS and are unhappy because the benefits of PMS are unclear to them. In the world of work perceptions are important. Staff is not really aware of the nature of how PMS links to other processes. For instance, the review process at the institutions in the study notes that PMS is directly related to performance bonuses only but it is also indirectly related to others processes such as development and promotions.

Training is critical to the success of any PMS. While the initial training at the University of Zululand was intensive, there is no ongoing training for supervisors and new staff members are only introduced to the process as part of induction (which is essentially, just in passing). The lack of continuous training and coaching support is an impediment to successful implementation of PMS at UZ and the other institutions. There is no device that works in place to monitor the three main phases of PMS in the institutions under review. These phases are important namely contracting, review and assessment. However, there is very limited checking and monitoring the progress of the employee on each and every key performance. This is carried out by checking the difference between the actual and expected performance, discussing corrective action where it is necessary and checking and monitoring the progress of the employee on their development plan and updating. Because of this employees may not get the performance bonuses that they expect. Essentially, it seems that PMS is not properly implemented by the Human Resources division of each of the institutions

under review as managers, supervisors, HOD's and employees lack understanding and knowledge of the PMS in their institution.

5.4   Conclusion

In this chapter a discussion of the main results was presented and final conclusions reached. The majority of the quantitative and qualitative results support the study proposition namely that staff experience performance management systems in different ways at the specified tertiary institutions and do not support the proposition that performance management systems have been successfully implemented. The research findings highlighted the lack of training, knowledge of the processes of Performance Management Systems and also highlighted dissatisfaction about the way the process has been conducted generally.

CHAPTER 6: EVALUATION OF THE STUDY

6.1   Introduction

An evaluation of the study, its strengths and limitations are stated in this chapter.   The chapter also elaborates on how the research question was address and how the researcher arrived at the stated findings and recommendations.

6.2   Evaluation of research methods

The study adopted a mixed methods approach using both quantitative and qualitative research methodology in order to broadly encompass the research question. Face-to-face interviews and questionnaires consisting of both closed-ended and open-ended questions were used as research instruments. Some questions necessitated quantitative answers while others were of qualitative nature. The process of data collection followed ethical procedures by fully disclosing to the respondents the intentions of the research and their rights in being able to withdraw at any time. Data analysis of quantitative and actual data was carried out using descriptive statistics such as frequency tables and bar charts as they give a clear illustration of the useful data. In analysing themes of the qualitative data thematic content analysis was used. The research methods were consistent with methods used to investigate study problems of this nature and within the ambit of the researcher's expertise.

6.3   Strengths and Limitations of the Study

6.3.1 The study strengths are:

- a mixed methods approach using both quantitative and qualitative research methodology was used to give a holistic picture of the phenomena under investigation;

- the type of statistics used were fit for purpose and are easily understood;

- using interviews as well as questionnaires allowed respondents to express their feelings at their own will.

6.3.2 The study limitations are:

- only one campus of the University of KwaZulu-Natal was subject to the investigation. Four other campuses were not part of the study;

- the sample was not randomized thus parametric statistics were not utilised;

- the interviewees represented a very small percentage of the final sample.

6.4 **Implications of the Study**

It is recommended that:

- Performance Management Systems are evaluated and reviewed annually at the institutions under review. This, because, managing and reviewing staff performance and fostering staff development are critical factors in achieving institutional strategic priorities and overall success. An institution which does not properly manage employee performance will encounter problems related to ineffectiveness and inefficiency.

- The employees should be familiarised with PMS properly so that they are clear about the contributions they must give and the role they fill. This must be supported through appropriate technology, education, training and development to achieve the requisite performance standards; and

- The system should have an in-built mechanism for voicing dissatisfactions about any aspect of PMS or its operation, including an appeal mechanism against assessment results.

6.4.1 **Further recommendations to selected institutions**
University of Zululand

- The one size fit all Performance Management Agreement/Review form should be revised because employees are operating at different levels.

- Performance standards to evaluate employees should be clear and the employees should be involved when these standards are set.

- The Human Capital Management should ensure that whole University is reminded of the times for performance reviews.

- The Supervisors or Managers should give the feedback to employees after performance meetings.

University of KwaZulu-Natal

It is recommended that performance meetings are communicated on time and that proper feedback is given to employees immediately after performance reviews.

Mangosuthu University of Technology

It is stated that MUT is still at its introductory stage of performance management system. It is recommended that job descriptions which are in line with the objectives of the organizational roles and functions are prepared for each job and also roles to be played by individuals are prepared. An appropriate appraisal method and the rating mechanisms should be chosen. All Supervisors should be trained intensely. The chosen appraisal method should be discussed with the employees. Appraisals should be according to job standards and feedback should be given to employees timeously. Future performance goals should be determined and discussed with the employees.

6.5 Implications for future study

It is recommended that future study be carried out as follows:

- each institution investigated should evaluate their performance management system if not annually then every two years;

- the benefits of performance management systems at each institution should be evaluated within the next two years.

6.6 Conclusion

This chapter evaluates the research methods utilised by the investigation. The limitations and strengths of the study are provided and implications for future research are clearly stated.

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GLOSSARY OF KEY TERMS

Ad Hominid Promotion - A consistent level of high achievement where promotion to a higher rank is justified.

Above Rate for Job - A candidate has made substantial progress towards being promoted to a more senior rank.

Competency - Refers to a broad-based grouping of associated knowledge, skills and attributes that enable one to effectively perform a specific job.

Convenience sampling - Is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher

Feedback - Objective and timely information by the manager/supervisor on the employee's performance against set expectations and standards, understood by the staff member and aimed at improving performance

Key Performance Area - This is what was referred as output. It is the key task that an employee performs in order to perform their job.

Key Performance Indicator - This is the result that shows that a key performance area has been performed. A key performance indicator defines the standard of performance required by the institution.

Manager - The person responsible for managing the performance.

Measurement - Entails making managerial judgments of how good or bad employee performance was.

MBO - An approach in which employee and supervisor jointly establish clear, measurable performance jobs for the future.

Monitoring - Consistently measuring performance and providing ongoing feedback to employees and work groups on their progress toward reaching their goals.

Performance - Relates to the achievement or non-achievement of specific results designated to be accomplished.

Performance agreement/contract - A document agreed upon and signed by an employee and her or his supervisor, which includes a description of the job, selected KPAs and a work-plan and the employee's personal development plan.

Performance Appraisal - A systematic and objective way of evaluating both work related behaviour and potential of employees.

Performance Assessment - The last phase of the process where the employee's performance measurement is concluded and a final performance score is awarded to an employee at the end of the performance management cycle.

Performance Contract - The document that records the agreements between the employee and the manager on what is expected from the employee in terms of performance for the contracted year. This also records the employee's development plan. This agreement also details performance standards and targets against which the employee is going to be measured.

Performance Criteria - Refers to the standard requirements for effective performance.

Performance Gaps - Are aspects of a job in which an employee is not performing to the expected standard.

Performance indicator - A measure used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).

Performance Interventions - Are interventions which are intended to bridge any performance gaps that have been identified, for example, training and counselling.

Performance Management Cycle - Is the annual cycle during which performance is assessed and managed.

Performance Standards - This is a management-approved expression of the performance threshold(s), requirement(s), or expectation(s) that must be met to be appraised at a particular level of performance.

Performance Measures - Applications and use of performance indicators and measures.

Performance Review - The process where the performance of the employee is measured by checking the difference between the actual and the expected performance. This is also where an employee's progress in terms of both the performance and development is measured.

Performance Review Form - Is a document on which expectation-setting is recorded and achievement of key performance areas and demonstration of competencies are scored.

Poor Performance/Sub-standard/Under Performance - This is performance which is below the desired standard for the staff member's rank.

Quality improvement - Establishment of a programme or process to manage change and achieve quality improvement on performance standards, measurements and reports.

Rating scale - A method which requires the rater to provide a subjective performance evaluation along a scale from low to high.

Rewarding - means providing incentives to and recognizing employees, individually and as members of groups for their performance and acknowledging their contributions to the organisation's mission.

SMART - Refers to Specific, Measurable, Achievable, Realistic and Track-able/Time-bound.

Selection - is the process of matching the skills and interests of a person to the requirements of a job.

Strategic objectives - These are key goals to be achieved that are directly linked to the successful implementation of strategy.

Employee - Refers to a person who reports directly to the Supervisor.

Supervisor - Refers to the person to whom the evaluatee reports directly.

Tasks - Refer to the activities that need to be performed in order to achieve key performance areas or demonstrate competencies.

Weighting - This is the percentage value of a key performance area in relation to other key performance areas. It indicates the importance of a key performance area relative to the entire job.

360-degree feedback - Information is gathered from a variety of sources in this system, including employees who complete performance appraisals, then the results are summarized for the employee and necessary improvements are discussed.

01 April 2009

To: University of Zululand;
University of KwaZulu-Natal;
Mangosuthu University of Technology

Dear Sir/Madam,

SURVEY: PERFORMANCE MANAGEMENT SYSTEMS IN HIGHER LEARNING INSTITUTIONS

Performance Management is an ongoing dialogue between manager and employee that links expectations, ongoing feedback and coaching, performance evaluations, development planning and follow-up (The University of Texas, 2007).

This System is used to evaluate how people are doing their jobs so that they can be helped to improve.

I am currently a Masters student in Industrial Psychology at the University of Zululand. I am conducting research on Performance Management Systems at Institutions of Higher Learning in KwaZulu-Natal.

I would like to request you to participate in this survey by completing the attached questionnaire. Please return it on or before the 31th May, 2009. This will be kept confidential. Should you have any questions, please do not hesitate to contact the undersigned. Thank you for your help. PLEASE NOTE THAT THE SURVEY IS CONFIDENTIAL AND YOU ARE REQUESTED NOT TO FILL IN YOUR NAME.

Yours faithfully

Vicky Mntambo

Tel. (035)9026426 (w)
Cell. 0823789971
Fax. (035)9026232
Email vmntambo@pan.uzulu.ac.za
Supervisor: Dr. K. Nel   e: mail: knel@ul.ac.za

PERFORMANCE MANAGEMENT SYSTEMS SURVEY QUESTIONNAIRE

PART 1 - Demographics

Tick the appropriate block =   ✓

1.   Gender

MALE	FEMALE	

2.   Age

21 – 33	34 – 44		45 - 50	OVER	

3.   Ethnicity

BLACK		WHITE	COLOURED	ASIAN	

4.   Name of the Institution

UNIVERSITY OF ZULULAND	

UNIVERSITY OF KWAZULU-NATAL	

MANGOSUTHU UNIVERSITY OF TECHNOLOGY	

5.   Job Title

6.   Job Type

ACADEMIC		NON-ACADEMIC	

7.   Appointment Type

PERMANENT	

FIXED TERM CONTRACT	

TEMPORARY	

PART 2 – Information about PMS

Instructions: Please tick the answer you think is correct or write in the answer, where appropriate

Performance Management Systems Survey Questionnaire		
	Yes	**No**
1 Are you using a Performance Management System?		
2 Do you know what type of performance model your institution uses?		

		Stage of Development		
		No	**Unsure**	**Yes (Fully operational)**
3.	Do you have a Policy on Performance Management System?			
4.	Are managers held accountable for developing, maintaining and improving the performance management system?			
5.	Are there incentives for performance improvement?			
6.	Do you set specific performance targets to be achieved in a certain time period?			
7.	Are managers and employees held accountable for meeting standards, indicators or targets?			
8.	Do you benchmark against similar institutions?			
9.	Do you test your standards and targets so you are sure people understand them?			
10.	Is training available to help staff use performance standards?			
11.	Have you defined methods and criteria for selecting performance measures			
12.	Is training available to help staff measure performance?			

13. When did you start using current performance assessment tool?

_____
_____
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14.   Who monitors your Policy and how?

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_____

15.   How was this system introduced in your institution?

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16.   Who are the drivers of this system?

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_____

PART 3 – Open ended questions

17.   Any comments on the questionnaire?

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18.   Do you have any suggestions or opinions about PMS?

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Thank you for your cooperation and willingness to complete the survey. I would appreciate it if you could respond on or before 31 May 2009.

THANK YOU FOR YOUR CO-OPERATION.

PLEASE NOTE: DO NOT PUT YOUR NAME OR DEPARTMENT ON THE QUESTIONNAIRE. THE QUESTIONNAIRE IS ENTIRELY CONFIDENTIAL AND IS CONDUCTED UNDER THE AUSPICES OF THE FACULTY OF COMMERCE, ADMINISTRATION AND LAW, UNIVERSITY OF ZULULAND. Please send your responses back to:

Mrs. V. Mntambo
Department of Industrial Psychology
Fax: (035)9026232
Internal Box 502

Appendix "C"

STEPS FOR INTRODUCING A PERFORMANCE APPRAISAL PROGRAMME

1. Clearly define the purposes of the performance appraisal grogram – that is, what is it that you want it to achieve.

2. Ensure that the type of program you plan to introduce is consistent with the organisation's objectives and culture and is perceived by managers and employees as being fair in its design and application.

3. Ensure there is full understanding of and support for the program by top management, employees and the unions (if applicable).

4. Involve employees, managers and the unions (if applicable) in the development of the program.

5. Ensure that performance standards and the method of evaluation are clear, job-related, fair and as objective as possible.

6. Establish training sessions for managers and employees on the objectives of the program and the skills and responsibilities required.

7. Provide a formal procedure to allow employees to challenge performance appraisal evaluations that they consider inaccurate or unfair.

8. Constantly monitor the program to check that it is meeting its objectives (and particularly that it is perceived by managers and employers as having fair procedures and generating fair outcomes).

Introducing a performance appraisal program

Source: Asia Pacific Management Pty Ltd (2006) in Stone (2008)

Appendix "D"

Performance Management Process Agreement	
Name:	First names:
Job title:	Department:
Performance evaluator:	
Evaluator's job title:	
Performance objectives	Performance measures
Competencies	
Agreed action plan	Timelines
1.	
2.	
3.	

Personal development plan		
Training needs	Suggested intervention	Who is responsible?

Performance measurement and evaluation	
Objectives	Achievements

Competencies	Actions taken
Development needs	Actions taken
Evaluator's comments	
Evaluator's signature:	Date:
Employee's comments	
Employee's signature:	Date:

Source: (Nel *et al.,*2008)

Appendix "E"

360^0 feedback validity factors and associated design features			
Validity factors	**Design features**	**Proximal Factors**	**Recommendations**
Alignment	Instrument design Report format Feedback to raters Integration with HR systems		Custom-design content Use internal norms Require meeting with raters Common content with appraisal
Accuracy	Processing resources Quality control Instrument design		Ability to do high volume, secure reporting Processes to ensure zero errors Pre-code with important information
Clarity	Instrument design Rater training Pilot administration		Clear instructions/readability Training sessions to give instructions Test understanding of participants
Cooperation	Instrument design Rater selection Rater training Administration process		Keep length reasonable (40 – 60 items) Limited demands on rater (number of forms) Communicate need for rater co-operation Do in company time
Timeliness	Administration process Rater training Integration with HR systems Ratee training		Do as frequently as is reasonable/needed Train raters against recency error Schedule to coincide with system needs Deliver results as soon as possible
Reliability	Item writing\Instrument design Rating scale Rater selection Rater training Rater selection		Clear, behavioural, actionable Conduct statistical analyses Use clearly defined anchors Select raters with opportunity to observe Train on proper use of scale Report rater groups separately
Insight	Instrument design Report formats Report content Feedback to raters		Use item ratings (not categories) Provide as much information as possible Report verbatim write-in comments Require meeting with raters

360^0 feedback validity factors and associated design features (continued)			
Validity factors	**Design features**	**Distal Factors**	**Recommendations**
Ratee accountability	Ratee training Integration with HR systems Feedback to raters		Communicate expectations for ratees Set consequences for non-compliance Require meeting with raters
Commitment	Administration process Participation of management Developmental resources Integration with HR systems		Administer on company time Visible participation of tip management Provide access to internal/external training Use results in decision making
Acceptance	Participation		Require rate participation

	Rater selection	Ratee selects raters, concurred by manager
	Administration process	Administer consistently across unit
	Integration with HR systems	Treat process as a business priority
	Instrument design	Content clearly tied to strategies, goals
	Ratee training	Train on how to use results
	Developmental resources	Provide support (workshops, coaches, etc.)
Validity factors	**Design features**	**Recommendations**
Consistency	Participation	Apply consistently across the organisation:
	Rater selection	When not possible, test for possible
	Administration process	unfairness
	Feedback to raters	
	Integration with HR systems	
Anonymity	Administration process	Use outside vendor
	Rater selection	All employees; 4 – 6 in other groups
	Rater training	Communicate how anonymity is provided
	Report features	Never report groups < 3 (except supervisor)
	Feedback to raters	Don't try to identify raters
Census	Rater selection	All employees; 4 – 6 in other groups
	Administration process	Use methods to optimize response rates
	Data manipulations	Do not use Olympic scoring
Communication	Rater training	Train all raters (not just instructors)
	Rater training	Train all ratees
	Integration with HR dystems	Communicate how results are used
	Pilot test	Check for understanding
	Policies/procedures	Acknowledge need for sufficient time
Constraints	Integration with HR systems	Tie development to appraisal
	Developmental resources	Ensure fair access to development
	Ratee training	Train ratees how to access development
	Manager training	Train managers on how to use feedback
Rater accountability	Rate training	Communicate role expectation as rater
	Feedback to raters	Require meeting with raters
	Rater Feedback systems	Online systems to give real time feedback

Source: (Grobler *et al.,* 2006)

Grievance Form

Name of employee ……………………………………… Date ……………………………………..
Job Title ………………………………………… Staff No. …………………………………
Department …………………………………… Shop Steward …………………………………
Supervisor ………………………………… Date on which the grievance occurred ………

Statement of the grievance (Short description. Only facts need to be stated) ………….……
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Settlement Desired
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Signature   Representative

MANAGEMENT RESPONSE
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Investigation held on …………………………...........

Outcome of Investigation
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……
……

………………………………………………… …………………………………………………
Signed (MGT Representative)   Date

EMPLOYEE RESPONSE

  Satisfied with management response |Yes| |No|

  Wish to take the grievance further |Yes| |No|

………………………………………………… …………………………………………………
Signed: Employee Representative   Date

The Three Key Building Blocks of Performance

Opportunity

Capability   Willingness

Performance
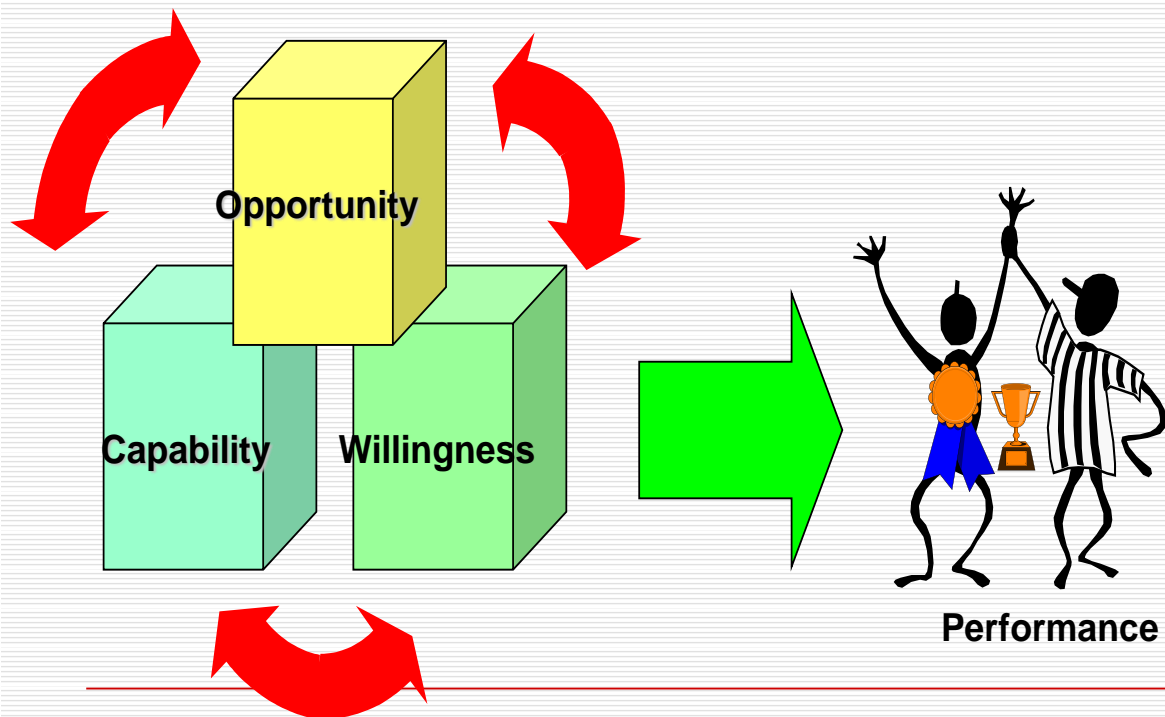
Comparison of qualitative and quantitative research

Qualitative research	Quantitative research
Uses an inductive form of reasoning: Develops concepts, insights and understanding from patterns of data.	Uses a deductive form of reasoning: Collects data to assess preconceived models, hypothesis and theories.
Uses an emic perspective of inquiry: The meaning is derived from the subject's perspective.	Uses an ethic perspective: The researcher determines the meaning.
Idiographic: Aims to understand the meaning that people attach to everyday life.	Nomothetic: Aims to objectively measure the social world to test hypothesis and to predict and control human behaviour.
Regards reality as subjective.	Sees reality as objectives.
Captures and discovers meaning once researcher becomes immersed in data.	Test hypothesis that the researcher starts off with.
Concepts are in the form of themes, motives and categories.	Concepts are in the form of distinct variables.
Seeks to understand phenomena.	Seeks to control the phenomena.
Observations are determined by information richness of settings and types of observations used are modified to enriched understanding	Observations are systematically undertaken in standardized manner.
Data is presented in the form of words, codes from documents and transcripts.	Data is presented by means of exact figures gained from precise measurement.
The research design is flexible and unique and evolves throughout the research process. There are no fixed steps that should be followed and cannot be exactly replicated.	The research design is standardized according to a fixed procedure and can be replicated.
Data is analysed by extracting themes.	Data analysis is undertaken by means of standardized statistical procedure.
The unit of analyses is holistic concentrating on the relationships between elements and contexts. The whole is always more than the sum.	The unit of analyses is variables, which are anatomistic (elements that form a part of the whole).

Source: (Neuman, Denzil & Lincoln, in Parker 1998 as cited by Molefe, 2004)

INTERVIEW QUESTIONS

Semi-structured Interview schedule – questions were changed or re-worded where necessary (for instance, if the respondent did not understand)

- Do you have a clear understanding of performance management processes?

- Do you know if there is a policy on PMS?

- Is the PMS policy accessible to you (Can you get it if you want to read it)?

- Do you know how to fill in PMS forms?

- How long do you have to fill in the forms?

- How do you receive feedback from the review?

- Are there any scheduled performance meetings between you and your supervisor (or your employees)?

- Have your received training on PMS?

- What do you think about your PMS?