Implementation of Performance Management Development System in the Provincial Treasury, Province of the Eastern Cape

By

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DECLARATION

I, Kayakazi Bongiwe Maseti, Student Number, 209202380, hereby declare that the treatise, Implementation of Performance Management Development System in the Provincial Treasury, Province of the Eastern Cape for Master in Public Administration is my own work and that it has not previously been submitted for assessment or completion of any postgraduate qualification to another University or for another qualification.

..............................................................
KAYAKAZI BONGIWE MASETI
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Dedication

I dedicate this piece of work to my late father and brother, Mbuyisa Mvémnyama and Ndima Kholekile Qunta who passed on in 2000 and in 1994 respectively. My late father always maintained that the sky is the limit.
Abstract

A number of organisations are continuously searching for methods which can be used to improve performance. One such method entails implementing a performance management programme. However, despite a growing body of research that supports the positive impact that effective performance management can have on an organisation’s performance, evidence suggests that organisations in South Africa and elsewhere are not implementing the practices that are recommended by the theory of best practice in Human Resources and performance management (Kock, Roodt & Veldsman, 2002:83). The institutionalisation of performance management in the South African public service after 1994 came as a result of the need to change the legacy of poor performance of the public service (Malefane, 2010:1). This study seeks to examine the effectiveness of the implementation of performance management in the Provincial Treasury, Province of the Eastern Cape (Provincial Treasury).

Literature reveals that there is consensus on the view that performance management is a tool that contributes to the effective management of employees in order to yield high organisational performance. Armstrong and Baron (2005 :vii) contend that if performance levels of individuals are raised, better organisational performance levels will follow. According to Dessler, (1997:372) performance management is a systematic approach to managing people, goals, measurement, feedback, and recognition as a way of motivating employees to achieve their full potential in line with the organisation’s objectives. In the South African context, performance management is described in terms of its role and outcome with regard to employee development; hence it is widely referred to by public sector employees as a Performance Management and Development System (PMDS) (Malefane, 2010:7).

The Annual Performance Plan (APP) of the Office of the Premier (OTP APP, 2010/11:5) insists that the Eastern Cape Provincial Administration is still plagued with inter alia, a work ethic that is less desirable, weak human capital management culture, poor compliance with policies, lack of accountability and discipline as well as capacity challenges in critical areas which include planning, financial management, monitoring and reporting as well as systematic performance and an inability to respond to identified service delivery challenges. Public sector reforms have been adopted in this province in an attempt to improve performance in order to meet service delivery initiatives.
A purposive sampling technique was used to select 30 participants of the Provincial Treasury (employees between salary levels 6 and 8 as well as managers from salary levels 9-13). A qualitative approach was preferred in this study to enhance objectivity which would have vanished if quantitative or experimental strategies were employed.

The empirical findings revealed that the employees and the management of this Department perceive that there is no clearly defined purpose of performance management. There is also a feeling that performance management is not useful in identifying under-performers and ineffective in raising the performance of employees. Consequently, it is unable to assist the subordinates to grow. Others felt that performance management is not a developmental tool. It also emerged from the empirical findings of this study that the current rating system does not serve its intended purpose and therefore it should be replaced. Recommendations and suggestions are adopted in this study to address these perceptions.
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<td>APP</td>
<td>Annual Performance Plan</td>
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<td>BSC</td>
<td>Balanced Scorecard</td>
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<td>HoD</td>
<td>Head of Department</td>
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<td>HR</td>
<td>Human Resource</td>
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<td>KPA</td>
<td>Key Performance Area</td>
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<td>MBO</td>
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<td>OECD</td>
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<td>PM</td>
<td>Performance Management</td>
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<td>SMART</td>
<td>Specific, Measurable, Attainable, Realistic and Time-Bound</td>
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<td>SWOT</td>
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Chapter 1
1.1 Introduction:
Many organisations are continuously searching for methods which can be used to improve performance. One such method is by means of implementing a performance management programme. However, despite the growing body of research that supports the positive impact that effective performance management can have on the organisation’s performance, evidence suggests that organisations in South Africa and elsewhere are not implementing the practices that are recommended by the theory of best practice in people and performance management (Kock, Roodt & Veldsman, 2002: 83). South Africa is no exception, the institutionalisation of Performance Management in the South African public service after 1994 was as a result of the need to change the legacy of poor performance of the public service (Malefane, 2010:1). This study seeks to examine the effectiveness of the implementation of performance management in the Provincial Treasury. Effectiveness, for purposes of this study refers to planning, the execution of work to achieve set objectives, the continuous monitoring of performance and the review of performance to manage good and bad performers (Armstrong and Baron, 2005:13-14).

According to Dessler, (1997:372) performance management is a systematic approach to managing people, goals, measurement, feedback, and recognition as a way of motivating employees to achieve their full potential in line with the organisation’s objectives. In the South African context, performance management is described in terms of its role and outcome with regard to employee development; hence it is widely referred to by public sector employees as a Performance Management and Development System (PMDS) (Malefane, 2010:7). The reasons that underpinned the need for PM reside in service delivery imperatives, the quest for improved performance and the emergence of a new pay progression system based on employee performance (DPSA, 2001:2)

Armstrong and Baron (2005:2) argue that motivated employees become high performers, they meet or exceed defined objectives of the organization. To the contrary, de-motivated employees can perform below what is expected of them. (Armstrong and Baron, 2005:9) warn that performance is often regarded in output terms, namely, the achievement of quantified objectives. They argue that it is more than that; rather it is the
outcomes of activity and the endeavour that matter. These can be measured qualitatively by referring to standards of performance defined in the form. Outcomes can also be measured in quantified targets or goals which can be expressed as tasks or projects which are to be completed satisfactorily against a stipulated timeframe. In sum, Armstrong and Baron (2005:9) advise that performance management must examine how results are realized since this provides the information that is necessary to reflect on what needs to be done to improve these results. They also point out that that the ultimate goal of performance management is to achieve human capital advantage since people is valuable to the organization. Human capital advantage results from employing people with competitively valuable knowledge and skills and abilities (Armstrong and Baron 2005:9). Performance Management is thus viewed as a cycle that consists of a number of inter-connected but not necessarily successive processes which take place throughout the year and which overlap.

Armstrong and Baron (2005:1) are of the view that performance management first came into wide use in Human Resource in the Managerial Model which focused on results in the early 1990’s. In the traditional model of administration, Hughes (2003; 149-150) states that functions such as performance appraisals, short-term contracts and merit pay existed but much emphasis was on organizational structure. Personnel management and monitoring of performance also existed in a narrow and bureaucratic manner. Hughes (2003:149) states that public sector reforms emphasized on both the internal and the external management of the public sector. The internal management aspect emphasized the need for organizations to review their personnel management and performance management. The Province of the Eastern Cape has also adopted these public sector reforms in an attempt to improve performance in order to meet service delivery initiatives.

The White Paper on Human Resource Management in the Public Service (1997:1) sets out a policy framework which is positioned to illustrate the shift from Personnel Administration to Human Resources Management. This paper recommends that “Every employee's performance will be assessed at least once annually against mutually agreed objectives”. It also states that performance management is therefore an integral part of an effective Human Resource Management and Development strategy. It is an ongoing process, in which the employee and employer, together, strive constantly to improve the employee’s individual performance and his or her contribution to the
organisation’s wider objectives. Since the performance of every employee contributes to the overall delivery of the organisation’s objectives, it follows that the performance of every employee should be managed, White Paper on Human Resource Management in the Public Service (1997:42).

The Province of the Eastern Cape’s plan to improve poor performance is enshrined in the White Paper on Human Resource Management in the Public Service (1997:42). This paper highlights that the success of the public service in delivering its operational and developmental goals depends primarily on the efficiency and effectiveness with which employees carry out their duties. It concludes that managing performance is a key Human Resource Management tool to ensure that:

- Poor performance is identified and improved.
- Good performance is recognised and rewarded.


The investigation into this study is important because there has been ongoing political and public scrutiny on the low levels of service delivery by the public servants in the Province of the Eastern Cape. In the light of the above, this province has been cited as one of the top Provinces with poor performance levels (PSC: 2006:7). Demands for better service delivery are likely to rise if the public servants are de-motivated. The Annual Performance Plan (OTP APP, 2010/11:5) insists that the Eastern Cape Provincial Administration is still plagued with organisational culture disparities, a work ethic that is less desirable, weak human capital management culture, poor compliance with policies, lack of accountability and discipline as well as capacity challenges in critical areas which include planning, project management, financial management, monitoring and reporting as well as systematic performance and an inability to respond to identified service delivery challenges. It is against this background that this study seeks to examine the effectiveness of the implementation of performance management in the Provincial Treasury. Performance in this institution is measured at both organisational and individual levels (Provincial Treasury APP 2010/11:1). This approach concurs with Armstrong and Baron (2005:vii) who believe that Performance
Management is premised on the assumption that if performance levels of individuals are raised, better organizational performance will follow. At an organisational level the main performance yardstick is the quarterly performance report which details the progress regarding set operational, financial and other human capital targets (Provincial Treasury APP 2010/11:1). Performance at an individual level is facilitated through PMDS. A number of challenges have been identified in the implementation of PMDS in this Department. These challenges have impacted on the effectiveness of PMDS as a system aimed at managing and developing individual performance. The question that needs to be addressed is whether PMDS in the Provincial Treasury is implemented according to legislative provisions.

1.2 The Problem Statement:
The main problem is the alleged erratic implementation of the processes which constitute performance management in the Provincial Treasury (Strategic Plan, 2010-2014:28). This tendency undermines the purpose of performance management of managing and developing the individual which is believed to enhance organisational performance. It also undermines the objectives of the White Paper on Human Resource Management in the Public Service (1997:42) which indicates that performance management enables the employees to know what is expected of them. Consequently, employees are dissatisfied with the way performance management is implemented in the Provincial Treasury and their performance levels are low. Provincially, there is a concern from the Eastern Cape Provincial Legislature which is mandated to play an oversight role on the Provincial Department’s performance. There is also an outcry from the public who need improved services. For example, Malefane (2010:1) warns that the institutional performance relationships in the South African public service are being looked at in isolation from their impact on the communities whom these institutions serve. Consequently, there is no correlation between the recognition of outstanding performance which the employees of government departments claim and the frustration the communities have due to poor service delivery.

The sub-problems are;

- Certain employees are of the opinion that performance appraisals are sometimes signed towards the end of the financial year which is an indication that these basic documents are not used optimally. As a consequence, employees may not
be aware of what is expected of them. This may lead to levels of performance that do not meet set targets of the Provincial Treasury.

- In a study that was conducted by the Public Service Commission (PSC) in 2007 into the implementation of PMDS, in 2006/7 financial years, performance agreements for all Senior Managers in the Provincial Treasury were not conducted including those of a few employees (PSC, 2007:24). The PSC insists that this omission denies Senior Managers the opportunity to receive a formal feedback on their performance. It also denies them an opportunity to be considered for financial reward when it is due. The consequence is that the employees are de-motivated and their performance levels are low. Since their performance levels are low, they are unable to meet set objectives of the Department resulting in a work ethic that is less desirable, poor compliance with policies as well as capacity challenges. Consequently, the Provincial Treasury spends money in rewarding performance of its employees whereas provincially, by Provincial Treasury’s own conviction, this Department does not comply with PMDS provisions.

- Concerning performance measurement and performance reviews, certain employees in the Provincial Treasury perceive PMDS as a system mainly designed for financial incentives rather than being a management and a developmental tool. They ignore the fact that performance management offers a non-financial form of motivation in the form of recognition, skills development, career planning, and by enhancing job engagement and commitment. Maybe the senior and line managers also need training on performance management in order to understand its importance. Provincial Treasury admits that performance at an individual level in the Provincial Treasury is still faced with challenges which undermine the management and development mandate of PMDS (Provincial Treasury APP: 2010/11).

- For some employees there is no objectivity from their Senior Managers regarding performance reviews and appraisals. They construe low ratings during performance appraisals to subjectivity or inconsistency on the part of their Senior Managers. The Strategic Plan (Treasury, 2010-2014:25) attests to this claim by
indicating that the performance review process in the Provincial Treasury is
erratically implemented, with numerous review outcomes not being addressed.
PMDS is viewed as a salary progression tool rather than a developmental
support system to enhance performance. The Strategic Plan (Provincial
Treasury, 2010-2015:26) states that staff morale, motivation and enthusiasm is
low throughout the department. Some employees cannot meet set targets thus
contributing to the bleak performance of the Province of the Eastern Cape.

- The employees of the Provincial Treasury argue that there is little or no
monitoring and provision of feedback done by their line managers, anomalies or
abnormal patterns are mostly dealt with once there is a crisis. This results in
complaints of the public being subjected to negative attitudes of employees who
are demotivated and dissatisfied with PMDS.

1.3 Research Question:
The Research Question is: How effective is the implementation of PMDS in the
Provincial Treasury, Province of the Eastern Cape?

1.4 Objectives of the Study:
The purpose of this study is to investigate the effectiveness of the implementation of
PMDS in Provincial Treasury, Province of the Eastern Cape. The main objective of this
study is to explore the way the Provincial Treasury implements PMDS and its
effectiveness on performance levels of its employees. The findings of this study may
enable the researcher to identify the obstacles to implementation of PMDS in the
Provincial Treasury and come up with recommendations which are informed by the
policies and procedures that guide PMDS.
The other objectives of this study are:

- To identify the perspectives, sentiments and attitudes of Senior Managers and
employees of the Provincial Treasury concerning the implementation of PMDS in
their Department because negative perceptions about performance management
often lead to a behaviour that is not conducive for set targets.
To stimulate constructive suggestions and recommendations that will act as
guidelines for the effective implementation of performance management in the
Provincial Treasury.

To identify the gaps in the implementation of the existing performance
management within the Provincial Treasury in order to fill gaps.

1.5 Motivation of the Study:
An investigation into the implementation of PMDS in the Provincial Treasury is
necessary because the implementation of PMDS in the Province of the Eastern Cape is
argued to be unsatisfactory (PSC, 2007:10. The PSC argues that there is no uniform
implementation of PMDS in the Province, performance reviews and appraisals are not
being conducted as required by the PMDS. Provincial Treasury, being one of the co-
ordinating Departments in PMDS matters in the Province is also cited as being unable
to implement PMDS effectively.

The Eastern Cape Provincial Administration is argued to be overwhelmed by a poor
work ethic, weak human capital management culture, poor compliance with policies, as
well as capacity challenges in critical areas which include planning, monitoring and
reporting as well as systematic performance and an inability to respond to identified
service delivery challenges (Office of the Premier APP, 2010/11:5). This report further
reveals that there is still a misalignment with the current prevailing performance culture,
leadership capability, the operating climate and Human Resource Management and
Development support service. Compliance with legislative and policy prescripts is still
at a low level within the Provincial Administration, resulting in slow achievement of set
targets coupled with poor reporting.( APP 2010/11:7-8). Provincial Treasury's poor
performance levels are viewed against the backdrop of the whole Province. Provincial
Treasury is one of the main co-ordinating Departments in the Province of the Eastern
Cape. Despite poor performance levels in the Provincial Treasury, this Department
continues to recognize and award good performers within its organization (PSC,
2007:13 & DPSA, 2001:1). Consequently, public moneys are spent fruitlessly and the
contrast between good performance that is claimed by Provincial Treasury and poor
service delivery levels in the Province often leads to violent protests.
If the Provincial Treasury cannot manage its own performance how is it going to take the lead and set the tone for other Departments? From the employees of the Provincial Treasury there are different expectations and perceptions of what PMDS is all about. The investigation into the implementation of PMDS will attempt to rectify these perceptions and views.

The Provincial Treasury is chosen because of its locality to the Researcher. Doing research in this Department will be cost-effective because Researcher will spend less money in respect of travelling. Researcher is an Administrator in one of the Provincial Departments in the Province of the Eastern Cape, the preference for this topic is motivated by a dedication in Public Administration wherein performance management is embedded. Further research may be prompted by the findings of this research.

1.6 Literature Review
Secondary literature in the form of books, legislation and peer reviewed journal articles has been consulted in this study. Eye witness accounts (the employees and the Senior Managers of Provincial Treasury will be approached for this research. After analysing relevant literature it is becoming apparent that PMDS is not implemented properly by various departments in the Province of the Eastern Cape, including Provincial Treasury.

Brown (1994:89) states that performance management in the South African public service is understood in terms of its role and outcome with regard to employee development; hence it is widely called the PMDS. Provincial Treasury similarly refers to its performance management as the PMDS because it recognises that one of the goals of performance management is to manage and develop the performance of the individual as well as that of the organisation. A study by Nakani (2008:9) focused on the implementation of performance management in Office of the Premier, the main objective being to identify attitudes and perceptions of managers and employees of OTP regarding the implementation of PM. The researcher used the qualitative and the quantitative designs, structured questionnaires and a survey to gather data. The research that will be conducted will examine the gaps or challenges using only the qualitative design.

The PSC report (2007:3) indicates that prior to the introduction of organisational performance assessment tool in government departments; there was an inconsistency
between Heads of Departments’ (HoD’s) performance and that of their departments. The percentage of HoD’s whose performance evaluations between March 2002 and May 2004 received an overall rating of 4 and above was 80%, which meant that their performance was regarded as significantly above expectations; yet during the same period, many service delivery gaps remained and the Auditor-General was concerned with the unsatisfactory state of financial management in certain departments. Reports like these, as revealed by the PSC, highlight the need to link individual performance to organisational performance.

A model of performance management by Gratton (2000:10) is recommended for Provincial Treasury. In this model, business goals are defined and the context for employees to perform is also developed. This model is of the view that employees’ behaviour determines the meeting of the organisation’s goals, which in turn influences organisational performance and ultimately financial performance. Kaplan and Norton (1996:21) concur with this view, emphasising that although the Balanced Scorecard Approach defines goals, it assumes that people will adopt whatever behaviours and actions are required to achieve the set goals. This model may be ideal for Provincial Treasury if the outcome of this study identifies the incoherence between organisational goals and those of the employees.

In terms of the PSC report (2008:82), despite public manager’s assertion that training has improved their performance, the actual results are not as significant as they rate them to be. PSC (2008:3) asserts that their performance is often exaggerated to justify performance rewards. The Organisation for Economic Co-Operation and Development (OECD) (2006:30) recommends that implementation of performance-oriented reforms requires appropriate training of managers and recruitment of additional management skills into the public service. This recommendation may act as a remedy for Provincial Treasury which is seen to be plagued with lack of capacity to manage performance.

Price (2000:77) and Pettinger (2002:94) are of the view that issues of fairness and bias can cause problems within a performance management system. Similarly, the Provincial Treasury seems to be confronted with this challenge, employees view the performance appraisal process as being overwhelmed with prejudice from those who manage the process.

1.7 Research Methodology
Research methodology is defined by Babbie & Mouton (2001:103) as a method through which a researcher collects, analyses and interprets data to fulfil the research aims and objectives.

A qualitative approach will be undertaken in this study since it will allow the researcher to discover the views and perspectives of the employees and of the Senior Managers of Provincial Treasury (Neuman, 2006:160). This approach will enable the researcher to interpret and give meaning to the findings. It is also recommended when first-hand information must be obtained from the participants. An exploratory research will be appropriate for this study to enable the researcher to gather more information before conclusions can be made (Babbie & Mouton, 2001:270).

The technique for data collection will be in the form of literature review. For Senior, middle and junior management, a self-administered questionnaire with pre-determined interview questions will be prepared in order to obtain a high response rate in a short period of time (Frazer & Lawley, 2000:42). Open-ended interviews will permit an unlimited and an unanticipated number of possible responses from the respondents (Newman, 2000:261). These interviews will also produce a synergistic effect that may yield a range of opinions and experiences on the same topic (Litoselliti, 2003:4). A tape recorder will be used to supplement interview notes that will be taken and to provide a permanent record which others can review (Newman, 2000:366). Patton (2002: 383) states that it will also ensure validity and reliability of data collected and it will reflect the participant's answers. The questionnaire will take approximately thirty minutes. For employees, a majority of close-ended questions will be used to measure the attitudes and the views of the employees of the Provincial Treasury. The likert scale which is a measurement scale of agreement, often on five points ranging from strongly agree to strongly disagree is viewed as being widely used in assessing people's attitudes and views (Frazer & Lawley,2000:20). A few questions will be open-ended to enable employees to express themselves freely. The questionnaire will minimise the role and influence of the interviewer and it will enable a more objective comparison of the results.

Due to the huge staff complement of the Provincial Treasury, thirty managers and staff of this department will be sampled. Purposive sampling will be ideal because the researcher will select certain employees and exclude others. Contract workers and interns will also be included in this study since they are supposed to be assessed to
monitor their performance. Purposive sampling will also be useful in getting an in-depth investigation into views and perceptions of employees as well as of Senior Managers. People will be purposefully selected from salary level six to salary level thirteen. Data will be analysed according to the category it belongs to. Field notes will be compared to data collected by the recorder to ensure accuracy and discover themes. A computer will be used to capture and store and analyse this data.

1.8 Delimitation of the Study

There is a need to demarcate this study to make it manageable for the researcher taking into account the constraints of time, finance, sample size and the ability of the researcher (Brynard, 1997:11). This study will be confined in examining the effectiveness of the implementation of performance management development system in the Provincial Treasury. This department, as an institution has four Branches, each with programmes and sub-programmes out of which samples will be drawn. This study will not focus on financial management although some scholars are of the view that financial management also constitutes performance management.

The units of analysis will be the Senior Managers, and the employees of the Provincial Treasury from all Directorates. The employees include staff from salary levels six to thirteen. Geographically, the locus of this study will be the Provincial Treasury in Bhisho, but will be compared to findings of other institutions. The focus of the study will be on the effectiveness of the implementation of performance management in Provincial Treasury looking at views and the perceptions of the Senior Managers and employees.

1.9 Ethical Considerations:

Babbie and Mouton (2001:521) are of the view that ethical issues arise out of interaction with other people amongst others, where there is a potential for conflict of interest. These authors suggest that there should be no harm to participants in respect of revealing sensitive information that would embarrass or endanger the participants. To ensure that no ethical issues arise and that there is no harm to participants, the researcher will seek informed consent from the subjects who will be participating in this study so that they know what they are getting involved into in order for them to make informed decisions.
Guarantees of confidentiality, privacy and anonymity will be honoured by for instance, not divulging the personal details of the respondents and by avoiding publicising sensitive information. The information will be released in percentages, in a way that does not permit linking the responses to the respondents. Respondents will be advised to remain anonymous, not to fill in their personal details if they wish. Respondents will not be forced or humiliated to participate in this research or respond in a particular way. The interpretations of the results will be made consistent with the data that will be collected (Newman, 2000:102).

If there is a sponsor who funds this research, he will be identified and sponsor demands which may lead to compromise in ethical or professional research standards will be avoided.

The researcher will try not to impose any personal opinions or influence of any nature on the study. The researcher will strive for objectivity in order for the integrity of this research to be protected. The researcher will tell the participants from the beginning the aims and objectives of this study. The researcher will also tell them that their conversation will be taped by using a tape recorder so that the field notes that will be taken by hand can be verified to ensure reliability of the information collected.

In order to ensure adherence to Ethical Considerations, the researcher will consult the Nelson Mandela Metropolitan University Faculty of Arts RTI Higher Degrees Committee in order to obtain the exact specification of ethics that the Researcher will have to comply with. In addition, the Researcher will fill in the Research Ethics Committee (Human) application Form so that it can be considered and approved by the Nelson Mandela Metropolitan University. The Researcher will familiarise herself with the book on Code of Conduct for Researchers which is available from the Nelson Mandela Metropolitan University. To comply with ethical considerations, the researcher will get an application to conduct on-site research from the Provincial Treasury’s Accounting Officer. An information letter to the participants, consent forms and a copy of the confidentiality agreement for research personnel will be made available.

1.10. Clarification of Terms and Concepts:
The following key terms and concepts have been used often in this study;

- **A Balanced Scorecard** is the set of measures that gives Top Managers a comprehensive view of business (Armstrong & Baron, 2005:116).
• **Development** is aimed at providing the basis for broadening abilities relevant to both the employer and employee, for the current role as well as for the future role (Armstrong & Baron, 2005:116).

• **Performance Management** is understood by Dessler (1997:372) as a systematic approach to managing people, goals, measurement, feedback, and recognition that is aimed at motivating employees to achieve their full potential in line with the organisation’s objectives.

• **Performance Management Cycle** refers to the performance management cycle describes the three phases through which PM moves: planning and contracting, performance review and annual performance assessment. It must correspond with the financial year from 1 April to 31 March (OTP PMDS Manual, 2006:4).

• **Performance Planning** is the phase during which performance indicators and targets are set. It is also a phase during which institutional strategies aimed at the implementation of a policy mandate are formulated (Minnaar, 2010:36).

• **Performance Monitoring** involves the assessment of results of activities to determine whether the organisation performs in terms of set goals (Minnaar, 2010:36).

• **Performance Agreements**, is defined by Armstrong (2000:110) as a tool that defines expectations, work to be done, the results to be achieved, attributes and competencies required to accomplish results.

• **Performance Appraisal**: (or evaluation) is “a systematic process of measuring a person’s performance in the job, based on predetermined performance criteria” (Smit, 2004:2).

• **Managers/Supervisors**: For the purposes of this study, managers/supervisors are defined as those individuals who are first-line function supervisors of employees.

• **PMDS** is a system designed to manage and develop the performance and the development of an individual, team, an organisation as well as the entire public service.
1.11. Structure Outline

- Chapter 1 will focus on the Introduction, the Problem Statement, the Research Question, the Research Hypothesis, the Objectives of the Study, Ethical Considerations,
- Chapter 2 will focus on the in-depth exploration of literature review.
- Chapter 3 will deal with Research Methodology.
- Chapter 4 will look at analysing the empirical findings of this study.
- Chapter 5 will look at consolidation of data collected and preparation of recommendations and the conclusion.
Chapter 2: Literature Review

2.1 Introduction:
In 2000 the Province of the Eastern Cape developed a Performance Management System (PMS) which would be implemented consistently across the entire provincial government in respect of all employees (Province of the Eastern Cape Performance Management Policy System, 2002:7). Various tools which include the PMS Handbook, Training Manual and SMS Performance Management and Development Handbook were developed. However, despite the growing body of research that supports the positive impact effective performance management can have on the organisation’s performance, evidence suggests that organisations in South Africa and elsewhere are not implementing the practices that are recommended by the theory of best practice in performance management (Kock, Roodt & Veldsman, 2002: 83).

This chapter presents a review of literature on the implementation of PMDS with particular focus on the Provincial Treasury employing primary and secondary sources. It looks at the conceptualisation of performance management as well as the literature review which includes the theoretical framework of performance management particularly the integrated model. This model upholds that there are three levels in organisations, namely: the strategic (entire organisation), operational (functional team or group) and individual level. In this integrative and holistic approach there is a degree of convergence between these levels which is essential in order for performance management to be effective in an organisation (Brudan, 2010:7). This is done to evoke the understanding of the effectiveness of the implementation of PMDS.

Lastly, proposed recommendations for an effective implementation of PMDS will be presented.

2.2 Conceptualisation of Performance Management
Mwita (in Knipe van der Walt, van Niekerk, Burger and Nell, 2002:227) insists that performance is achieved if it is defined as embracing three inter-related variables: behaviours (process), outputs (services or products) and outcomes (value added or impact). Mwita (ibid.) therefore suggests that this approach is integrated and systematic to improve organisational performance, to achieve corporate strategic aims, and to improve corporate mission and goals. Mwita (ibid.) therefore argues that project
Managers should strive to improve individual performance which is linked to an organisation's corporate objectives. Clear roles and responsibilities are needed as well as an understanding of the organisation's mission and vision in order for team members to achieve the desired goals. Contrary to this view, Kaushik (2008:3), Kloot and Martin (2000:231) argue that performance management is often defined as a process of establishing goals, assessing employees and implementing the annual appraisal process. These authors argue that this view is more focused on the individual than on both the individual and the organisation. This is contrary to the provisions of the Municipal Guideline (2001:40) which emphasises that performance of an organisation is integrally linked to that of staff. If employees do not perform or perform in a sub-standard manner, an organisation will do likewise. It is therefore important to manage both simultaneously.

Alberts and Motlatla (1998:118) mention that Human Resource Management (HRM) is made up of two concepts, 'Human Resources' and 'Management'. The latter is defined as organising groups of people in order to work together in a productive manner towards clearly defined and known goals or objectives. HRM comprises various activities such as the reward system, benefits and Performance Management. Dessler (1997:32) defines performance management as a systematic approach to managing people, goals measurement, feedback and recognition as a way of motivating employees to achieve their full potential in line with the organisation's objectives. This means that performance management enables the employee to develop capacity, and provides the necessary support and guidance employees need in order to achieve the set targets. It also assists them to achieve high potential to benefit themselves and the organisation they serve.

The institutionalisation of performance management in the South African public service after 1994 was as a result of the need to change the legacy of poor performance of the public service (Malefane, 2010:1). The implementation of performance management in organisations was seen as a solution to this predicament. Research defines the implementation as the execution of planned changes in an organisation by creating an environment in which that planned change can thrive. Mintzberg, Raisinghani and Theoret in Nutt (1986; 233) claim that managers are known as the change agents in
this process. Performance in the Provincial Treasury is measured at both organisational and individual levels (Provincial Treasury APP 2010/11:1). This approach concurs with Armstrong and Baron (2005:vii) who believe that performance management is premised on the assumption that if performance levels of individuals are raised, better organizational performance will follow. At an organisational level the main performance yardstick is the monthly or annual performance report which details the progress regarding set operational, financial and other human capital targets (Provincial Treasury APP 2010/11:1). Performance at an individual level is facilitated through PMDS. Some challenges in the implementation of Performance Management have been identified.

The current perception of the public service is that it is not as skilled as envisaged. For instance, the Public Service and Administration’s Performance Agreement to Fast rack Service Delivery (2010-14:4) is of the view that in provincial treasury the calibre of management is characterised by a performance culture which hinders government from delivering on its mandate. This is attributed to the failure to recognise or sanction good or bad performance in an organisation.

The establishment of a Performance Management Manual in the Eastern Cape Province is done in compliance with Chapter 1 Part VIII of the Public Service Regulations, 2001, as amended, which requires that each executing authority should determine a system of PMDS for its employees other than employees who are members of the SMS, in line with the principles in regulation VIII A.

2.3 Literature Review on Performance Management

Whitford and Coetsee (2006:63) reveal that South African organisations, in particular, often fail to follow best practice in performance management and are still struggling to implement it effectively. Literature reveals that there is an inconsistent implementation of the processes which constitute performance management in the Provincial Treasury (Provincial Treasury’s Strategic Plan, 2010-2014:28).

This tendency undermines the purpose of performance management which is managing and developing the individual. This in turn is believed to enhance organisational performance. It also undermines the objectives of the White Paper on Human Resource Management in the Public Service (1997:42) which indicate that performance management enables the employees to know what is expected of them.
Consequently, employees are dissatisfied with the way Performance Management is implemented in Provincial Treasury and their performance levels are low. This results in complaints of the public being subjected to negative attitudes of employees who are demotivated and dissatisfied with PMDS. Grote (2010:5) states that effective PMS allows organizations to make sound decisions. These decisions may include the determination of who should get a raise and who should get nothing at all. These decisions may assist in determining who should be selected for a promotion should a vacancy arise and whether the employees meet the demands and plans of the future. An organisation can also be able to adopt retention strategies to ensure that good performers are retained within an organisation and determine worst performers.

In an attempt to address poor performance, organisations adopt change processes. These changes can emanate from the external as well as the internal environment (Smit & Cronje, 2002: 218 & 219). Smit and Cronje (2002:36) maintain that there are two management theories which are categorised as the classical and the contemporary approaches. These authors are of the opinion that none of the two theories dominate the field of management. Instead, due to their inter-dependence, management principles are being borrowed from these theories to address circumstances both in theory and in practice. The classical approaches include the Scientific Management, Bureaucracy, Administrative Management, the Human Relations and Quantitative Management approaches and are believed to have been around since the nineteenth century to the 1920s. The Systems, the Contingency, the Total Quality Management (TQM), Learning Organisation and Re-engineering approaches form the contemporary approaches (Smit and Cronje 2002:37).

2.4 Theories of Management

2.4.1 Classical Approaches to Management

Classical approaches to management responded primarily to internal efficiency ignoring the need for organisational performance.

2.4.1.1 The Scientific Management Theory

Performance management emanates from Taylor’s concept of scientific management, Taylorism (Smith & Goddard, 2002:247). Most scholars agree that performance
management was synonymous with the micro management of the behaviour of employees. Taylor's scientific management approach advocated rewarding a worker who performed above the measured standard for that particular day's work while performance below the set standard would attract less pay (Hughes, 2003:27). He recognized the fact that the worker was motivated by financial incentives, which is an important aspect in any PMS. Limitations in this approach include the argument that money was not the sole motivation for the workers rather other non-financial aspects which motivated workers were overlooked.

2.4.1.2 The Process /Administrative Approach
Unlike the Scientific Management Theory which focused on increasing the productivity of the worker, the focus of the process approach to management was broader. It recognised that planning, organising, leading, co-ordinating and controlling were crucial in an organisation.

2.4.1.3 Weber’s Bureaucratic Approach
This approach emphasised a theory of bureaucratic management which highlighted the need for a strictly defined hierarchy, governed by clearly defined authority (Smit and Cronje 2002:41). One of its limitations was bureaucratic rigidity which resulted in managers being compensated for complying with authority.

2.4.1.4 Human Relations Approach
Whereas the early approaches to management focused on output, this approach viewed people as human beings not as machines Smit and Cronje (2002:44). Like the Scientific Management Theory, this theory agrees that the economic factors also influence the performance of workers. Maslow’s hierarchy of needs model was developed in terms of which he believed that physiological, security, social, esteem and self- actualisation needs which must be satisfied by various rewards.

2.4.1.5 The Quantitative Management Theory
This approach assumes that management decisions should be based on quantifiable data which are widely used in project management. These project management techniques contribute to planning (scheduling activities) and controlling the performance
of workers. It is believed that it is commonly used to assist in decision making since many management decisions cannot be quantified.

2.4.2 Contemporary Approach to Management
Smit and Cronje (2002:45) assert that the origins of the contemporary approaches can be traced back to the classical approaches. However, unlike the classical approach, this approach acknowledges the relationship between the external and the internal environment (the organisation). For instance, it recognizes that implementation of performance management in an organization may be constrained by the “publicness” of the public sector as factors which include political influence and authority limits come into play.

2.4.2.1 The Systems Approach
Gerber, Nel and van Dyk (1998:34) are of the view that performance management can be argued to be a system because it comprises a number of inter-dependent components that form a whole and which work together with a purpose of achieving a common objective. According to the diagram below, it can be argued that planning is inter-connected and inter-dependent to organizing, leadership and controlling, and operates in a cycle. Sub-systems occur in an organisation and are also inter-connected. For instance, managers’ decisions impact on other parts of the organisation since these managers do not operate in silos (Smit and Cronje, 2002:46). Further, an organisation is viewed as an open system because the four sets of elements of the organisation are interrelated and both the system and the environment depend on each other. There is a synergy between the two. These elements are the input (resources), the transformation process (managerial processes), outputs (products and services and feedback) (ibid).
The Four fundamental management functions constituting the management process are:

2.4.2.1 Planning

In the diagram above, planning is defined by Smit and Cronje (2002:10) as a stage wherein the organisation's mission and goals are determined. In the process, resources and strategies for achieving the desired goals within a certain time frame are identified. Planning is very crucial to avoid performing activities in a haphazard fashion. National Treasury (2005:20) emphasizes that formulating strategies should not be an end result of a strategic and a planning process, rather, an effective action plan and an implementation process should be developed in order for an organisation to realise strategies and achievement of the impact of the programme and its outcomes. Planning also provides essential information for the design and implementation of activities such as recruitment, selection, training, transfers, promotions, and dismissals of employees. This phase is influenced by internal factors such as the objectives of the organisation, leadership style and the nature of tasks. It is also influenced by external factors such as economic conditions, trade unions and the organisation’s rules and regulations. For instance, strategic decisions taken at top management level are believed to be
influenced by the economic and technological objectives of the organisation. A strengths, weaknesses, opportunities and threats (SWOT) analysis is viewed as being critical during the planning phase since this model enables an organisation to assess what it can and cannot do as well as its potential opportunities and threats (Kaufman, Thiagarajan and MacGillis 1997:461). SWOT analysis takes the information from an environmental analysis and separates it into internal (strengths and weaknesses) and external issues (opportunities and threats). Once this is completed, SWOT analysis determines what may assist an organisation in accomplishing its objectives, and what obstacles must be overcome or minimized to achieve desired results.

2.4.2.1.2 Organising
During organizing, resources which include human, financial, and human are co-ordinated. In addition, roles and responsibilities, in line with policies and procedures, have to be clearly defined in order to accomplish the planned or set targets. In summary, Smit and Cronje (2002:10) insist that organising is unique, thus, it is subject to the needs of a particular organisation and it comprises the development of an organisational structure in order to assign resources to the employees identified. In order for an organisation to accomplish its set goals, employees must know what their roles, responsibilities and their reporting lines are (Alberts & Motlatla 1998:121).

2.4.2.1.3 Leading
Leading is believed to be a management responsibility wherein power and influence is used to motivate employees in order to achieve previously agreed upon goals (Smit & Cronje, 2002:11). Supervisors or management are expected to provide direction and guidance to subordinates and employees in their daily execution of work (Alberts & Motlatla 1998:121). Smit and Cronje (2002:12) insist that the quality of leadership directly influences the performance of any organisation.

2.4.2.1.4 Controlling
Controlling is aimed at monitoring performance in order to ensure that employees adhere to predetermined goals and objectives of an institution, manage any deviations and come up with remedies to address deviations. Alberts and Motlatla (2002:121)
explain that control is an ongoing function, and is a process of measurement and correction of subordinates’ activities to ensure that the planned activities are being executed. Managers should ensure accurate, concise, comprehensive and timely information in order to provide feedback reports.

2.4.2.2 The Contingency Approach
This approach employs one of the classical approaches to management or a combination thereof to attend to managerial circumstances at a particular time. It recognizes that each department or directorate or unit is unique and it exists in a unique environment. This therefore calls for unique sets of objectives/goals for unique employees (Smit & Cronje, 2002:47). For instance, in the Province of the Eastern Cape, the Public Service Regulations (2001:8) prescribe that each provincial department must develop PMDS, consequently, the Eastern Cape Performance Management Handbook, which espouses PMDS, was developed. An executing authority must approve an appropriate PMDS for her/his department in order to improve service delivery (Performance Management SA New Framework, 2012:9). It is advocated that managers should be “contingency-oriented and use the appropriate classical or contemporary management concepts, tools and techniques” if necessary (ibid: 2012).

2.4.2.2.1 Total Quality Management Approach
The goal of this approach is to encourage ongoing improvement in an organisation. Proponents of Total Quality Management (TQM) approach advocate that one understands the principles of a systems approach to management in order to achieve quality (ibid:50).

2.4.2.2.2 Learning Organisation Approach
Individuals in an organisation must be prepared to learn

2.4.2.2.3 Re-engineering Approach
It suggests re-inventing or re-designing the processes which brings the employees of the entire organisation with its clients. Re-engineering is an ongoing process not a once off event (Smit & Cronje, 2002:53).
2.5 Public Sector Reforms on Performance Management

Public sector reforms have focused on the external and internal environment (Hughes, 2002:149). This is contrary to Taylor's conviction that the only important factor should be to manage individual performance rather than focus on both the performance of the individual and of the environment. The New Framework issued by the Performance Management in South Africa (2012:9) proposes that departments should integrate their planning with their strategic and operational objectives in order to achieve better results. This approach recommends a holistic approach which entails policies which support the core objectives of the Department, its circumstances and the prescripts (legislation, regulations and collective agreements) have to be developed. Performance objectives of the department, as well as individual employee performance objectives, must be aligned with the strategic and operational objectives of a department. Accountability for results is being encouraged by ensuring that a department reports the results of its planning on a prescribed period to the relevant authority.

Brudan (2010:7) maintains that there are three levels of performance management in organisations, namely: the strategic (entire organisation), operational (functional team or group) and individual level. An integrative, holistic approach between these levels is essential in order for Performance Management to be effective in an organisation. Figure 1 below shows a research model which can be used to further explore integrated Performance Management approaches in organisations.
Brudan (2010:3) states that integration between the performance management levels is preferred as it will enable better outcomes for organisations and will act as a catalyst for the establishment of a standalone discipline that in turn will accelerate advances in academic research. He maintains that management does not see performance management as an integrated discipline used at various organisational levels, but as a sub-component of strategic, operational and Human Resources Management. An integrated approach linking all levels of performance management becomes a necessity for both research and practice to facilitate the understanding and usage of PMS (ibid).
In recent years, a key trend was the integration between strategic Performance Management and individual performance management, facilitated by the introduction of tools such as the Balanced Scorecard (BSC). Organisational goals became reflected in individual goals and individual measures became aligned with organisational performance measures in an effort to increase the accountability of all employees to the execution of the organisational strategy (Brudan, 2010:5).

Measuring organisational performance plays a very important part in translating corporate strategy into results, there being a need to develop a paradigm for integrating strategy formulation and performance measurement in organizations (Pun & White, 2005). According to Kaplan and Norton (2001:10), the BSC is a strategic planning and management system that is used extensively amongst other institutions and governments worldwide to align business activities to the vision and strategy of the organisation, improve internal and external communications, and monitor an organisation’s performance against strategic goals. The BSC emphasizes a need for continuous learning in order to be on par with the current climate of rapid technological advances. It insists that learning is more than training; “it includes things like mentors and tutors within the organization, as well as that ease of communication among workers that allows them to readily get help on a problem when it is needed” (ibid).

2.6 Performance Management and Motivation

There is a view that much of performance management research stems from work of organisational psychology. Motivation is defined by Robins in Alberts & Motlatla, (1998:60) as the stimulating function which the manager can employ in order to maximise the subordinate’s performance. Motivation of people is considered the most important part of the managerial process (Alberts & Motlatla, 1998:60). Motivation brings together people of different attitudes, personalities, skills and abilities towards the accomplishment of a common objective. Armstrong and Baron (2005:103) state that if performance management is executed properly in an organisation, it can motivate people. These authors advise the adoption of holistic approaches wherein all elements of the reward process, such as employee benefits and pay, are integrated in order for employees to obtain satisfaction through their work.
Mwita (2002:54) cites a number of authors (Vroom, Locke and Ladham, Brehm and Adams) who agree that employees are believed to adopt different behavioural actions in order to achieve their objectives. Motivation is based on a number of theories which include equity, expectancy, reinforcement and goal setting theories. In equity theory, workers are believed to compare the reward potential to the effort they must expend. They look at the rewards of others as well. People behave according to their perceptions. For instance, an employee who feels that he is being treated differently from others may put less effort into his/her job or even quit his/her job.

The expectancy theory states that an employee will be driven to wield a high level of effort when he/she believes that effort will lead to a good performance appraisal or if he/she believes that a good appraisal will lead to organisational rewards, and that these organisational rewards will satisfy his/her personal goals. It is advisable therefore, that managers motivate and strengthen employees' perceptions, clarify expectations of performances, link rewards to performances, and make sure that rewards are desirable. Looking at performance appraisals for instance, Gerber et al.(1998:170) argue that performance appraisals influence staff motivation to achieve organisational goals. Therefore, if an organisation wants to achieve its strategic goals, it must carry out these appraisal interviews in an effective manner (Hughes, 2003:27).

Taylor recognised the fact that the worker was motivated by financial incentives, and agrees that performance appraisals and remuneration have a direct influence on the motivation of employees in order to perform optimally (Gerber et al, 1998:170). The reinforcement theory proposes modifying an employee's on-the-job behaviour by rewarding desirable behaviour, by avoiding an employee who displays negative behaviour, and by punishing those with bad behaviour. Managers who are trying to motivate their employees should be sure to tell individuals what they are doing wrong. The goal setting theory proposes that intentions to work toward a goal are a major source of work motivation. Both the supervisor and the supervisee can set goals together. It is argued that no matter who sets the goal, employees' performance is likely to improve when they receive feedback on their progress.

Mwita (2002:13) asserts that the process of motivation can be modelled as shown in Figure 2.1 below. This is a needs-related model and it suggests that motivation is initiated by the conscious or unconscious recognition of unsatisfied needs. These needs
create wants, which are desires to achieve goods or obtain something. If the goal is achieved, the need will be satisfied and the behaviour is likely to be repeated the next time a similar need emerges. If the goal is not achieved the same action is less likely to be repeated.

**Figure 3- The process of motivation**

1. Need

2. Establish Goal

3. Take action

4. Attain goal

*Source: Armstrong, M. (1993)*

### 2.6 The Balanced Scorecard and the Eastern Cape Performance Management

The Eastern Cape Performance Management Handbook (ECPMH) is designed specifically for the Eastern Cape Provincial Administration (ECPMH, 2003:11). It employs best international practice to suit this province’s needs by using the BSC analysis. Like the BSC, the ECPMH is designed to be a management and a measurement system of performance that enables organisations to clarify their vision and strategy and translate them into action. During the BSC’s first introduction in 1992, it was believed to be a tool which was used to capture value-creating activities from an organisation’s intangible assets (Kaplan & Norton in Brudan, 2010:12). Having realised that there is a relationship between performance metrics and strategy, in 1996 they introduced BSC “as a strategic performance management system which formed a rallying framework for strategic processes, resource allocation, budgeting, goal setting and employee learning” (ibid). In 2001 they introduced BSC as an all-encompassing strategic management and control system.

Knipe et al (2002:49) also view an integrated approach to managing an organisation as being most critical. These authors view the lack of proper integration in an organisation
as a sign of poor communication. Communication is regarded as being vital in the process of managing performance.

In the Province of the Eastern Cape, the Public Service Regulations (2001:8) prescribe that all provincial departments must recognise performance management in order to manage performance in a consultative, supportive and non-discriminatory manner. This is designed in order to enhance organisational efficiency and effectiveness, accountability for the use of resources, and the achievement of results. The executive heads of the Eastern Cape Province in consultation with their departments are required to implement performance management in their departments in line with the provincial policy of having a single uniform system in the province. The regional office of the Public Service Commission (PSC) is charged with a monitoring function of overseeing the implementation of performance management in the Province. Performance management is believed to be focusing on equal participation of employees as well as of the supervisor, it encourages regular feedback through progress reviews and annual appraisals, and encourages coaching, and it is developmentally oriented. This manual is premised on the fact that the success of performance management will be measured by the extent to which it contributes towards creating conditions for effective performance and overall contribution to service delivery.

2.8 Standards of Performance
Chapter C.1 of the Public Service Regulations (2002:12) maintains that an executing authority shall establish and sustain a service delivery improvement programme for his or her department indicating standards for the main services to be provided in an organisation (Public Service Regulations, 2002;12). Performance standards are written statements which outline how well a job should be performed and they provide a benchmark against which one’s work should be evaluated. They are developed collaboratively with employees whenever possible or by the supervisor in consultation with the unit or directorate responsible for employee relations (Zulfiqar, 2004:7). It can be argued that the purpose is to enhance effectiveness of the implementation of performance management as an integrative approach. These performance standards must be realistic, specific and consistent with what is necessary to get the job done and for employees to know what action and results are expected of them. Standards for
performance which meet expectations represent the minimum acceptable level of performance for employees.

Performance should be based on measurable data, observation or verifiable information like timelines, cost, quality and quantity. Standards should be consistent with organisational goals. This means performance standards should consistently link individual goals with organisational goals. Standards may describe performance which exceeds expectations, this could motivate employees. Finally, employees should understand the standards in order for them to know what is expected of them.

The Batho Pele Principles as well as the Public Service Act (2002:37) envisage that an employee should be “polite, helpful and reasonably accessible in her or his dealings with the public, at all times treating members of the public as customers who are entitled to receive high standards of service.” An employee should also be committed to the public by rendering services timeously for the development of all South Africans. In an attempt to motivate employees to perform thereby maximising the performance of departments, certain departments dedicate a day to acknowledge employees who have performed remarkably in a particular financial year.

2.9 The Implementation of Performance Management in the Provincial Treasury
To encourage good performance, the provincial treasury indicates that the department has granted performance rewards during 2010/11 financial year (Eastern Cape Provincial Treasury, 2010/11 Annual Report: 117). It can be concluded that the provincial treasury strongly believes that financial rewards motivate employees and enhance performance. Contrary to this assertion, the Chartered Institute of Personnel Development (CIPD) survey of 2003/4 reveals that the assumption that reward leads to enhanced performance is questionable (Armstrong & Baron, 2005:106). This is supported by the research conducted by Marsden and French (1998) which revealed that the majority of people who received contingent pay got actively demotivated while those who received the same were motivated by it. They conclude that performance-related pay may have a negative impact. Their conclusion is that managing contingent pay is very difficult since biased decisions ensue when trying to reach pay-related decisions. Armstrong and Baron (2005:106) warn that effective performance management processes need to be in place before deciding on pay-related decisions.
2.10 Key Principles in Implementing Performance Management

Results from numerous surveys have shown that the best formulated strategies may fail if they are not successfully implemented (Li, Guohui & Eppler, 2008: 3).

It is the belief of the South African New Framework (2012:9) that an executing authority must approve an appropriate PMS for her/his department in order to improve service delivery. It is also emphasised that the Head of Department (HoD) within a department should create an environment that is conducive for the implementation of performance management (ECPMH, 2003:15) by communicating his performance agreement with his Senior Management Service (SMS), to ensure PMDS is implemented in line with legislative frameworks and policy frameworks; allocate budget for rewarding and recognizing good performance; mediate over conflict pertaining to performance management between supervisors and employees and provide decision-making on recognition for good performance.

Senior Managers are responsible for the implementation of performance management in their directorates by ensuring that each supervisee under his supervision has a signed work plan agreement/performace plan, recognises good performance and manages poor or non-performance. They are also responsible for ensuring that performance management needs to operate within a framework where strategic organisational goals are translated into action through the business planning process and related individual and team objectives. This will ensure that there is integration in the manner in which performance management is implemented. In the process, they must bear in mind that there is no ‘one size fits all’ in PMDS. This means that performance standards should consistently align individual goals with those of the department.

There is a need to ensure that performance management builds on the values associated with good public service, while recognising the need for and benefits to be achieved from the pursuit of continuous improvement in performance. Performance Management should apply to all employees at every level in each department and office. Implementation should start at top management level (ECPMH, 2003:15). This handbook also emphasises that performance management should be implemented in an open and transparent manner and within a culture of partnership and involvement of
all levels in the department/office. Armstrong and Baron (2005:11) concur with this view by stating that performance management requires an open and honest management style between a subordinate and his supervisor. It will be important for a participative style of management to be created throughout the performance management cycle. Effective systems of feedback should be developed as part of the implementation of performance management, in order to assess and improve performance at all levels. A positive and proactive approach to employee development means that the role of training and development for all staff is one of the keys to effective implementation of the performance management. Each member of staff should be given the necessary training in the performance management. Each member of staff should be introduced to the documentation in the context of a training programme on the system.

From a practical viewpoint, employees in each department/office need to engage in a learning process with the performance management over a period of time. The implementation process needs to be fully supported locally and centrally in the context of an implementation plan drawn up in each department/office, with resources made available to support implementation. The entire implementation process needs to be evaluated and the lessons applied to on-going refinement of the performance management and the wider debate about future structures and reward aspects. In addition, Armstrong and Baron (2005:11) affirm that performance management requires continuous feedback. They also caution that performance management is not primarily concerned with linking performance to financial reward but at developing the individual.

Insala articles (2012:1) declare that a Study of Current Trends and Future Possibilities surveyed more than 1,000 Human Resource professionals representing various industries and company sizes. Its findings concur with the necessity to have nine principles in implementation of performance management although it was pointed out that it is not necessary to have all nine key practices, however, the more the department implements performance management, the more effective the program. It does not matter which of the nine practices are implemented as much as how many are implemented. Additionally, the order of implementation does not have any significant impact. Various techniques of performance appraisals are being widely used during the performance cycle.
2.11 Performance Management Cycle

Performance management cycle is a natural process which describes the various phases that the system moves through during the course of a financial year [from 1 April to 31 March] (ECPMH, 2003:15). The four main phases of this cycle are planning and contracting, acting, monitoring progress and review/evaluating performance. These stages of the performance management cycle are supposed to be interdependent. In addition, organisational performance management is embedded in an institutional environment. This means that the four stages are also influenced by factors other than those directly related to the performance-management life cycle course. For an example, the phases can be influenced by the organisation’s strategy and/or the stakeholders of the public service like politicians and employees (van Helden, Johnsen & Vakkuri, and 2012:162). It can be deduced that both external and internal factors influence this cycle.

2.11.1 Planning & Contracting

During this process, the departmental strategic process which outlines the vision, mission and strategic objectives is developed. The ECPMH, (2003:15) suggests that this phase is carried out in the first quarter of a financial year. Then the departmental Operational Plan which describes how the department aims to achieve its strategic objectives through specific actions for the year under review is also developed (Eastern Cape Office of the Premier Performance Management Manual (ECOTPMM, 2005). The directorate’s Operational Plan is then developed outlining the key performance areas including strategic objectives they will contribute towards. A competency profile which is a tool to define generic competencies required for all employees (which is also used as part of a performance assessment) is built into the work plan or standard framework agreement. Competency is knowledge, skill and behavioral attributes which are required for one to perform a job to an optimal level. The individual performance assessment tools which include performance agreements, work plan and standard framework agreements are signed during contracting phase.

2.11.1.1 Signing of Performance Agreements

Planning during a cycle includes agreeing on identifying and recruiting the best suitable officials for a job, producing plans which are summarised in performance agreements in
order to meet set objectives and to improve performance. This phase also involves preparing performance development plans to enhance skills and competencies (Armstrong & Baron, 2005:13). During planning, performance, work plan and standard framework agreements are signed by Senior Managers upwards (level 13 to level 16 including some employees at level 12 and below). Performance is assessed based on outputs. The ECPMH (2003:19) proclaims that the Public Service Co-ordinating Bargaining Chamber (PSCBC) Resolution No 13 of 1998 envisages that the negotiated collective agreement should set a framework for senior managers to sign individual performance agreements. Newly appointed SMS are required to sign their performance agreements within the first three months of appointment (ECPMH, 2003:19). Contrary to this prescription, PSC insists that, according to its findings, performance agreements for all Senior Managers in Provincial Treasury were not conducted, that includes those of a few employees (PSC, 2007:24). It also mentions that this omission denies SMS the opportunity to receive a formal feedback on their performance. It also prohibits them from being considered for financial reward when it is due. Performance agreements must include key duties and responsibilities, output targets for the performance agreement period, dates for performance review, dispute resolution mechanism, date on which salary increments will come into effect and mechanisms for the management / awarding of salary increases.

2.11.1.2 Signing of Work plan Agreements
Work plans are widely used for employees that may have staff management responsibilities and limited budgetary control, or project related tasks (ECPMHM: 2005:15). Performance is assessed based on actions and outcomes. Equal participation of employees and supervisors in developing work plans is necessary. The work plan agreement is applicable to personnel from salary levels 6 to 12.

Armstrong and Baron (2005: 25) suggest that a personal development plan (PDP) is also prepared and agreed upon by the supervisor and the subordinate during the signing of a work plan and a standard framework agreement. The PDP is an action plan wherein a prognosis for formal training or other forms of developmental activities to improve performance and to develop knowledge, skills and competencies is done.
2.11.1.3 Signing of Standard Framework Agreements

These are signed by personnel who perform specific and repetitive tasks, yet even some professional categories may be required to sign Standard Framework Agreements. Performance is assessed based on general performance standards yet for professional employees, professional bodies may determine performance standards (ECPMH, 2003:20). While performance agreements, work plan and standard framework agreements are a primary tool to measure one’s performance, the competency profiles are a secondary assessment tool which is used to define knowledge, skills and attitudes which are required for employees which are also used as part of a performance assessment and give a holistic picture of performance (ECPMH, 2003:20). Competency profiles are work-related and are developmental in nature.

2.11.2 Act

Armstrong & Baron (2005:13) insist that work should be carried out to achieve objectives with reference to the planned activities. The ECPMH (2003:15) has omitted this phase.

2.11.3 Monitoring of Performance

The ECPM (2003:15) believes that this phase is supposed to be carried out in the second and the third quarter of a financial year yet there are other scholars who believe that monitoring of performance should be an ongoing process rather than being an event scheduled for a particular period. Emphasis is on treating performance management as a continuous process rather than an annual appraisal event. Progress should be evaluated throughout the year. The employee’s supervisor shall monitor the employee’s performance on a continuous basis and give the employee feedback on her or his performance at least four times a year, orally, if the employee’s performance is satisfactory, at least twice during the six months preceding the employee’s annual formal performance assessment date in writing, on the annual formal performance assessment date and in writing, if the employee’s performance is unsatisfactory.

2.11.4 Review / Evaluation of Performance

A formal review is necessary if one’s performance has to be rated for pay purposes Armstrong & Baron (2005:31). Institutions review performance quarterly. Armstrong & Baron (2005:29) state that to improve one’s performance, the supervisor has to know what the current status of the subordinate’s performance is. During the planning phase
it is important to agree on the criteria that will be used to assess the extent to which the set objectives have been accomplished. Outputs can be identified which will be measured against indicators which must be accomplished against agreed timeframes. A review meeting between a supervisor and his subordinate should be conducted in order to do a stock take of achievements and identifying a proper course of action to remedy under-performance. Performance measurement is a continuous process. Informal reviews should be conducted but they should not replace formal reviews. Positive feedback is also necessary to highlight areas which need performance improvement, areas in which one did not perform well in, as well as areas where one performed well in. There are three main techniques of progress reviews namely; self-review (review own performance), peer/managerial (between staff member and colleagues or managers) and the customer reviews.

Armstrong and Baron (2005:32) maintain that the objectives of performance reviews are to motivate those concerned by providing positive feedback, recognition and opening growth paths, to clarify expectations. The White Paper on Human Resource Management in the Public Service (1997:1) sets out a policy framework which is positioned to illustrate the shift from Personnel Administration to HRM. This paper recommends that “...every employee’s performance will be assessed at least once annually against mutually agreed objectives.” It also states that performance management is an integral part of an effective HRM and Development strategy.

Evaluation of performance determines the overall level of performance of employees which is based on assessment of achievement against set objectives and key performance areas (KPAs) during a particular financial year (ECPM & DMH, 2003:23). They take place at a level of an individual, a unit, team, directorate, branch or department. Performance evaluation consists of two components which include rating the performance plan, work plan or standard framework agreement and rating the competency profile.

If qualitative measures are to be used, Armstrong and Baron (2005:29) are of the opinion that performance assessments can be judgmental and therefore potentially biased, unfair or inconsistent. They propose performance assessments to be based on
objective factual evidence of behavior. In this case they advise the use of a portfolio of evidence. These must be built like a production of records to support one’s evidence.

2.12 Performance Appraisal Designs / Techniques

Gerber et al. (1998:174) states that there are three different types of appraisal techniques which are the individual/self-review method, the multiple review appraisal method and other appraisal methods that cannot be classified under these two techniques.

In an individual or self-review appraisal method, an employee is allowed to rate himself and gain insight into the causes of performance problems against prior agreed objectives. A self-review appraisal method is believed to motivate incumbents to take more responsibility and growth and they can be clearly focused on one’s job behavior avoiding being entangled with other HR issues like compensation, transfer and lateral transfer. In a peer review appraisal technique, workers who are at the same level in an organization rate one another. This type of review is believed to have played a key role in the appraisal process at Milo Engineering (Gomez-Meija, Balkin and Cardy 2007:217). In a subordinate review, subordinates review their supervisors. The latter is believed to be user-friendly because traditional top-down appraisal systems are believed to confine employees to pay attention mostly to areas which concern the supervisor.

The design of performance appraisals and the person who carries out these appraisals are cited as being one of the potential problems of performance agreements (Gerber et al. 1998:172). It is interesting to note that the latter are of the opinion that various factors like the design and the technique of performance appraisals focus on personality traits instead of focusing on one’s performance, which could create problems (Gerber et al.1998:173). These authors suggest that there may be a need to improve the design of the process by designing new scales, getting employees to be more interactive, more raters being involved and improving implementation of performance management.

2.13 Performance Appraisals

Prior to World War 2, Brudan (2010:5) believes that performance appraisals were used for implementing administrative decisions which include retention, discharge, promotion
and salary administrative decisions. Due to a lack of understanding of performance appraisals then, discretionary powers in deciding on these administrative activities were conferred upon supervisors in relation to these activities. Brudan (2010:2) maintains that performance appraisals emerged in 1957 and they were based on Management by Objectives (MBO). This notion emphasised that employees should be appraised on the basis of short goals which are set by both the supervisor and the employee, rather than basing goals on traits. The assessment of performance in traditional performance appraisal approaches is believed to be based on the view of (MBO) Armstrong & Baron (2005:35). MBO is premised on the notion of discussing the key results and performance standards which must be achieved using systematic performance reviews to measure and discuss one’s progress by making reference to the set objectives. This marked a shift from employee appraisal to employee feedback.

Dingwayo (2007:43) insists that employees need to realise that a performance management process is not only linked to pay, but also the development of each individual, and the improvement of performance. Kaushik (2008:4) warn that performance management is not the same as performance appraisal. The latter is part of the bigger process of performance management. Hence they warn that performance appraisals alone cannot result in improved performance or productivity.

Gomez-Meija et al (2007:209) assert that a performance appraisal is the identification of one’s areas of work which will be measured, measurement of one’s performance and management of human performance in an organization. They also concur with Grote (2005:7) in the view that a performance appraisal should adopt a future-oriented view by focusing on what an employee can do to be at their best performance by being provided with feedback by their managers rather than being past-oriented. Performance appraisals are defined by Swanepoel, Erasmus, Van Wyk and Schenk (2000:406) as a formal and systematic process by means of which job-relevant strengths and weaknesses of employees are identified, observed, measured, recorded and developed. Grote (2005:1) defines a performance appraisal as a formal record of a supervisor’s opinion of the quality of an employee’s work. The key word here is opinion. A performance appraisal requires a supervisor to render an opinion about the exact performance of an individual. He maintains that it is not a document that can be empirically tested and proven. It is not the end product of a negotiation between the
manager and the individual. It is a record of the manager’s judgment about exactly how well an employee has performed.

Research consistently demonstrates that individuals are notoriously inaccurate in assessing their own performance, and the poorer the performer, the higher (and more inaccurate) the self-assessment. Research by the firm Lominger, Inc. indicates that “The overall correlation between self-ratings and performance was 0.0.” Coens and Jenkins (2000:26) concur with the findings of the study that was done by the Lominger Firm by affirming that the conclusion of a research that was held by Wyatt Company on 6000 employees in 1991 indicated that linking appraisal personnel decisions to compensation and promotion leads to higher incidents of distortions because one’s focus is at achieving the highest rating since it implies better incentive. They therefore deduce that ratings collected for pay and promotion are significantly higher than rates collected for the purpose of feedback (Coens & Jenkins, 2000:26). These authors, however, go a step further by advising that performance appraisals must be abolished by highlighting destructive and unintended effects these appraisals can cause. They then offer a step-by-step practical guidance on implementing alternative non-appraisal strategies that deliver the objectives of each function. Senge in Coens and Jenkins (2000:2) espouses the notion that it is not enough to change strategies and systems unless the thinking that produced those strategies, structures and systems also changes. Since performance management is seen as a system, Coens and Jenkins (2000:64) proclaim that a performance appraisal is not a tool which is designed to improve systems which include appraisals.

Grote (2005:4) believes that amongst the best-practice organizations that have been identified, a performance appraisal is being acknowledged as the main tool for directing a change in an organisation’s corporate culture. Grote (2005:4) further believes that in an organisation, if a culture of mediocrity is being tolerated, it demoralises hard workers. This can be understood as, if in an institution, progress reviews are being conducted as a norm rather than as a tool to identify, observe, record and develop strengths and weaknesses that organisation is heading for low performance (Grote, 2005:4).
2.14 Purpose of Performance Appraisals

Gomez-Meija et al. (2007:209) states that an organisation can conduct performance appraisals for administrative and/or developmental purposes. The latter is aimed at improving one’s performance through provision of feedback, counseling of employees on effective work behaviours and taking corrective action like provision of training. Organisations often experience difficulties in linking reward, remuneration and promotion decisions to performance (Griffith and Orgera, Hodges and Pantony’ 2003). The Corporate Leadership Corporation in Grote (2005:5) insists that in a case study of American Productivity and Quality Center (APQC), the findings indicate that the role of performance appraisals is to change corporate culture from a best effort to a results-driven performance management culture. In an attempt to make a similar point, another study is being cited as having a conclusion that best practise organisations are using their systems to directly target poor performers for termination. The performance management system plays two roles, namely, it frequently serves as the mechanism for identifying the finite number of competencies against which employees will be assessed and PMS can be the primary driver to assure that these competencies are fully understood and institutionalised.

Competencies are believed to play a significant role in an organisation’s success. They define for all members of a particular organisation the critical behaviours, skills, attributes and proficiencies that every member of the organisation is expected to possess and display. Once an organisation has chosen core competencies, Grote (2005:7-8) maintains that a bigger challenge is choosing the scale to evaluate them.

2.15 Performance Rating

Rating scales can either be numerical scales like a scale of (1-2-3-4-5). In the use of such scales some people complain of being reduced to a number. A comparison against a standard system can be used. This can be in a form of (Failed to meet expectations / Fully met expectations / Greatly exceeded expectations). An absolute-judgment label scheme can also be used. This involves the use of relative expressions like (Marginal / Fair / Competent / Superior / Distinguished) (Grote, 2007:9).

The Eastern Cape Provincial Treasury Strategic Plan (2010-2014:24) strongly insists that effective organisational performance management focuses on results, rather than
on behaviours. It aligns organisational activities and processes to the goals of the organisation. It also cultivates a long-term view of the organisation and produces meaningful measurements that are useful in benchmarking, or setting standards for comparison with best practices in other departments. Grote (2007:10) suggests that a Behavioural Frequency Scale should be used to overcome the outcry from employees due to the use of other rating scales as depicted above.

This scale uses “rarely”, “occasionally”, “frequently” or “regularly” to determine the behaviour of an employee. This type of rating scale therefore avoids absolute judgments; instead it allows the supervisor to describe how often certain behaviour has been exhibited. Grote (2010:9) warns that there are certain competencies that cannot be evaluated through a behavioural frequency scale. When it comes to assessing how well the individual met her job description responsibilities, or achieved the goals that were set in the initial planning phase, absolute judgments are required. Ratings are influenced by feedback and in turn guide performance-related decisions. Armstrong and Baron (2005:127) are of the opinion that if there is no feedback in an organization, then conducting performance assessments may not be a true reflection of one’s performance but just a ritual.

2.16 The Position of Senior Managers and Supervisors during Performance Reviews

The results of assessments from performance management are sometimes found to be questionable in terms of reliability in measurement (Decenzo & Robbins, 2002; Hellriegel, Jackson & Slocum, 1999) and consistency of application (McGovern, 1999). PMS tends to be evaluative rather than developmental. They tend to be focused on historical performance records rather than on future behaviour (de Waal, 2002; Williams, 2002, Heil, Bennis & Stephens, 2000; Hodges & Pantony, 2003; Rademan &Vos, 2001; Weiss & Hartle, 1997; Williams, 2002; Zwell, 2000). This view concurs with Grote (2010:3) who asserts that there is a widespread complaint from various organisations which involves the ineffectiveness of their performance management process. This dissatisfaction arises from employees who often see themselves as victims of a subjective, failure-oriented procedure that focuses only on highlighting faults and shortcomings. The employees of the provincial treasury are no exception. It
is alleged that they construe their supervisors’ low ratings during performance reviews to be as a result of the subjective nature of these rating systems.

Objectives are expected to serve the acronym, *SMART*, which stands for objectives that are Specific, Measurable, Attainable, Realistic and Time-bound (Grote, 2000:10). Being objective in the process of performance reviews is being understood as keeping one’s personal feelings and judgments out of the performance review process. It is the view of Grote (2000:10) that conducting a person’s performance appraisal requires the manager to be fair, objective and unprejudiced. The manager’s feelings, opinions and judgments are precisely what is demanded by the appraisal process. Objectivity is said to be difficult when conducting an appraisal interview, yet it requires the rater to be objective and to consistently maintain this level of judgment, (Gerber et al, 1998:174). The prejudices of performance evaluators may influence the appraisal of employees. One can imagine if the supervisor is not objective, that personality factors and other factors can distort the actual outcome of the appraisal interview (Gerber et al 1998:170). This is the contention of the provincial treasury’s employees as some employees question the objectivity of some of their supervisors regarding performance reviews. They construe low ratings during performance appraisals to subjectivity or inconsistency on the part of their Senior Managers. The Strategic Plan (Provincial Treasury, 2010-2014:25) attests to this claim by indicating that the performance review process in the Provincial Treasury is erratically implemented.

2.17 An Appraisal Interview

Gomez-Meija et al. (2007:225) insist that an appraisal interview is held after the performance rating is completed. Then the supervisor conducts an interview with an employee to provide feedback which is viewed as being one of the most important aspects of the appraisal process. According to the Strategic Plan (Provincial Treasury, 2010-2014:25) numerous review outcomes are not being addressed. The Public Service Regulations (2002:29) suggest the following:

- That the employee’s supervisor shall inform the employee in writing of the outcome of the assessment and if the employee’s performance is unsatisfactory of the reasons thereof;
• An employee who is not satisfied with the outcome of her or his assessment, may refuse to sign it;
• The employee’s supervisor must clearly identify the appeals route for an employee who is not satisfied with the outcome of her or his assessment and
• At any appeal against the outcome of her or his assessment, the employee may be assisted by a fellow employee or a representative of her or his trade union.

2.18 Improving Performance
Malefane (2010:1) warns that the institutional performance relationships in the South African public service are being looked at in isolation from their impact on the communities which these institutions serve. Consequently, there is no correlation between the recognition of outstanding performance which the employees of government departments claim and the frustration the communities have due to poor service delivery. This disregards the principle of value for money because performance which is not consistent with quality of service delivery is being rewarded. In a Ghanaian case study, Ohemeng (2009:110) emphasises that the public service management reforms in the 21st century are characterised by the concept of performance management. These reform strategies have theoretical foundations which are embedded in the doctrines of the New Public Management (NPM). It is argued that these reform strategies faced much criticism because there was scepticism on their success in developing countries. This article claims that the adoption and implementation of these public sector management reforms and, particularly, the PMS did not take into consideration the numerous institutional and capacity constraints in developing countries.

Before the study can come up with recommendations of improving performance in the implementation of performance management, it is advisable that one looks at the possible contributory factors to poor performance. The following factors have been cited as possible causes to poor performance;

• Inappropriate organisational structure
• Poor systems and processes
• Lack of skills and capacity
• Absence of appropriate strategy
The following strategies are being recommended to improve performance, these include the following:

- Restructuring if there is an inappropriate structure as a means of improving organisational performance;
- To address poor systems and processes, process and system improvement will be necessary. This can be achieved by collating, documenting and managing a database of performance management plans, reports and outcomes of reviews. Indicators should be measured and performance measures will have to be analysed at corporate level. Review processes for the year, track and manage the performance reporting and review process. Internal audits of performance reports should also have to be conducted;
- Where skills and capacity shortages are identified, training and sourcing additional capacity can be useful. Capacity of line managers, management and other relevant role-players is needed. Where it has been identified that there are capacity constraints, it is suggested that an organisation should only consider contracting external service providers if the organisation’s capacity is constrained or where specialists are needed.
- To address shortcomings in strategy, the latter may have to be revised. PMS might have to be re-designed. The employees of that particular organisation might need to play a key role since it is believed that they understand the organisation’s dynamics. If there is a need for contracting out, they must not contract out the entire project. A monitoring and evaluation unit can be set up. After the annual review process, PMS may be reviewed preferably by an independent party (Mufamadi, 2001:44).
- Change management and education programmes can address organisational culture (Mufamadi, 2001:35). Armstrong and Baron (2002:221) warn that when considering change in an organisation, managers must avoid bringing about change in one area of work because that change will generally bring about change in other areas as well. To implement change successfully, it must be adopted from a systems point of view and resistance to change must be taken into account and ways to avert it must be devised.

2.19 The Need for Feedback
Armstrong and Baron (2005:34) state that feedback indicates areas of improvement thereby highlighting areas for improvement or development and an opportunity to recognise good performance and manage poor performance. Nowadays, organisations advocate for the wide use of 360 degree-feedback which is a combination of peer, subordinate, self-review and sometimes the customer review in order to give a balanced perspective of an employee’s performance (Gomez-Mejia, Balkin and Cardy, 2007:218). This review is premised on supplementing or even replacing the traditional approaches to performance management due to the growing complexity of organisations. Since this type of feedback comes from various perspectives, it is believed to be able to bring about a more effective performance management system. Armstrong and Baron (2005:126) mention that a 360-degree feedback is rarely used for rewarding performance because it is believed that this would prejudice its developmental purpose. It is the contention of these authors that other organisations still rely on self-reviews to produce an effective PMS.

2.20 Considerations in the Implementation of a 360-Degree Feedback
The department should identify processes to promote training and support regarding supervisors and staff relating to feedback and look at advantages, disadvantages and identify possible problems of a 360 degree-feedback.

2.21 Challenges of Feedback
Regarding general feedback, challenges include effective communication at all levels of an organisation. Unclear communication can lead to assumptions, conflicts and can strain the relationship (Gerber et al. 1998, 337). This author also mentions that if the issues of communication are not contained or resolved, they can lead to disputes or strikes (Gerber et al. 1998:337). He also cautions that feedback in an organization is hardly done yet it is necessary, even after performance evaluations or after training has been conducted. This is an outcry of the employees of the provincial treasury. The employees of the Provincial Treasury argue that there is little or no monitoring and provision of feedback done by their line managers, instead anomalies or abnormal patterns are mostly dealt with once there is a crisis.

Grote (2001:1) insists that some organisations have tried to eliminate their formal performance appraisal mechanisms, but have discovered that things then only seemed
to get worse. This author suggests that the problem with performance appraisals should be diagnosed.

For some organisations the problem is that everyone involved with the performance management process like line managers, assessors, recipients, and HRM practitioners do not understand some of the most fundamental concepts underlying this process. In some instances, managers are believed to conduct fewer feedback discussions with their subordinates, consequently, employees do not have the full picture of how well or bad they have performed. Only when the next review session is due do they get feedback.

Employees tend to rely on their supervisors for provision of feedback whereas the ECPMH (2003:16) stresses that employees are also responsible for provision of feedback. They should alert their supervisors of any obstacles that might arise which may retard progress and ultimate achievement of agreed objectives. Nakani (2007:95-96) mentions that feedback on performance management is very crucial since it enables employees to plan ahead their careers, as their strengths and weaknesses are identified in relation to the organization’s objectives. Both negative and positive feedback is critical.

2.22 Managing Poor or Non-Performance

The OTP EC Performance Management Manual (2002:32) identifies the following steps in the process of managing poor or non-performance (particularly scores between one and two):

Identify and agree on a problem;

- Establish reasons for shortfall in performance;
- Decide and agree on action to be taken whether coaching, training, counseling is required;

For instance, if training is identified as a form of intervention, Buckley and Capple (1991: 99) agree that the following approach should be adopted:
Figure 4 Systematic Approach to training:

- Identify training needs
- Design and plan training to meet the needs
- Conduct training
- Assess the effectiveness of the training

Source: Adapted from Buckely and Capple (1991)

According to Buckley and Capple (1991:101) the above illustration depicts the following:

In the first stage, training needs have to be identified. It is also recommended that training which is linked only to one’s functional areas in terms of performance agreements be identified and that it is needs driven. The provincial treasury’s performance management policy recommends that training needs which are identified during the contracting stage (in the PDP) should be considered in conjunction with training which is identified during performance reviews and assessments (ECPMDS for provincial treasury, 2007:12).

In the second stage the design and planning of training is aimed at meeting the needs and it looks into the actual content of the training. It is aimed at addressing the needs identified in previous step. Training refers to the implementation of the plan which is designed and crafted to address one’s training needs. Thereafter, the effectiveness of training must be assessed. This means that having conducted training which has been designed, it will be possible to determine the effectiveness of the training. Knowledge obtained from training needs to be imparted or shared in the workplace.

2.23 Means to Address Poor Performance

South Africa’s public service sector has a legacy of poor performance management practices. According to the DPSA in Erasmus et al. (2005:30), the Public Service Commission is supposed “to ensure a statutory framework that supports the practical
application of new HR policies and that these policies are aligned with other transformation initiatives.' It is also supposed to assist both the provincial and the national administration in implementing the HRM policy by providing guidance in conjunction with training suppliers and help develop capacity. Erasmus et al (2005:37) state that indeed PSC has published a report on the state of performance management in South African Public Service. What PSC has been able to come up with are the following recommendations;

- There was a need for a better assessment of the state capacity and its performance;
- For improvement and strengthening of public management;
- Better fostering and nurturing of public service leadership;
- A general focus on implementation and service delivery.

In the Eastern Cape Province, the performance management forum mandated the Office of the Premier to establish a Task Team to identify all challenges experienced since inception, and to make recommendations that would improve and streamline the system, thus making the system effective. The following forms are used in performance monitoring process;

- A quarterly performance Assessment / Appraisal Form,
- Annual Performance Assessment Form;
- A Final Assessment Form.

2.23.1 Quarterly Performance Assessment Form

In government institutions, a five point scale ranging from 1-5 is used in performance management Provincial Treasury EC (2007:12).

- The rating of 1 refers to Unsatisfactory performance which denotes that the employee has not performed effectively in his job
- A rating of 2 means that the employee has attempted to perform but needs to be more effective;
- The rating of 3 is a satisfactory performance which means that the employee is performing in an acceptable manner;
- The rating of 4 means that the employee has accomplished more than the minimum required for competence performance;
• The rating of 5 means that one has achieved the set targets and far exceeds the requirements in all areas in an excellent level of diligence, commitment, dedication and innovation (Performance Management - Provincial Treasury EC 2007:12);

During the course of the year, the employee has a responsibility to provide feedback to his supervisor in the form of constraints and progress regarding the implementation of the work plan.

Performance ratings should be allocated to each key performance area as well as an average rating. If a mutual discussion does not resolve an employee’s concerns, the departmental grievance procedure should be used.

2.23.2 An Annual Performance Assessment Form
This is a formal and final phase of the performance evaluation process which should take place at the end of a financial year, namely, end of March. This form is designed to assess what has been achieved during the performance cycle (ECPM- Provincial Treasury EC (2007:12). During this stage achievements should be reviewed, comments, agreements and disagreements between the supervisor and the employee should be recorded. The basis for recognition of good performance should be laid and also deal with measures to deal with unsatisfactory performance. Interventions to improve performance should be identified.

2.23.3 Final Assessment:
In the final assessment the supervisor assesses the employee’s performance for the full performance cycle in consultation with the employee, assessing each key performance area (KPA) and competency in terms of the extent to which the specified standards have been met. An indicative rating on a five-point scale must be provided for each KPA and competency. Then a final assessment which is the sum of the overall percentage of KPA and percentage of competency is reached.

2.24 Outcome of the Final Assessment
The outcome of the final assessment is determined by linking the score obtained in the final assessment to the appropriate reward/no reward. For salary levels one to ten the following criteria applies;
• Unacceptable performance is performance which is at 40% and below, probation should be extended or terminated. It also denotes an unacceptable performance;
• Not effective performance is performance between 40%-49%, probation should be extended;
• Fair Performance is between 50%-59%, 1% notch increase is recommended and performance should be extended;
• Fully effective performance is between 60-69 %, appointment should be confirmed and performance is fully effective, employee is entitled to 1% notch increase;
• Performance significantly above expectations is between 70%-79 %, appointment should be confirmed,1% notch increase is recommended and a 4-8 % cash bonus is recommended and performance is significantly above expectations;
• Outstanding performance is between 80%-89 % means that one is entitled to 1% notch increase and a 7%-9% cash bonus is recommended and ;
• 90 % and above denotes an outstanding performance, appointment must be confirmed, and an employee is entitled to 1% notch increase and a 10%-14% cash bonus.

In respect of all the above, both the supervisor and the employee should agree on a development programme. This programme must be identified and agreed upon in respect of all the above (ECPM-Provincial Treasury, 2007:15).

2.25 Handling of Disputes in Performance Management-Related Issues
The ECPM-Provincial Treasury (2007:15) suggests that if there is a dispute an employee must lodge an appeal in writing to the Assessment Appeal Authority within five days of being notified about the outcome of his/her assessment. If the dispute is not resolved after the above process has been followed, the normal grievance procedure of the public service is recommended.

2.26 Effective Implementation of Performance Management
Gerber et al. (1998:241) warn that a distinction between an organisation’s policy and practical implementation must be drawn as there is a vast difference between documented policy and the practical implementation. The Province of the Eastern Cape
Performance Management Policy System (2002:10) advocates for the integration of departmental plans and processes, the alignment of individual departmental plans with the strategic goals of the entire province. For instance, if the Department of Health is planning to budget R650 000 for circumcision in a particular financial year, other stakeholders like the House of Traditional Leaders, the Department of Education and Social Development should be involved to avoid working in silos. This integration of plans will aid in ensuring the effectiveness of these service delivery initiatives.

The cost of poor performance has been found to have a large financial impact on organisations around the world. A survey of seven nations found that the annual cost of managing poor performance was great, ranging from $1.29 billion (or 0.6% of GDP) in Sweden to $105 billion (or 2.3% of GDP) in the United States (Future Foundation, 2004). In order to implement performance management effectively, an organisation should develop a performance management Manual/policy that uniquely fits that particular organization (ECPMH Manual, 2002:7). Erasmus et al (2005:67) views the Integrated Management System as an approach that sees the public sector HRM in an integrated manner that provides a strategic element which ensures co-operation from all the various role players in order to enhance, amongst other things, public sector performance (Erasmus et al, 2005:68). This means that both the manager and the subordinates are supposed to come and work together with one common goal of being efficient and effective in the public service.

Performance appraisals should be carried out by supervisors who have been trained and who have the best knowledge about the employee’s job performance and who are able to observe the employees’ job performance daily (Gerber et al.1998:169). This view can decrease the negative perceptions about performance appraisals. Lack of proper training of raters also has a major contribution in making performance appraisals a failure (Gerber et al.1998:174). Proper training of the raters can decrease the problems that are associated with the appraisal interview. In addition, HR managers must be mindful of the fact that “knowledge is continuous not static” (Gerber et al.1998:174). This means that if a manager has been trained on performance appraisals in 2005, it does not mean that that manager does not need to go for further training. There are paradigm shifts on a regular basis in the public sector in pursuit of improving efficiency and these affect the people in an organisation.
An ideal appraisal form integrates the company’s mission statement and forces the appraiser to note the positive contributions the individual has made over the review period. A model form might have a short section that asks the evaluator to list the individual’s three most important achievements during the appraisal period that directly supported the strategic plan or vision and values of the organization. That is an effective way of connecting individual performance with the company’s mission statement. If a five-level scale rating is being used, it is being advised that one has to make sure that the middle rating has no connotation of mediocrity, rather, the following should be used: “Fully Successful” or “Good Solid Performer.” (Grote, 2001:4). Organisational case studies also provide subjective evidence that an integrated PMS is the key driver to their success (Brown & Armstrong, 1999). Feedback should also be conducted on an on-going basis by both parties to the performance management cycle. Kloot and Martin (2000:248) emphasise that an integrated performance management system should be focussed on value for money service delivery and organizational improvement.

2.2.7 Conclusion

Various scholars have agreed that performance management is a systematic approach to managing people, goal measurement, feedback and recognition as a way of motivating employees to achieve their full potential in line with the organisation’s objectives. An integrative, holistic approach between the organisation, the team and the individual is recommended in order for performance management to be effective in an organisation. Tasks which must be carried out during a performance management cycle in a financial year must be complied with in order for the department to justify its recognition or sanctioning of employees should performance-related queries arise.

Employees need to realise that a performance management process is not only linked to pay, it is also developmental. It has also been noted that PMS tends to be evaluative rather than developmental, meaning, backward-looking rather than being forward-looking. With specific reference to performance appraisals, it has been argued that they tend to be past-oriented yet the approach of PMS should be future-oriented as well to assist employees identify what they should be doing best to enhance their performance. In order for performance objectives of the Department and individual employee
performance objectives to yield better performance they must be aligned with the strategic and operational objectives of a Department.

Feedback is necessary after reviews have been conducted to influence ratings and to correct certain behavior, identify correct poor performance and reward good performance. Failure to do this may mean that conducting performance assessments may not be a true reflection of one’s performance but a ritual. For performance management to be properly implemented, policies must be evaluated. Change management must be adopted if organisational behavior needs to be addressed, but managing change needs to be holistically.
Chapter 3: Research Methodology

3.1 Introduction

The previous chapter presented a review of literature on the implementation of PMDS with particular focus in the Provincial Treasury employing primary and secondary sources. This chapter will attempt to discuss the research design and methodology which will be employed when conducting research in the Provincial Treasury in relation to the theory reviewed in the literature review to solve the following research problem. The main problem is the alleged erratic implementation of the processes which constitute performance management in Provincial Treasury (Strategic Plan, 2010-2014:28). This tendency undermines the purpose of performance management of managing and developing the individual which is believed to enhance organisational performance. It also undermines the objectives of the White Paper on Human Resource Management in the Public Service (1997:42).

This study will attempt to explain the research methodology, dimensions of research, research metatheory, rationale for a qualitative study, research design, validity of research design, units of analysis, population of the provincial treasury, population sampling, demarcation of the study, ethical standards during data collection, ethics in sampling and data analysis.

3.2 Research Methodology

Leedy (1997:5-10) describes research as a process by which a researcher attempts to find systematically, with the support of demonstrable fact, the answer to a question or problem statement. Research is viewed as a cycle which begins when a researcher has an unanswered question. This unanswered question is then developed into a clear problem statement, subdivided further to sub-problems. Thereafter, the researcher comes up with the hypotheses. The population is subsequently carefully selected using an appropriate sampling technique. Then data is gathered, analysed and interpreted in order to solve the research problem ultimately a research report is documented. Babbie and Mouton (2001:103 & 75) define research methodology as a method through which a researcher collects, analyses and interprets data to fulfil the research aims and objectives. It focuses on the individual steps in the research process and the most
objective systematic procedure which is going to be used to solve the research problem. Leedy (1997:172-229) maintains that depending on the research objective, a specific research methodology can be selected from various methodologies. Different kinds of research questions require different kinds of approaches (Clarke, 2005:35). Some of the techniques of research methodology are historical, comparative, descriptive, experimental, evaluation and ethnographic studies. Terreblanche, Durrheim and Panther (2006:96) emphasise that methodology should be studied in terms of the epistemology (philosophies of knowledge and theory to distinguish research paradigms/metatheory).

3.3 The Relationship Between Metatheories/Paradigms and Research Dimensions

3.3.1 Positivism and Research Dimensions

Terreblanche et al (2006:6) emphasise that research paradigms are inter-related in thinking and in practice and they define the nature of enquiry using the three dimensions of research. They also indicate that if a researcher believes that what is to be studied entails a stable and unchanging external reality like the law of gravity, one can employ an objective and detached epistemological stance towards reality and can use a methodology which depends on control and manipulation of social reality. This is known as the positivist approach. This phenomenon is not suitable for this study since it is not premised on a stable and unchanging external reality nor does it depend on manipulation of the perceptions or attitudes of the management and staff of provincial treasury. Instead, this study looks at Trochin (2006:2) who contends that in most observational or descriptive studies the external reality of a qualitative study is typically more flexible as it allows greater spontaneity and adaptation of the interaction between the researcher and the study participant. This may be partly prompted by the qualitative method used like open-ended questions which allow the respondent to respond to such a question more elaborately and in greater detail than they would in quantitative studies.

Babbie, Mouton and Marais (2001:23) insist that positivism refers to scientific claims that have been hypothesised on the basis of empirical evidence. These authors believe that in this scientific phase, scientists explain observable behaviour in terms of direct observable relations of contiguity and correlation between phenomena. This means that these scientists do not explain observable behaviour in terms of fundamental forces that
cause things to happen, rather, on observable relationships between phenomena. This approach is associated with quantitative methodology.

3.3.2 The Critical Social Science Approach and Research Dimensions
Terreblanche et al (2006: 6) maintain that if the researcher is of the opinion that the social reality to be studied is unstable and changeable, one may use an epistemological posture which is transformative and emancipatory. The critical social science approach is associated with conflict theory and a feminist analysis. Unlike the positivist and the interpretive approach’s contention that the aim of science is to explain or understand society, the critical social science theory asserts that in addition to that the aim of science is to change society for the better by empowering people.

3.3.3 The Interpretive Approach and Research Dimensions
Terreblanche et al (2006: 6) maintain that if people’s subjective experiences of social reality are to be studied, an inter-subjective epistemological stance toward reality and the use of methodologies such as interview or participant observation may be preferred. This approach will allow for subjective reasons and meanings of the people’s social action to be explained as such.

The interpretive approach traces the practices of human beings in qualitative approach. In the latter, the researcher does not start with concepts determined *a priori* but seeks to allow these to develop from social encounters (Bevir and Kedar 2008, Yanow and Schwartz-Shea, 2006; Klotz and Lynch 2007, Prasad 2005). This means that the researcher should suspend any pre-conceived interpretations or beliefs as much as possible when assuming the role of being a researcher using an interpretive approach. This approach is premised on the fact that the purpose of social sciences is to understand people as being self-directing, conscious and symbolic human beings not biological objects. The emphasis is on interpretive understanding (verstehen) rather than causal explanation in terms of universal laws. In addition, human beings are viewed as being continuously engaged in the process of interpretation, giving meaning, rationalising and justifying their actions. George Herbert Mead of the University of Chicago emphasised the role of the inner mental processes like the minds and selves play in people’s subjective experiences (Babbie & Mouton; 2001:31). He understood the
mental processes as the key to understanding the link between individuals and the society to which they belong.

3.4 Data Types
These designs are classified into empirical and non-empirical studies as well as primary and secondary empirical data. Empirical questions are believed to be resolved by collecting new data or by analysing existing data. They can include exploratory, descriptive, causal, evaluative, predictive or historical questions. Non-empirical questions include questions about the meaning of scientific concepts. They can be theoretical (literature review), conceptual or normative questions. Another classification of designs is based on the type of data collected. Primary empirical data refers to data that one has collected personally. These include experiments, surveys, case studies or ethnographic studies. The core function of these studies is to understand another way of life of a particular society. These studies mainly use interviewing techniques and participant observation as data gathering methods.

Secondary data refers to data which already exists when one begins conducting the research. Data can be classified into two types, numeric and textual data (Babbie & Mouton, 2001:77). The former refers to statistical and psychological test scores whereas the latter refers to textual data, interview transcripts, content analysis and conversations.

3.5 Dimensions of Decision Making in Research Design
According to Babbie and Mouton (2001:75-77), a research design is a plan or blue print detailing how one intends to conduct the research. It focuses on the type of study which is planned as well as on the results that are expected. Mouton (1998: x) states that a research design is a set of guidelines and instructions to be followed in addressing a research problem. Thus, the development of a research design follows logically from the research problem. Frazer and Lawley (2000:8) concur with this view by adding that the research design answers the question which says ‘How will data be collected to address the research problem?’ The function of a research design is therefore to enable the researcher to anticipate the appropriate research decision in order to maximise the validity of the study and eliminate potential error. Two fundamental kinds of validity which relate to research design are distinguished; internal and external validity.
(Terreblanche et al 2006: 162). Internal validity is argued to be strong in studies with artificial settings like experimental studies where great control can be exercised over the conditions of that study. This validity is enhanced by ensuring that findings of that particular study are sustained by the design itself and cannot be explained by alternative means. A study has external validity if its findings can be generalised beyond that particular study (ibid). Quantitative and qualitative researchers have a different view about validity.

Quantitative researchers are more concerned with measurement of data than qualitative researchers (Neuman, 2006:179). On the one hand, the former measures data at the conception of the research and develops techniques which produce numerical data. On the other hand, the latter measures data during data gathering stage. Terreblanche et al (2006:36) maintain that four dimensions must be considered when a researcher develops a research design. These are the purpose of the research, the theoretical paradigm informing the research, the context within which the study is being executed and the techniques which will be used to collect and analyse the data. The figure below depicts this four-phased series of decision-making in research design;

Figure 5: The Four Dimensions of Decision Making in Research Design.


3.5.1 The Purpose of this Study
Terreblanche et al (2006:40) advise that in developing the research design the researcher must ask two questions about the research purpose: from whom do we want to draw conclusions and what type of conclusions do we want to draw about the units of analysis? Newman (2006:33) states that the purpose of research is to explore, describe and explain social phenomena or a new topic depending on what the researcher wants to achieve. The purpose of exploratory research is to investigate all source of information or develop preliminary ideas by formulating the research question.
Descriptive research establishes new data which contradicts the previous data. An explanatory research enriches a theory’s explanation and determines which of the several explanations the best is.

The research question for this study is: How effective is the implementation of performance management in the Provincial Treasury of the Province of the Eastern Cape? Since it is aimed at answering the ‘How’ question, this study is descriptive and explanatory. The researcher will observe, describe and understand what she has observed within the context in which it occurs (Babbie, 2009:272). Explanatory studies build on exploratory and descriptive studies and go beyond focusing on a topic but look for causes and reasons. An exploratory research has also been advocated as being appropriate for this study to enable the researcher to identify attitudes, adopt an investigative stance and explore perspectives and attitudes of the managers and employees of Provincial Treasury regarding the effectiveness of the implementation of PMDS (Babbie & Mouton, 2001:270). Exploratory studies are advocated when the phenomena in question is persistent like the implementation of PMDS. These studies are believed to lead to insight and comprehension since they are goal-driven. The most appropriate research designs which can be used are open and flexible research strategy, use of literature reviews, interviews, case studies and informants which may lead to insight and comprehension.

The purpose of this study is to investigate the effectiveness of the implementation of PMDS in Provincial Treasury. The investigation into this study is important because there has been ongoing political and public scrutiny on the low levels of service delivery by the public servants in the Province of the Eastern Cape. In the light of the above, this province has been cited as one of the top Provinces with poor performance levels (Public Service Commission, 2006:7). The provincial treasury in particular has been selected for this study because a number of challenges have been identified regarding the implementation of PMDS in this Department. These challenges have impacted on the effectiveness of PMDS as a system aimed at managing and developing individual and the institutional performance.

3.5.2 The Research Paradigm

Babbie (2013:58) explains a “paradigm” as the fundamental model or frame of reference used to organise our observations and reasoning. Terreblanche et al
(2006:40) suggest that paradigms are systems of interrelated ontological, epistemological and methodological assumptions, also known as dimensions. In order to understand the dimensions of social research, Mouton and Marais (1996:7) suggest that the definition of social sciences should be understood as the joint human activity in which social reality is studied objectively with the aim of obtaining a valid understanding of it. The ontological dimension relates to the study of social reality and refers to discussion and disputes on the various ways in which research domains can be defined and classified. Epistemology refers to the nature of the relationship between the researcher (the knower) and what it denotes (Hirschheim, Klein, and Lyytinen, 1995) “the nature of human knowledge and understanding that can possibly be acquired through different types of inquiry and alternative methods of investigation”. The epistemological dimension is regarded by Mouton and Marais (1996:14) as being the key dimension of social sciences. This dimension is oriented to validity, demonstrability, reliability or replicability of research findings which are characteristic of a qualitative study.

The methodological dimension refers to the approaches of social theory such as positivism, phenomenology/interpretivist or critical theory. At the project level the qualitative, quantitative and the participatory approaches are studied (Mouton, 2013:20). The qualitative approach is regarded as a precursor of the quantitative study since it is often used to generate possible findings which can be used at a later stage to formulate a hypotheses which is realistic and testable (Shuttleworth, 2008).

3.5.3 The Context within which the Study is Undertaken

Qualitative and quantitative research methodologies are the two methodologies which can be used in a research project. Qualitative researchers attempt to study human action from the perspective of the social actors. Babbie and Mouton (2001:271) insist that the primary goal of the qualitative approach is to describe and understand rather than explain human behaviour. Qualitative research is deemed appropriate for studying attitudes and behaviours which are in a natural setting rather than in artificial settings like experiments and surveys. Babbie (2009:271) cautions against the misnomer that qualitative research should just be seen as an approach which merely studies social actions in this setting, instead, the researcher should attempt to view the social action through the point of view of the actors themselves.
In qualitative research the researcher is the main actor or instrument during the research process that interprets and gives meaning to the findings. This approach to qualitative research refers to a broad methodological approach to the study of social action (Babbie, 2009:271). If a researcher opts for a qualitative approach, it therefore follows that qualitative methods of data gathering, sampling and analysis will be used. This approach will allow for ‘thick narrative descriptions’ of the phenomena under study and gave the researcher opportunity to take into account the views of the participants and the subtleties of complex group interactions and multiple interpretations in the group’s natural environment. Quantitative studies aim at analysing variables and the relationships between them in isolation from the setting in order to increase generalizability.

The main purpose of this study is to investigate the effectiveness of the implementation of PMDS in Provincial Treasury. The objectives of this study are:

- To identify the perspectives, sentiments and attitudes of Senior Managers and employees of Provincial Treasury concerning the implementation of PMDS in their Department because negative perceptions about this system often lead to behaviour that is not conducive to achieve set targets.
- To identify the gaps in the implementation of the existing PMDS in the provincial treasury in order to fill gaps.

In order to pursue the objectives of the study, the researcher will use a qualitative approach. This approach is ideal in enhancing the interpretation of the findings. It is also recommended when first-hand information must be obtained from the participants (Babbie & Mouton, 2001:270). The qualitative approach will be undertaken in this study to allow the Researcher to discover the views and perspectives of the employees and of the management of Provincial Treasury (Neuman, 2006:160) on this system.

### 3.5.4 Research Techniques Used to Collect Data

Techniques of data collection are categorised into two; qualitative and quantitative techniques (Neuman, 2000:33). For a quantitative researcher, high quality data has to be reliable, valid and give precise consistent measures of the same objective truth for all researchers. Unlike qualitative researchers, high quality data means that instead of
assuming one single objective truth, field researchers believe that participants interpret their experiences within a social context. The qualitative researcher does not eliminate subjective views or manipulate the data in order to obtain quality data (Neuman, 2000:402).

Quantitative data can be collected by experiments, surveys, and non-reactive research (content analysis or existing statistics or secondary analysis) in the form of numbers. Experiments are defined by Neuman (2013:41) as research in which the researcher manipulates conditions for some research participants but not others. Survey research is regarded as being the best method to the social scientist in collecting original data for describing a population (Babbie, 2009:233). Newman (2006:43) states that it is a quantitative research where a researcher systematically poses the same questions on a large number of people and records them. In contrast, De Vos (1991:3) contends that surveys are not synonymous with a particular technique of data collection. Non-reactive or unobtrusive research occurs when the units of analysis are not aware that they are being studied but enable the researcher to infer from their behaviours or actions without disrupting them (Neuman, 2000:321).

Written questionnaires or formal interviews are used to gather data, pictures or behaviours. Qualitative data are collected by field research (ethnography, participant observation) and comparative historical research. Data is collected in the form of words. Field research occurs when a researcher directly observes and participates in a small-scale social setting to provide a very detailed thick description of others from a point of view of an insider. Historical–comparative research is recommended for studying the combinations of social factors which produce a specific outcome. It is also advocated for comparing social systems and what is unique or common across societies and to study social change (Newman, 2006:420). Surveys in the form of questionnaires and qualitative interviews will be appropriate for this study as the researcher is interested in describing how effective the implementation of PMDS is in provincial treasury.

The choice of one or more of these approaches has a bearing on the data collection method (questionnaires, interviews/documents) and on data analysis (whether one will use statistical/mathematical or interpretive method) or inference (inductive, deductive or retroductive) method. Deductive theory can lead to theoretical expectations which can
be tested by observation like testing perceptions of people on a certain subject. Inductive method illustrates how collecting observations can lead to generalisations and an explanatory theory (Mouton, 2013: 84). For this study the interpretivist theory with the use of questionnaires and qualitative interviews as data collection methods and interpretive method as a data analysis method was preferred. The interpretive approach has methodological implications and consequences of a qualitative methodology (Babbie & Mouton; 2001:29-33). The researcher focused on unveiling analytically these practises and how they align to generate data which is observable. The researcher found a qualitative description of the provincial treasury’s staff experiences and an inductive analysis of data most appropriate for the purpose of this research because all these procedures enhanced the possibility of objectivity which would have vanished if quantitative or experimental strategies were employed.

3.6 Components of Research Designs
Bless and Higson-Smith (2000:68) maintain that research designs have two essential components. These are the event, intervention or treatment which the researcher expects will have some effect on the dependent variable as well as observation. The event is sometimes controlled by the researcher. It represents the independent variable of the research problem. The second essential component is observation. This is a process where the researcher is believed to observe and measure variation in the dependent variable. Since the researcher has noted that there are challenges in the PMDS of provincial treasury, observation will be used as a data collection method.

The Research Question is: How effective is the implementation of performance management in the Provincial Treasury, Province of the Eastern Cape? Threats to interpretation validity can occur as a result of the researcher's own biases and beliefs if the researcher attaches his or her own words and meanings to the interviews and observations (Maxwell, 1996:77). This author further remarks that there are no specific methods in qualitative research assuring that the researcher has correctly interpreted events and observations. Triangulation, also known as the use of multiple methods is used in qualitative methods in order to enhance validity and reliability, as Denzin points out in Babbie and Mouton (2001:275). This is the plan which has been used by Nakani (2008) in her pursuit to assess the perceptions of the employees of the Office of the Premier on PMDS. The primary threat to description validity is an inaccurate
representation of what the researcher heard or saw from a research participant (Maxwell, 1996:77). As this author explains, validity is not an inherent characteristic of a particular research method, but data, statement of accounts of respondents or findings of a particular method determine validity. Maxwell (ibid) insists that adherence to methods does not guarantee validity, instead, may hinder the development of exceptional qualitative research. Qualitative design methods of audio-taping the interviews and taking detailed, actual and chronological field notes during the interview process serve to enhance description validity.

3.7 Demarcation of this Study
There is a need to demarcate this study to make it manageable for the researcher taking into account the constraints of time, finance, sample size and the ability of the researcher (Brynard & Hanekom, 1997:11). This study is confined to examining the effectiveness of the implementation of performance management in the Provincial Treasury, Province of the Eastern Cape. This institution has four Branches, each with programmes and sub-programmes out of which samples will be drawn.

The focus of the study is on the effectiveness of the implementation of performance management in provincial treasury looking at views and the perceptions of the Senior Managers and employees of Provincial Treasury. This study does not focus on financial management although some scholars are of the view that financial management also constitutes performance management. This will make the study manageable for the researcher. The units of analysis are the Senior Managers, and the employees of Provincial Treasury who will be sampled from the directorates of this department. The locus of this study is Provincial Treasury in Bhisho.

3.8 The Units of Analysis
When planning an appropriate research design, Bless and Higson-Smith (2000:64) mention that when drawing a sample, the person or object from whom the researcher collects data is the unit of analysis. These authors also indicate that the data from such a unit can only describe that unit, but when combined with similar data collected from a group of similar units, provides an accurate picture of the group to which that unit belongs. Mouton and Marais (1996:38) mention that usually a certain number of individuals are studied as being representative of that particular population which has initially been identified. For this study, it will be prudent to study individuals as units of
Mouton and Marais (1996:40) recommend that for orientations such as people’s attitudes, opinions dislikes or values one should study individuals as units of analysis. Since time is of essence when studying units of analysis, these authors suggest that the dimension of time determines the units of analysis. They highlight two dimensions of time, the longitudinal/diachronic and the cross sectional/synchronic studies. The former is used when studying units of analysis over an extended period of time whilst the latter is relevant when studying a phenomenon over a specific point in time. Cross sectional studies can be used when studying phenomena such as attitudes of people. In this study therefore, cross sectional studies will be used since this study will be undertaken over a period of time.

The units of analysis refer to the ‘what’ object, phenomena or entity of the study (Babbie & Mouton; 2001:85). They can be seen as those things that are examined in order to construct summary descriptions of all units in order to come up with explanations of differences among them. There are several different categories of units of analysis which range from individuals, groups, organisations or social artefacts (poems, letters). The units of analysis in this study are the management and the employees of the Provincial Treasury. The study of human behaviour which is in the form of attitudes or perspectives of the management and employees of Provincial Treasury is an empirical research.

3.9 Population in the Provincial Treasury
Babbie and Mouton (2001:102) are of the view that a population for a study is that group of people about whom conclusions can be drawn. Bless and Higson-Smith (2000:85) define the population as the entire set of objects and events or group of people about which the researcher wants to determine some characteristics and to which the results are obtained by testing the sample should be generalised.

The internet has been used to retrieve the current organogram of the Provincial Treasury. It is being advised that before sampling is done, a target population must be identified. A determination of whether the element belongs to the population under investigation should be done. In the case of the Provincial Treasury, in defining the employees, from salary levels 13 down to level five confirm, as targeted, it would be proper to define firstly who the employee is. The Public Service Act, 1994 defines employees as individuals who hold posts on a fixed establishment on a full time basis or
who are employed temporarily or under a special contract or in a part time capacity. Hence, in this study, even interns or contract workers will be participating. The general assistants of this department have been excluded in this study since their function has been outsourced.

3.10 Population Sampling

Sampling is the study of the relationship between a population and the samples drawn from it. One of the objectives of sampling is to draw inferences about the unknown population parameters from the known sample statistics, which are obtained through data collection from the sample. Babbie and Mouton (2001:102) insist that it is almost impossible to study all members of the population hence population sampling is preferred. These authors warn that findings obtained from a sample drawn from a narrow definition cannot be generalised to the broader population. For instance, if the sample in provincial treasury excludes certain categories of employees like interns or contract workers, the findings of that study may not be generalised to the broader population of the Provincial Treasury.

A correct sampling frame is advisable. This is a list of all units from which the sample is to be drawn. A sampling frame is a list of members of the population or the resource used in the selection of the sample (Mouton, 2013:160). A sample’s representativeness depends directly on the extent to which a sampling frame contains all the members of the total population which the sample is intended to represent. This group is called a representative sample. Due to the huge staff complement of Provincial Treasury a representative sampling frame will be selected using an appropriate sampling method for this study.

Frazer and Lawley (2000:9) assert that the sampling stage addresses the question ‘From whom do we need to obtain the information from? It has then been apparent that Provincial Treasury comprises four branches. Senior Managers (at level 13), managers (between levels nine and eleven) and officials (from levels six and eight) were targeted. Collin (1997) defines a manager as any member of an organisation whose job includes supervising others. He categorises managers into senior, middle and supervisory managers. A senior or top manager is responsible for the overall success of the organisation. In government departments this manager is at salary thirteen. A middle
manager is responsible for interpreting and overseeing the execution of organisational policies within a specific section or division of the organisation and the supervisory or assistant manager is responsible for the final implementation of policies by operational staff.

3.11 Sampling Techniques
The methodological criteria which should be used during sampling are a clear definition of the population, systematic drawing of the sample and drawing of a probability rather than a non-probability sample. Newman (2000:219) mentions that there are two basic techniques for sampling individuals from a population: probability and non-probability sampling.

3.11.1 Probability Sampling Technique
Mouton (2013:128) defines probability sampling as a sampling technique where each member of the population stands a chance of participating in the study. This technique refers to objects being randomly selected. A random selection implies that each element or unit about which the information is collected stands a chance of being selected. Mouton (213:132) mentions that this technique is sub-divided into simple random and systematic sampling designs. The simple random sampling method is a basic sampling method used in the statistical world of social research. In the systematic sampling method units are being selected systematically by choosing that for instance every 10\textsuperscript{th} person is being selected for inclusion the list of participants.

3.11.2 Non-Probability Sampling Technique
The non-probability sampling technique allows the researcher to define the population. It also puts reliance on available subjects. Non-probability sampling designs include purposive (judgmental), quota and snowballing sampling. Mouton (2013:161) warns that none of these techniques ensures that the sample will be representative of the population being sampled.

Purposive or judgmental sampling is cheap and convenient. It also affords the researcher an opportunity to choose units of analysis on the basis of the researcher’s judgment, on the basis of knowledge of a population and on knowledge of the purpose of the study or research aims (Mouton, 2013:127). Due to the huge staff complement of
Provincial Treasury, sampling was done. Contract workers and interns were also targeted in this study since they are supposed to be assessed to monitor their performance. The White Paper on Human Resource Management in the Public Service (1997:1) sets out a policy framework which recommends that “Every employee’s performance will be assessed at least once annually against mutually agreed objectives.”

Purposive sampling is useful in getting an in-depth investigation into views and perceptions of employees as well as of Senior Managers. Although employees who are at salary level three, the general assistants, were targeted, they were unable to participate as expected because their function has been outsourced to a private supplier.

Purposive sampling was used in this study by conveniently selecting participants from salary level five to salary level thirteen from almost each directorate to get a representative sample of Provincial Treasury. A maximum of thirty participants was targeted for this study. This method was convenient since it enabled the researcher to conveniently select participants according to the relevant criteria based on the research problem. It was crucial that when deciding on the sample for this study, the researcher determined the sample that best represented a population of this department in order to obtain an accurate generalisation of findings. The purposive sampling is a non-probability sampling method which is consistent with the interpretive metatheory on which this study is premised.

In quota sampling technique the units of analysis are selected on the basis of characteristics which have been pre-defined to enable the sample to have the same distribution of characteristics (Mouton, 2013:130). Snowballing sampling technique is ideal when doing field research and where each member being interviewed may be asked to suggest other relevant units to be interviewed.

Certain sampling procedures are being associated with both qualitative and quantitative sampling. Babbie & Mouton (2001:289) caution that in qualitative paradigm sampling is purposeful and directed to a certain inclusive criteria rather than random selection. Quantitative paradigm is associated with probability sampling. Babbie and Mouton
(2001:289) indicate that a crucial question that needs to be asked before gathering data is; where is the data going to come from? This of course hinges on the assumption that anyone is potentially a good respondent in a research process.

3.12 Ethics in Sampling
Mouton (2013:161) suggests that the researcher should advise the readers of any possibility of errors which might arise during sampling as these might render the results misleading or not credible. Even during data collection, a researcher must comply with ethical standards to enhance the validity or reliability of the research findings.

3.13 Ethical Standards During Data Collection
Babbie & Mouton (2001:521) are of the view that ethical issues arise out of interaction with other people amongst others, where there is a potential for conflict of interest. To comply with ethical considerations, the researcher got consent to conduct on-site research from Provincial Treasury's Accounting Officer prior to conducting research. An information letter to the participants and consent forms were shown to the respondents prior to conducting research.

In the covering letter of the staff's questionnaires and managers' interviews the researcher stated that participation was voluntary and that non-participation would have no negative consequences. One was also informed that one could withdraw from the study at any time should one feel that one was no longer interested in taking part in the interview. They were also told the aims and objectives of this study. To avoid bias and influence on the data, the researcher did not pre-empt the responses.

During data collection a researcher must be cautious of certain ethical principles such as systematic and accurate recording of the observation, establishment of trust and rapport with the participant and a researcher must not be biased. For example, asking the respondent to advise how implementation of performance management can be improved can evoke a perception that being given a low rating by one's supervisor is only motivated by bias of the supervisor rather than other factors. The interviewer must open the interview and allow the respondents to express their perceptions without imposing his/her view.
Babbie and Mouton (2001:522) suggest that there should be no harm to participants in respect of revealing sensitive information that would embarrass or endanger the participants. To ensure that no ethical issues arise and that there is no harm to participants, the researcher sought informed consent from the subjects who would be participating in this study so that they knew what they were getting involved into in order for them to make informed decisions.

Since revealing the identity of participants might prejudice the participants, the researcher guaranteed them anonymity and confidentiality. Respondents were advised to remain anonymous, not to fill in their personal details in the questionnaires if they wished so that a certain response would not be linked to a respondent (Babbie, 2013:35). Subsequent to that advice, none of the respondents divulged their personal details during data collection. The information will be released in percentages during data analysis, in a way that does not permit linking the responses to the respondents. This anonymity might make it difficult for the researcher to track which manager has not returned the questionnaire. Even if the researcher can identify who the response belongs to, the researcher promised to keep the responses confidential (Babbie, 2013:35). Should more information be needed or if it needs to be verified from managers with whom the interviews were held, as soon would be achieved, any information which identified the respondent would be deleted. Respondents were not humiliated or forced to participate in this research or respond in a particular way. The interpretations of the results will be made consistent with the data that will be collected (Newman, 2000:102). Respondents were informed that there was no monetary reward for participating in this study. If there was a sponsor who funded this research, she/he would be identified and sponsor demands which would lead to compromise in ethical or professional research standards would be avoided.

The researcher tried not to impose any personal opinions or influence of any nature on the study or eliminate subjective views in order to obtain quality data (Neuman, 2000:402). Data was collected objectively; information received from the respondents was recorded without trying to make sense out of it in order for the integrity of this research to be protected. The researcher told the participants from the beginning the aims and objectives of this study. They were also told that their conversation would be audio-taped by using a tape recorder so that the field notes that were taken by hand could be verified to ensure reliability of the information collected. The recording would
also supplement interview notes that were taken and provide a permanent record which others can review (Newman, 2000:366). Patton (2002: 383) states that it will also ensure validity and reliability of data collected and it will reflect the participant’s answers.

Ethics must not be compromised when handling data because there is a contention that final data is clearly influenced by prejudices, expectations, attitudes, opinions and beliefs of the researcher irrespective of whether a qualitative or quantitative study is conducted (Mouton (1998:151). Mouton (1998:151) warns that there are certain orientations which are possible during data collection, like bias-producing cognitive factors in the interviewer, attitude structure expectations and role expectations. The bias-producing cognitive factors include specific beliefs and perceptions. Expectations of this nature can create bias if the researcher allows herself to be affected by them during the research. Attitude-structure expectations mean that the researcher believes that the attitudes of respondents are likely to display uniformity of structure and this may lead to researcher expecting a certain trend in responses during research which he received earlier on.

3.14 Research Instrument and Data Collection for Managers

Mouton (1998:110) believes that various kinds of empirical information or data which include statistical, historical or documentary data are collected by a researcher during the process of data collection. Primary empirical data which was gathered by interviews and questionnaires was used for this study to enable the researcher to collect data which can be generalised from the respondents. The research instrument which was used for management (Senior Managers, middle and junior managers between salary levels 9 and 13) was the interview using a schedule of questions. Interviews are known for having a high response rate. An interview is an alternative data collection method in surveys. The researcher used pre-determined schedule of questions in order to obtain a high response rate in a short period of time (Frazer & Lawley, 2000:42). A response rate is the number of suitable respondents who actually respond divided by the total number of eligible respondents approached by the researcher (Frazer and Lawley (2000: 74).

The list of all senior managers and their personal assistants with contact numbers were sought from the manager in the office of the Head of Department (HoD) of Provincial
Treasury once permission to conduct this research was granted. These interviews were voluntary. They took approximately thirty minutes during lunch hour. The researcher conducted research alone in order to enhance a high response rate of participants. This is prompted by the findings of a study conducted by Rangonetti (1970) as cited by Mouton (1998:151) which reveal that irrespective of the gender of the interviewer, respondents were significantly more open in their responses when they were interviewed by a single interviewer than when they were interviewed by a group.

In this study the interview guide was constructed by first preparing questions. An interview guide is a list of topics and sub-topics within the phenomena or area of inquiry about which a researcher intends to gather data (Mouton & Marais 1996:213). It is meant to provide a framework for the researcher to develop questions and determine which information to probe. It is also seen as a checklist against which topics may be covered.

**3.15 Response Formats**

Three main response formats are identified by Frazer and Lawley (2000: 26&27). These are the open-ended or unstructured, close-ended or structured and scaled responses. For managers, a majority of close-ended and a few open-ended questions were administered. Open-ended questions are questions where one is asked to express oneself in in one’s views and is not limited to respond by choosing a particular response (Mouton, 2013:230). Whereas, close-ended questions are survey questions in which the respondent is asked to respond by choosing from a range of scheduled responses. Although the use of close-ended questions has limitations, it can make it easy for data to be coded and to be analysed since the responses will be less variable and there will be less missing data. One of the limitations of close-ended questions cited by Mouton (2013:231) is that while designing the possible responses, the researcher must think of all likely responses. Open-ended questions can make respondents express themselves freely and at length. They can also permit an unlimited and an unanticipated number of possible responses from the respondents (Newman, 2000:261). These questions were limited for this study to minimise the problem of legibility of handwriting which might further cause difficulty in data analysis. The first question contained biographical questions.
3.16 Research Instrument and Data Gathering for Staff

For employees below management level (below level nine), a questionnaire with scaled response statements and questions on PMDS were used to measure the staff’s attitudes. Mouton (2013:231) asserts that the use of both questions and statements in a questionnaire gives the researcher more flexibility in designing what needs to be asked. They also make the questionnaire more appetising to the respondent. A questionnaire is a document with questions or statements meant to seek information from the respondent (Mouton, 2013:231). Self-administered questionnaires can be administered by sending a questionnaire by mail containing clear instructions or a guide of how to respond to the questions. They can also be disseminated to respondents and collected at once at the convenience of the respondents.

The use of a questionnaire to gather responses from staff was to ensure that the purposefully selected participant in a directorate individually responds without being influenced by group dynamics like comments made by the group should a setting such as a focus group be used as the case was in Nakani’s study (2008:58) on data gathering from general assistants. The use of the questionnaire helped to avoid the scenario where the group will be dominated by one or two respondents. A few questions were open-ended to enable employees to express themselves freely without being led to respond in a particular manner. The questionnaire minimised the role and influence of the interviewer and enabled a more objective comparison of the results.

A measuring scale, the likert scale, was used to measure the attitudes and views of the employees of the Provincial Treasury. Newman (2000:177) indicates that a likert scale is a measure in which a researcher captures the intensity or level of a variable construct. It is characterised by use of a single or multiple indicators. This scale ranges from strongly agree, agree, neither agree nor disagree, disagree and strongly disagree was used. The middle category ‘neither agree nor disagree’ was deliberately included in this study to enable the respondents to directly point out whether they agreed with the statement. If this category was excluded, the use of close-ended questions would tend to limit the response of the participant. This would leave the respondent with only four options where if the respondent’s response would be neither in agreement nor in disagreement with the scheduled questions he/she would have to choose the closest response to the question posed not the actual response. There is a possible limitation in
the use of likert scales which includes possible response bias particularly where questions touch on socially desirable behaviours (Frazer & Lawley, 2000:29).

3.17 The Design of the Questionnaire

Questionnaires are used with many research designs in social research although they are mostly associated with surveys (Babbie: 2009:239). Wegner (2001:17) states that a questionnaire should consist of three sections. The first section usually asks for the administrative particulars. It is used to record the identity of the respondent and the interviewer by asking for the name, address, date and the place where the interview took place. The second section may contain the demographics like one’s age, gender, marital status or qualification. Questions which seek to address the research objectives are contained in the last section. For purposes of this study, the first section of the questionnaire required both staff and managers to furnish the researcher with biographical information. The second section was based on the statements and questions which sought to address the objectives of this study. English was used as a universal language when drafting questionnaires and interview questions. The researcher’s ability to speak the home language of the managers was an advantage. Since the researcher designed the questionnaires and the schedule of questions, the researcher was very familiar with the content of the questionnaires to avoid taking more time than necessary while administering the questionnaires or while conducting interviews (Babbie, 2009:239). When asking open-ended questions, the researcher recorded the exact responses. Self-administered questionnaires were handed to staff since they are literate. Questions were based on the objectives of this study (Frazer & Lawley, 2000:9).

3.18 Criteria for a Qualitative Research

Babbie and Mouton (2001:76) emphasise that for a study to meet the qualitative criteria it has to be objective and useful to the conceptual framework and the research inquiry. These authors describe the four-phased criteria of objectivity as credibility, transferability, dependability and confirmability.

3.18.1 Credibility

Credibility involves trustworthiness from the perspective of participants in a research project. This means that the findings of a qualitative research must be credible or
trustworthy from the perspective of the participants. For instance, in this study, data collected reflects the subjective views of the managers and staff of department. The researcher must ensure there is internal validity in a study particularly if the purpose of that study is explorative. Internal validity mainly focuses on investigating the extent to which a particular research design has excluded all other possible postulations which would assist explain the dependent variable (Bless & Higson-Smith, 2000:82). It is argued to be only relevant in studies which try to establish a causal relationship in a project like quantitative studies. Trochin (2006:2) contends that it is not relevant in most observational or descriptive studies.

3.18.2 Transferability

Transferability in a qualitative study means the extent to which findings can be generalized to other settings. For there to be transferability, one must ensure applicability of these findings in other social settings. Marshall and Rossmman (1995:144) maintain that quantitative researchers view the lack of external validity as the biggest weakness in qualitative research. Bless and Higson-Smith (2000:82) declare that the study must simulate the real world as closely as possible depicting the reality of the participants. In this research the researcher will ensure that the participants behave in a normal manner as far as possible. No intimidation or bias or any other means will be used to influence their behaviour during or after the research. As indicated by these authors, once participants behave differently due to their participation in a research project, the findings are immediately less valid than they would have been should they have behaved in a normal way.

3.18.3 Dependability

This relates to researchers' response to changes in the setting of the study and how these changes can affect the research. There should be consistency if the study is being conducted more than once and yield the same results.

3.18.4 Confirmability

Refers to whether other researchers could corroborate the researcher's findings to confirm it. Confirmability can be enhanced by checking and rechecking the data of a particular study, or conducting data audit to examine data collection and analysis
procedures. Alternatively, another researcher can pre-empt potential bias or distortion in that particular study (Trochim, 2006:9).

3.19 Data Analysis

Neuman (2006:322) defines data analysis as a technique for analysing the content of the data as well as words, meanings, pictures, symbols, ideas, themes or any message which can be communicated. Quantitative data analysts employ symbolic language of statistical relationships between variables to discuss causal relationships by assuming that social life can be measured by manipulating numbers according to laws of statistics. By contrast, qualitative data are in the form of text, written words, phrases or symbols describing or representing people, actions or events in social life (Neuman, 2000:417). This author cautions that it is very rare that qualitative data analysts use statistical data analysis. This brings one to the conclusion that there are similarities between qualitative and qualitative data analysis like avoiding false conclusions, misleading inferences or errors. Since this is a qualitative study, focus will be on qualitative data analysis. Explanations or generalisations will be developed based on the data collected. Before analysing the data, qualitative data analysts should suspend pre-conceived interpretations or meanings as much as possible as this will assist in ensuring that the data analysis is the true reflection of the respondents. This will enhance the external validity of the findings of the study and its credibility. This is bracketing.

Data collected will be analysed in order to resolve the research question of the study. The research question of this study is ‘How effective is the implementation of performance management in provincial treasury, Province of the Eastern Cape?’ There is a possibility that such analysis may lead to new questions (Neuman, 2000:420).

Since a tape recorder was used to record the interviews of the managers, the researcher will transcribe each interview to enable current themes to be identified. Data will be organised into conceptual categories thereby creating themes or concepts analysed according to the category it belongs to. Regarding data collected by interviewing managers, responses collected in the interview sheet will be compared to data collected by the recorder to ensure accuracy and discover themes. Data collected from questionnaires filled in by staff will also be transcribed. The use of close-ended
questions will make it easy for data to be coded and to be analysed since they will be less variable and there will be less missing data.

This study is qualitative, with data being derived from close-ended and open-ended questions. Results will be transcribed and grouped together according to themes they belong to. A computer will be used to capture and store this data in Microsoft excel. Findings will be described from the subject’s point of view. A structural explanation of findings will be developed.

3.20 Conclusion
The purpose of this study is to investigate the effectiveness of the implementation of PMDS in Provincial Treasury. The Researcher found a qualitative description of the provincial treasury’s staff experiences and an inductive analysis of data most appropriate for the purpose of this research because this procedure enhanced the possibility of objectivity during data collection and analysis. Qualitative research is deemed appropriate for studying attitudes and behaviours which are in a natural setting rather than in artificial settings like experiments. The purposive sampling is a non-probability sampling method which is consistent with the interpretive metatheory on which this study is premised. It was preferred in order to allow the researcher to conveniently select participants. During data collection, the researcher did not impose any personal opinions or influence of any nature on the study or eliminate subjective views in order to obtain quality data.
Chapter Four
Interpretation and Analysis of Research Findings

4.1 Introduction
Research design and methodology with specific focus on the Provincial Treasury, Bhisho were explained in the previous chapter. This study focuses on the implementation of PMDS in this Department. The units of analysis are the management and staff of this department. Due to the huge staff complement of this department sampling was done on senior, middle, assistant managers and staff. Data was collected from the management through interviews. The staff of Provincial Treasury who volunteered for this research filled in questionnaires during data collection.

This chapter attempts to present the interpretation and analysis of research findings collected from this department. Flick (2009:307) maintains that the interpretation of data in qualitative studies is the primary focus after data has been collected although some approaches which include the objective hermeneutics and conversation analysis have a contending view. This entails revealing, uncovering statements and putting them into perspective to develop a theory as well as a foundation for collecting additional data. It is also intended to summarise, paraphrase or categorise the original text. It is believed that these two approaches can be employed alternatively or successively (ibid). Two strategies characterise the interpretation of data: coding the material and sequential analysis. The former proposes to categorise and/or develop a theory and the purpose of the latter is to reconstruct the structure of the data and of the case. In qualitative research the researcher is the main actor or instrument during the research process that interprets and gives meaning to the findings (Babbie, 2009:271).

4.1.1 Response Rate
As indicated, the data gathering instrument used for the managers was the interview method. For staff, questionnaires were self-administered. In total, thirty (30) responses were received.

4.2 Analysis and Interpretation of Findings Based on Interviewing Managers
Section A of the interview sheet required the biographical information of the managers of the Provincial Treasury. Section B contained a majority of close-ended questions, statements and a few open-ended questions. The use of close-ended questions has
limitations. They make it easy for data to be coded and to be analysed since they are less variable and there are less missing data. Open-ended questions can make respondents express themselves freely and at length. They can also permit an unlimited and an unanticipated number of possible responses from the respondents (Newman, 2000:261). These questions are limited for this study to minimise the problem of legibility of handwriting which might further cause difficulty in data analysis.

The tables and charts below depict the responses received from the managers:

**Table 4.2.1 Responses by Positions Held**

<table>
<thead>
<tr>
<th>Position</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Manager</td>
<td>4</td>
<td>25</td>
</tr>
<tr>
<td>Manager</td>
<td>5</td>
<td>31</td>
</tr>
<tr>
<td>Assistant Manager</td>
<td>7</td>
<td>44</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>100</td>
</tr>
</tbody>
</table>

**Chart 4.2.1-Response by Positions Held**

Table 4.2.1 and Chart 4.2.1 depict the responses obtained by interviewing managers in Provincial Treasury. The responses are at 25%, 31% and 44% for senior, deputy managers and assistant managers respectively.

**Table 4.2.2 Responses by Age Group**

<table>
<thead>
<tr>
<th>Age</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 years and younger</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>26-35 years</td>
<td>5</td>
<td>31</td>
</tr>
<tr>
<td>36-55 years</td>
<td>10</td>
<td>63</td>
</tr>
<tr>
<td>56 years and older</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>100</td>
</tr>
</tbody>
</table>
Table 4.2.2 and Chart 4.2.2 reflect the ages of the managers who responded in this study. There was no response from managers who are 25 years and younger. Between ages 26 and 35 years, 5 responses were received which translates to 31 percent. 10 managers responded between ages 36 and 55 responded, this is equivalent to 63%. Only one (1) manager who is fifty six (56) years and older responded. This is equivalent to 5%.

**Responses by number of Years in the Public Service**

Table 4.2.3 below shows the responses by number of years in the public service.

<table>
<thead>
<tr>
<th>Years</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>4</td>
<td>25</td>
</tr>
<tr>
<td>5-10</td>
<td>6</td>
<td>37.5</td>
</tr>
<tr>
<td>More than 10</td>
<td>6</td>
<td>37.5</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>100</td>
</tr>
</tbody>
</table>

**Chart 4.2.3- Responses by Number of Years in the Public Service**
Table 4.2.3 and Chart 4.2.3 illustrate responses from managers by the number of years in the public service. It can be said that 4 managers responded from zero to five 5 years in the public service. This equals 25% response. Between five (5) to ten (10) years and those who are more than 10 years in the service, 6 responses were received. This equals 37.5% respectively.

4.3 Analysis and Interpretation of Data Obtained from Staff by a Survey-Questionnaire

Section A of the questionnaire contained biographical data which was collected from staff. Questions in this section sought responses on perceptions and attitudes of staff and were ranging from positions held, the salary level one holds in the department, one's age group, one's gender. One's race group and the number of years one has been in the public service. This is presented by using tables and charts.

**Table 4.3.1 Responses by Positions Held**

<table>
<thead>
<tr>
<th>Position</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative staff</td>
<td>13</td>
<td>93</td>
</tr>
<tr>
<td>Messenger/Driver</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>General Worker</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cleaner</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14</td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Chart 4.3.1 Responses by Positions Held**

[Chart showing percentages for Administrative staff (93%) and Messenger/Driver (7%) positions]
Table 4.3.1 and chart 4.3.1 depict the responses received from staff by the positions they are holding. 93% administrative staff and 7% response was received from the messenger/driver.

Table and Chart 4.3.2-Responses by Salary Level

<table>
<thead>
<tr>
<th>Salary Level</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 2-3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Level 4-6</td>
<td>4</td>
<td>29</td>
</tr>
<tr>
<td>Level 7-8</td>
<td>10</td>
<td>71</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14</td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Table 4.3.3 and chart 4.3.3 above illustrate responses received from staff between salary levels 4-6 which is 29% and 71% response was received from staff at salary level 7-8.

Table 4.3.4 and Chart 4.3.4 below demonstrate responses by age group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 years and younger</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>26-35 years</td>
<td>6</td>
<td>43</td>
</tr>
<tr>
<td>36-55 years</td>
<td>5</td>
<td>36</td>
</tr>
<tr>
<td>56 years and older</td>
<td>3</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14</td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Table and chart 4.3.4 above indicate the response from staff by age group. No response was received from ages between (twenty) 25 years and younger. Between 26 and 35 years 43% response was received and 36% response was received from ages between thirty six (36) and fifty five (55) years old. 21% response was received from ages 56 and older.

Below is the table and chart 4.3.5 expressing responses from staff by gender. 57% response and 43% was received from females males respectively

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>6</td>
<td>43</td>
</tr>
<tr>
<td>Female</td>
<td>8</td>
<td>57</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
</table>

Below is Table and chart 4.3.6 which depicts responses by Race Group

<table>
<thead>
<tr>
<th>Race Group</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>11</td>
<td>79</td>
</tr>
<tr>
<td>White</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Coloured</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
</table>
According to the chart above, the majority of responses 79% came from african/blacks, only 7% whites and 14% coloureds responded.

**Table and chart 4.3.7 below show responses by number of years in the public service**

<table>
<thead>
<tr>
<th>Years</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5 years</td>
<td>6</td>
<td>43</td>
</tr>
<tr>
<td>5-10 years</td>
<td>5</td>
<td>36</td>
</tr>
<tr>
<td>More than 10 years</td>
<td>3</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
</table>

According to the table and chart 4.3.7, 43% response from staff with 0-5 years in the public service was received. 36% staff with 5-10 years responded and 21% staff who have more than 10 years in the public service have responded.

**4.4 Analysis of Research Interviews Administered to Managers**

This phase will analyse various sections of the interview schedule of questions which was administered to managers. The researcher managed to capture the manager’s perspectives on PMS by conducting interviews. As indicated previously, sixteen managers participated in this study. These sections contained a majority of close-ended questions, a few open-ended questions and statements.
The focus areas of the interviews were:
- Section B related to performance management aspects;
- Section C focused on implementation aspects;
- Section D focused on performance reviews and feedback and
- Section E asked about performance improvement aspects.

4.4.1 Communication of the Purpose of Performance Management
Communication is described by Smit and Cronje (2002:367) as a process of conveying information and meaning by the sender to the receiver and it is an integral part of the management process in contemporary institutions. This process enables managers to plan, organise, delegate, lead, co-ordinate or control their functions. It also allows the discussion of issues and coming up with corrective measures. Of utmost importance during this process is the need for the receiver to listen to what is being conveyed in order to know, understand and act upon it. In this study, the sender may be the management who is the person with information and the receiver may be the staff or the employees of the Provincial Treasury. These authors suggest that the sender should initiate the communication process. Barriers to communication include intra-personal factors, interpersonal factors, structural factors and technological factors. Intra-personal factors refer to perception which is best defined by Smit and Cronje (2002:373) as the process in which people interpret sensory impressions in order to make sense of their environment. Differences in perception are one of the most common barriers in communication. These differences can be as a result of different backgrounds, values or experiences. Inter-personal factors are understood as the relationship between the manager and the subordinate and how this is being interpreted. The sender is expected to explain to the receiver the reasons for embarking on a particular route, for instance, why the sender adopts a certain policy in the department. An example of structural factors can be how one’s status in an institution is being influenced by the prestige associated with that particular position. For instance, scientific studies have revealed that people of a higher status generally prefer to communicate more with their peers than with those of lower rank (ibid). Armstrong and Baron (2005:11) suggest that performance management require a management style which is open, honest and encourages a two-way communication between the managers and their subordinates.
The empirical findings regarding this statement indicated that out of 14 managers, 4 reported that a clearly defined purpose of performance management is not communicated effectively to all employees in this department, yet 10 stated that this purpose is communicated.

4.4.2 The Department’s Performance Management Programme Supports the Objectives of the Department’s Business Plan

Smit and Cronje (2005:111) maintain that strategic planning is the process of reconciling the organisation’s resources, internally, with threats and opportunities caused by changes as a result of the external environment. In most contemporary institutions, senior managers are responsible for strategic planning while middle or lower managers are expected to implement what has been adopted by their seniors. This demands that the strategies have to be feasible, clear and understandable. It is interesting to note that these authors highlight that implementation, control and evaluation of the strategy does not form part of the top management’s strategic planning process. Armstrong and Baron (2005:11) have a view that one of the principles of performance management is to translate corporate goals into individual, team and directorate’s and departmental goals. It has been noted that 3 managers (senior, middle and assistant) insisted that the department’s performance management programme does not support the objectives of the department’s business plan, yet 11 mentioned that the performance management programme supports the objectives of the department’s business plan. Should it be inferred that the reason for the high positive response in this issue is as a result of the fact that most of the managers who responded perceive performance management of this department as supporting their business plan because they are privy to the strategic planning process while the minority (negative responses) could be the those who are responsible for the implementation of these strategies who feel left out in the process?

4.4.3 Effectiveness of Performance Management in Raising Performance of Employees

Gomez-Mejia,Balkin and Cardy (2007:343) caution that a compensation system which is linked to pay may tempt employees to manipulate whatever criteria are in place to trigger incentives. Theses authors emphasise that in addition to other interventions which are meant to improve performance in an organisation, employees should be
sensitised of a need to uphold ethical behaviour while the performance management cycle for a particular year is being in progress. In addition, they suggest other non-financial incentives which include honorary titles, expanded job responsibilities and acknowledgment of a job well done. Supervisors are expected to act ethically too, involve subordinates in the planning stage (development of their work plan agreements). Progress reviews should be conducted by means of formal periodic reviews as well as through informal sessions. If any challenges are identified, a plan of action should be agreed upon. The supervisor should also provide feedback to the subordinate which is based on facts. During the assessment of one’s performance, a retrospective outcome of the assessment should be based on previously agreed objectives (Armstrong and Baron, 2005:36).

For performance management to be effective, its aim should be to achieve performance management throughout the year. Some of the objectives of performance reviews are to provide a basis for the development of the individual, to motivate and to communicate roles, expectations, work problems and aspirations (Armstrong & Baron, 2005:32). Erasmus, Swanepoel, Van Wyk, van der Westhuizen, and Schenk (2005:67) view an Integrated Performance Management System as an approach that sees the public sector HRM in an integrated manner that provides a strategic element which ensures co-operation from all the various role players in order to enhance, amongst other things, public sector performance (Erasmus et al,2005:68). This means that both the manager and the subordinates are supposed to come and work together with one common goal of being efficient and effective in the public service.

Out of 16 responses, 8 are of the view that performance management is effective in raising the performance of employees while the other 8 had a contending view.

**4.4.4 Ability of Managers to Identify Underperformers**

Armstrong and Baron (2005:135) assert that the process of performance management is designed to manage performance in general or even deal with poor or underperformers. Individuals may perform poorly due to a number of reasons. These include demotivation, incompetence, inadequate leadership, allocation of inappropriate tasks or placement in jobs that are beyond their capabilities. Managers are charged with a responsibility to manage or reduce poor performance by exercising good leadership
and understanding the capabilities of individuals to avoid allocation of work which is not within their capacity. They may also identify and agree on the problem, then provide guidance where they feel there are weaknesses which hinder performance. They may also clarify expectations jointly or act as change agents by influencing behaviours and attitudes of those concerned or even redesign the job. They also have to monitor and provide feedback to the subordinates continuously and during review sessions. In order for feedback to be effective, it should be provided as soon as a wrongful conduct is observed (Armstrong & Baron, 2005:133).

9 Managers stated that performance management does not enable the department to identify underperformers whereas 5 are of the opinion that performance management enables the department to identify underperformers and 1 manager did not respond to this question.

4.4.5 Performance Management as a Developmental and a Management Tool
Performance management is perceived by Armstrong and Baron (2005:13) as a natural process of management, not a Human Resource Management tool. The managerial process entailed in performance management includes planning (objective setting), action, monitoring and review of performance. Planning entails agreeing on objectives, producing plans expressed in performance or work plan agreements, producing personal development plans to address training needs (Armstrong & Baron, 2005:13). It is owned and delivered by line managers. A total of 9 managers pointed out that performance management is not a developmental tool, 7 managers agreed that it is a developmental tool. 13 Managers agreed that performance management is a management tool, only 3 disagreed.

4.4.6 Performance Management is designed for Financial Incentives
Performance management is associated with both financial and non-financial incentives (Armstrong and Baron, 2005:103). Non-financial rewards can include providing rewards through feedback, training or giving guidance on career paths. Financial rewards may include pay contingent on performance. A holistic approach is therefore recommended to avoid putting reliance on the one approach and not the other. These authors indicate that performance management is not primarily concerned with linking performance to financial reward. 3 managers are convinced that performance management is not
designed for financial incentives and 13 managers indicated that it is designed for financial incentives.

4.4.7 Signing of Performance Agreements, Work plans and Standard Framework Agreements
The ECPMH (2003:19) prescribes that newly appointed members of the SMS shall complete their performance agreements within the first three months of their appointment. Out of 14 Managers 2 stated that performance agreements, work plan and standard framework agreements are signed at the beginning of the financial year. A manager indicated that they are signed before the beginning of the financial year. Another one mentioned that they are signed in the first quarter of the financial year. 3 Managers stated that they are signed during the year when senior managers or Human Resources request them to be signed. 2 Managers responded by saying that they are signed during the year before it ends. 1 Manager stated that they are signed at any time in the year, another manager pointed out that they are signed in the middle of the year. 1 Manager indicated that they are signed during the year, either in May or June. 2 managers said they are signed in May. One manager insisted that they are usually signed towards June while another one said in July or August. One manager did not respond to this question.

4.4.8 Commitment of Senior Managers and Supervisors to Successful Implementation of Performance Management
Armstrong and Baron (2005:17) believe that performance management is owned and delivered by line managers. It is therefore crucial that line managers should be competent with the behavioural requirements of their role in order to make sound organisational judgments. In order to achieve their buy-in, the supervisors must be sensitised that performance management is an integral part of the management process, therefore they should be involved in the designing and the development of performance management.

The regional office of the Public Service Commission (PSC) is charged with a monitoring function of overseeing the implementation of performance management in the Province. Performance management is believed to be focusing on equal participation of employees as well as of the supervisor. It encourages regular feedback
through progress reviews and annual appraisals, encourages coaching, and it is developmentally oriented. The Performance Management and Development Handbook of the Eastern Cape Provincial Government (2003:8) is premised on the fact that the success of performance management will be measured by the extent to which it contributes towards creating conditions for effective performance and overall contribution to service delivery.

Out of 14 managers, 10 believe that senior managers are committed to a successful implementation of performance management, 4 had a contending view. 12 managers are convinced that supervisors are committed to a successful implementation of performance management, 4 are not convinced.

4.4.9 Identification of Developmental Needs to Assist Subordinates to Grow
Armstrong and Baron (2005:25) emphasise that during performance planning stage an action plan for individuals, which is the personal development plan, should be considered. It usually includes areas of development which are identified at planning stage. These include formal training, coaching and self-managed learning. At feedback stage, a 360 degrees feedback may also be useful to identify developmental needs of individuals. 7 Managers declared that supervisors identify developmental needs to assist subordinates to grow while 9 disagree.

4.4.10 Improvement of the Implementation of Performance Management
The ECPMH (2003:15) emphasises that the (HoD) within a department should create an environment that is conducive for the implementation of performance management by communicating his performance agreement with his SMS, to ensure that PMS is implemented in line with legislative framework and policy framework, allocate budget for rewarding and recognising good performance, mediate over conflict pertaining to performance management between supervisors and employees and provide decision-making on recognition for good performance. If some developmental areas were identified, Armstrong and Baron (2005:100) suggest that although the implementation of this development resides with the individual managers, all the employees in an organisation have a responsibility to ensure that these developmental activities are carried out to fruition. Gerber et al, (1998:241) warns that a distinction between an organisation’s policy and practical implementation must be drawn as there is a vast
difference between documented policy and the practical implementation. For instance, an integration of plans by departments will aid in ensuring the effectiveness of these service delivery initiatives.

In turn, Senior Managers are also responsible for the implementation of performance management in their directorates by ensuring that each supervisee under his supervision has a signed work plan agreement/performance plan, recognises good performance and manages poor or non-performance. They are also responsible for ensuring that performance management needs to operate within a framework where strategic organisational goals are translated into action through the business planning process and related individual and team objectives. This will ensure that there is integration in the manner in which performance management is implemented.

There were no responses on this question from 8 managers. Various responses were received from the other 8. 2 Managers mentioned that in order for the implementation of performance management to be improved, managers need to be trained. One response suggested that the agreements and work plans should be signed at the beginning of the year, performance management is a management responsibility and therefore they must be assessed as performance management is part of the manager’s responsibility. Another manager suggested that there should be adherence to set milestones; PMDS should be made every manager’s key performance area (KPA). Rewards and sanction for compliance or non-compliance should be implemented. Another manager proposed that the implementation tool is good, monitoring is not done and there are no punitive measures for deviations to set procedures. There was also a recommendation that directors or supervisors should hold regular meetings with their sub-ordinates. There was another view that in order for the implementation of performance management to be improved, programme managers and sub-programme managers should lead by example by ensuring that their own reviews are conducted timeously in order for them to ensure that their subordinates’ reviews are also done on time. The last response suggested that scoring and rating in terms of PMDS should be clarified to allow staff to identify gaps in development.
4.4.11 Objectivity of Senior Managers/Managers during Performance Review Stage

Grote (2010:3) asserts that there is a widespread complaint from various organisations which involves the ineffectiveness of their performance management process. This dissatisfaction arises from employees who often see themselves as victims of a subjective, failure-oriented procedure that focuses only on highlighting faults and shortcomings. 14 of the 16 managers feel that there is objectivity when performance reviews are conducted. This includes one manager who mentioned that objectivity is done by some to comply with departmental timeframes. Two managers disagreed with this view.

4.4.12 Performance is Measured against Objectives Previously Agreed Upon by Managers and the subordinates

Reviewing the individual is crucial to ensure that employees work towards achieving the set objectives and the KPAs agreed to during the contracting phase (ECPMH 2003:15). 14 out of 16 Managers pointed out that performance is measured against objectives which both the managers and the supervisors have previously agreed upon.

4.4.13 Similarity between Performance Management and Performance Appraisal

Armstrong and Baron (2005:14) maintain that the terms performance management and performance appraisals are sometimes used interchangeably but are different. The ECPMH (2003:4) suggests that a performance appraisal system is the annual assessment of performance to managing individual performance. Its primary aim is to improve performance through ongoing learning and development. The overall purpose of performance management is to contribute to the attainment of high performance by the individual and the organisation (Armstrong & Baron, 2005:2). One manager did not respond to this question. 4 managers indicated that performance management is the same as performance appraisal while 11 managers perceive that the two are not the same.

4.4.14 Giving Feedback to Subordinates after a Review is conducted

Armstrong and Baron (2005:11) are of the opinion that giving continuous feedback to subordinates by the management is one of the principles of performance management. As indicated in the literature review, in 360 degrees feedback the results of
assessments are given to individuals in the form of ratings against a number of dimensions. This feedback refers to a subordinate being assessed by a number of different people under various headings (Armstrong & Baron (2005:125). Self-assessments may also be incorporated. This type of feedback is aimed at supplementing the traditional top-down approach to assessments given only by supervisors which has been seen as being unable to appreciate all the dimensions of an individual due to the growing complexity of organisations. It also assists to overcome the potential biases of being appraised by one person which may be as a result of prejudices. It is highly advocated because individuals get an extensive viewpoint of how they are perceived by others. It is used to identify developmental needs and areas for improvement and to agree on corrective measures. It may also be useful in informing performance-related pay decisions.

Out of 16 managers, 10 managers were of the opinion that feedback is being given to subordinates after a review has been conducted while 6 managers pointed out that feedback is not given after a review is conducted. 8 Managers feel that feedback is not given continuously to employees, 1 manager indicated that feedback is not given continuously, it is only given when one does wrong or when one is being given feedback. 7 of them feel that feedback is given continuously. On whether the use of outcomes of performance reviews assist to identify training needs of employees, a total of 7 managers agree that outcomes of performance reviews are not used to identify training needs whereas, 9 managers agree that the outcomes of these reviews are used to identify training needs. 4 Managers mentioned that outcomes of performance reviews are not used to reward one’s achievement while 12 managers mentioned that outcomes of performance reviews are used to reward one’s achievement. There were 8 responses signalling that performance reviews give managers and employees an opportunity to reflect on how one has been performing in order to plan ahead the other 8 had a contrary view.

4.4.15 The Relationship between Performance Management and Rewards
10 Managers perceived performance management as having a clear link between performance and rewards. 6 managers felt that there is no clear link between the two.
4.4.16 Development of an Alternative to the current Rating System
6 Managers were of the view that an alternative to rating system should not be developed. Three of those felt that the reason for suggesting that a new system should be developed is because communication from their HR Unit is not clear on rating, thus, performance, according to rating is not correctly captured by staff. Another manager suggested that communication to staff should be improved. Training should be provided and supervisors should not decide for employees what the rating should be. The third manager highlighted that the problem is with implementation. One out of 10 managers felt that an alternative to rating system should be developed, suggesting that this system is not serving its intended purposes as favourites to supervisors are being rewarded better than other employees.

4.4.17 Mechanisms to Continuously Improve Performance
Before a study can come up with recommendations to improving performance, it is advisable that one looks at the possible contributory factors to poor performance in that particular organisation. Out of 16 managers, 3 were of the view that there are no mechanisms to improve performance. 13 managers felt that there are mechanisms to improve performance. In addition, two managers stated that there is insufficient information communicated to employees to enable them to execute their responsibilities. A total of 14 managers were of a contrary view.

4.4.18 Identification of Developmental Needs of Employees by Supervisors
7 Managers argued that supervisors do not identify developmental needs of employees to assist subordinates to grow. 9 out of 16 managers had a contending view.

4.4.19 Training of Managers on Performance Management and Development System
One manager did not respond to this question. Another manager indicated that he/she did not know whether other managers have been trained. Three managers said managers have not been trained on PMDS. One of the two stated that the training received was inadequate and the other stated that not everybody got an opportunity to be trained. 11 responses received indicated that managers have been trained on PMDS.
4.4.20 Interpretation and Analysis of Research Questions Administered to Staff

The sections of the questionnaires administered to staff comprised research questions as follows:

- Section B related to performance management aspects;
- Section C focused on implementation aspects;
- Section D focused on performance improvement aspects and
- Section E asked about performance reviews and feedback.

For employees below management level (below level nine), a questionnaire with scaled response statements and questions on PMDS were used to measure their attitudes and perceptions. A few questions were open-ended to enable employees to express themselves freely without being led to respond in a particular manner. Once data collection was finished the researcher began with the process of data analysis. The two sets of questions; the open and the closed-ended questions require different methods of analysis. The tables and charts below illustrate the responses received from staff of Provincial Treasury.

4.4.20.1 Performance Management Aspects

The staff of the Provincial Treasury were requested to respond by placing an X in the appropriate block of the likert scale and give explanation where required.

<table>
<thead>
<tr>
<th>No.</th>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither Agree/Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Clearly defined purpose of Performance Management is communicated effectively to all employees in this department.</td>
<td>1</td>
<td>9</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Performance Management is effective in raising the performance of employees</td>
<td>1</td>
<td>10</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Performance Management enables the department to identify underperformers</td>
<td>1</td>
<td>8</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Performance Management is a developmental tool</td>
<td>1</td>
<td>10</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Performance Management is designed for</td>
<td>1</td>
<td>6</td>
<td>1</td>
<td>5</td>
<td>1</td>
</tr>
</tbody>
</table>
6. Performance management is a management tool

<table>
<thead>
<tr>
<th>Agree</th>
<th>Neither</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>11</td>
<td>1</td>
</tr>
</tbody>
</table>

7. Standard framework and Work plan agreements are signed at the beginning of a new financial year

<table>
<thead>
<tr>
<th>Agree</th>
<th>Neither</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>8</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

4.4.20.1 Analysis of Empirical Findings on Performance Management Aspects

- 10 employees agree that the purpose of performance management is clearly defined and communicated to them. 9 neither agree nor disagree.
- 11 agree that performance management is effective in raising the performance of employees. 2 neither agree nor disagree while 1 disagrees.
- 9 employees agree that performance management enables the department to identify underperformers, 3 neither agree nor disagree and 2 disagree.
- 11 employees agree that performance management is a developmental tool, 2 neither agree nor disagree and 1 disagrees.
- 7 employees agree that performance management is designed for financial incentives, 1 neither agrees nor disagrees and 5 disagree while 1 strongly disagrees.
- 13 agree that performance management is a management tool, 1 disagrees. 10 agree that standard framework agreements and work plan agreements are signed at the beginning of the financial year, 2 neither agree nor disagree, 1 disagrees and another 1 strongly disagrees.
4.4.20.2 Implementation Aspects:

<table>
<thead>
<tr>
<th>No.</th>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Supervisors are committed in the implementation of PMDS</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Supervisors consider training needs identified during planning stage during the year.</td>
<td>5</td>
<td>2</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>My performance is measured according to the agreement signed with my supervisor.</td>
<td>4</td>
<td>3</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>The most important reward in PMDS is monetary.</td>
<td>1</td>
<td>6</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Performance assessments are not judgmental but are based on factual evidence.</td>
<td>6</td>
<td>2</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Employees have been trained on Performance Management and Development</td>
<td>3</td>
<td>6</td>
<td>5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.4.20.2 Responses on Implementation Aspects

- 3 respondents disagree that supervisors are committed in the implementation of PMDS, 6 neither agree nor disagree and 5 agree.
- 5 employees disagree with whether supervisors consider training needs which were identified during planning stage during the year. 4 disagree, 3 neither agree nor disagree and 7 agree.
- Out of 14 employees, 4 disagree that their performance is measured according to the agreement they signed with their supervisors, 3 are neutral and 7 agree.
- Only 1 employee disagreed that the most important reward in PMDS is monetary, 6 neither agreed nor disagreed and 7 agreed.
- 6 employees disagree, 2 strongly disagree and 6 agree that performance assessments are not judgmental but are based on factual evidence.
- 3 employees strongly disagree, 6 neither disagree nor agree and disagree that employees have been trained on PMDS.
4.4.20.3 Responses on how the Implementation of Performance Management can be Improved.

One employee indicated that the employees and supervisors as well as management should have a thorough understanding of PMDS and its objectives. The employees were also urged not to put too much focus on the monetary aspect of PMDS. One of the employees even advocated the implementation of other incentives like offering holiday trips or public declaration or even certificates to best performers. This view agrees with Armstrong and Baron (2005:11) who contend that performance management is not primarily focused on linking performance to financial reward.

Another staff member suggested that performance agreements and work plans should be signed at the beginning of the financial year. There was also mention that performance management is a management responsibility and that managers should assess their subordinates when they are supposed to. Another employee specifically suggested that assessments should take place at the end of each quarter not at the end of the financial year. There was also a suggestion that staff from PMDS Unit should conduct an induction for new employees so that they can be able to work. This need is also prompted by the fact that other officials are from private companies, they do not know what performance evaluation is or how to fill in the PMDS forms. In addition, training on PMDS should be conducted monthly. There was also a view that the review of a PMDS Implementation plan should focus on how PMDS will be rolled out to all levels in the department and its management support plan detailing management responsibilities. Two employees proposed that staff members should submit their performance agreements and performance assessments on time, especially the annual evaluation to ease the functioning of the PMDS directorate.
### 4.4.20.4 Performance Improvement Aspects

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mechanisms exist to continuously improve performance.</td>
<td>3</td>
<td>6</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Sufficient information is communicated to all employees to enable them to execute their responsibilities in the best interest of the department.</td>
<td>3</td>
<td>2</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Supervisors identify developmental needs to assist subordinates to grow.</td>
<td>4</td>
<td>4</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Employees are committed to a successful implementation of performance management</td>
<td>3</td>
<td>9</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Performance Development Plans (PDP’s) are built into the work plan or standard framework.</td>
<td>5</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Performance assessments are not judgmental</td>
<td>3</td>
<td>5</td>
<td>6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 4.4.20.4 Analysis of empirical findings on performance improvements aspects demonstrated that:

- 3 employees disagree with whether mechanisms exist to continuously improve performance management. 6 employees were neutral and 5 agree.
- 3 employees disagree, 2 were neutral and 9 agreed with whether sufficient information is communicated to all employees to enable them to execute their responsibilities in the best interest of the department.
- 4 employees disagree, 4 are neutral and 6 agree with whether supervisors identify developmental needs to assist subordinates to grow.
- 3 employees were neutral, 9 agree, 2 strongly agree that employees are committed to a successful implementation of performance management.
- 5 employees are neutral and 9 agree with whether performance Development Plans (PDP’s) are built into the work plan or standard framework agreements.
- 3 employees disagree that performance assessments are not judgmental but are based on factual evidence, 5 agree and 6 strongly agree.
4.4.20.5 Performance Reviews & Feedback

<table>
<thead>
<tr>
<th>No.</th>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Supervisors/Senior Managers are objective during performance review stage</td>
<td>1</td>
<td>1</td>
<td>7</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>2.</td>
<td>Performance is measured against objectives previously agreed upon.</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>3.</td>
<td>Feedback is given after the review is performed.</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>4.</td>
<td>Feedback is given continuously during the year even informally</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>5.</td>
<td>Outcomes of performance reviews are used to identify training need</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>6.</td>
<td>Performance reviews give the supervisor and the employee an opportunity to reflect on how an individual has been performing in order to plan ahead</td>
<td>1</td>
<td></td>
<td>3</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>7.</td>
<td>Outcomes of Performance Management are used to reward one’s achievement</td>
<td>1</td>
<td>3</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Performance Management establishes a clear link between performance and rewards.</td>
<td>1</td>
<td>4</td>
<td>9</td>
<td></td>
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<tr>
<td>9.</td>
<td>Performance Management should be discontinued</td>
<td>3</td>
<td>6</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

4.4.20.5 Analysis of empirical findings on Performance Reviews and Feedback

- 1 employee strongly disagrees with whether supervisors/senior managers are objective during performance review stage another employee disagrees, 7 neutral and 5 agree.
- 1 employee strongly disagrees with whether performance is measured against objectives previously agreed upon by the supervisor and the subordinate. 2 employees disagree, 3 are neutral and 7 agree.
• 1 strongly disagrees with whether feedback is given continuously during the year, 4 disagree, another 4 is neutral, 4 agree and 1 strongly agrees.
• 2 employees strongly disagree with feedback being to employees during the year. 4 disagree, 3 are neutral, 2 agree and the other 2 strongly agrees.
• 1 employee strongly disagrees with whether outcomes of performance reviews are used to identify training needs, 1 disagrees, 3 are neutral, 8 agree and 1 strongly agrees.
• 1 employee strongly disagrees, 3 are neutral, 8 agree and 2 strongly agree that performance reviews give the supervisor and the employee an opportunity to reflect on how an individual has been performing in order to plan ahead.
• Only 1 employee disagrees, 3 are neutral and 10 agree that outcomes of performance management are used to reward one’s achievement.
• 1 employee disagrees, 4 are neutral and 9 agree that performance Management establishes a clear link between performance and rewards.
• 3 strongly disagree, 6 disagree 4 agree and 1 strongly agrees that performance management should be discontinued.

4.4.20.6 Conclusion

This chapter looked at the analysis and interpretation of empirical findings on the implementation of performance management in the Provincial Treasury. Although some responses seemed to have misunderstood some of the questions asked, in an endeavour to uphold objectivity of the researcher and to enhance the credibility of the study, they were analysed as being the true perception of the respondents. Some of the issues which were raised in chapter 2 were looked at in this chapter. The recommendations will be presented in the next chapter.
Chapter Five
Consolidation of Data Collected and Recommendations

5.1 Introduction

According to Dessler (1997:372), performance management is a systematic approach to managing people, goals, measurement, feedback, and recognition to motivate employees in order to achieve their full potential in line with their organisation’s objectives. In the South African context, performance management is described in terms of its role and outcome with regard to employee development; hence it is widely referred to by public sector employees as a PMDS (Malefane, 2010:7). The reasons that necessitated the implementation of performance management reside in service delivery imperatives, the quest for improved performance and the emergence of a new pay progression system based on employee performance (DPSA, 2001:2). The Province of the Eastern Cape has also adopted these public sector reforms in an attempt to improve performance in order to meet service delivery initiatives and to prove performance.

The White Paper on Human Resource Management in the Public Service (1997:1) sets out a policy framework which is positioned to illustrate the shift from Personnel Administration to Human Resources Management. This paper recommends that “Every employee’s performance will be assessed at least once annually against mutually agreed objectives.” It also states that PM is therefore an integral part of an effective Human Resource Management and Development strategy. It is an ongoing process in which the employee and employer, together, strive constantly to improve the employee’s individual performance and his or her contribution to the organisation’s wider objectives. Since the performance of every employee contributes to the overall delivery of the organisation’s objectives, it follows that the performance of every employee should be managed (White Paper on Human Resource Management in the Public Service 1997:42).

This chapter looks at the consolidation of data collected and attempts to provide recommendations and suggestions to challenges identified in responses received from managers and staff of Provincial Treasury.
5.2 Effectiveness of Performance Management in Raising Performance of Employees

The empirical findings of this study have revealed that the perception towards the effectiveness of performance management in raising performance of employees is split. Various factors which contribute to this perception have been raised. Some include the signing of performance agreements, work plan and standard framework agreements at any time during the year whereas the Performance Management and Development Handbook for the Eastern Cape Provincial Government (2003:19) prescribes that newly appointed members of the Senior Management Services shall complete their performance agreements within the first three months of their appointment. Those senior managers and staff members who are not new should also contract at the beginning of the financial year.

Progress reviews should be conducted by means of formal periodic reviews as well as through informal sessions. If any challenges are identified, a plan of action should be agreed upon. The supervisor should also provide feedback to the subordinate which is based on facts. For performance management to be effective, its aim should be to achieve performance management throughout the year. Some of the objectives of performance reviews are to provide a basis for the development of the individual, to motivate and to communicate roles, expectations, work problems and aspirations. (Armstrong & Baron, 2005:32). One of the objectives of PMS is to encourage managers to effectively create conditions for staff to perform optimally (ECPMH, 2003:5).

5.3 Ability of Managers to Identify Underperformers

Since the statements in the questionnaire were close-ended, no reasons were furnished for the responses which contend that performance management does not enable managers to identify under-performers. Looking at some of the responses which are related to this statement, it can be recommended that a quarterly formal review is necessary if one’s performance has to be rated for pay purposes (Armstrong & Baron 2005:31). To improve one’s performance, the supervisor has to know what the current status of the subordinate’s performance is. During the planning and contracting phase it is important to agree on the criteria that will be used to assess the extent to which the set objectives have been achieved. Outputs can be identified which will be measured against indicators which must be accomplished against agreed timeframes. A review
meeting between a supervisor and his subordinate should be conducted in order to assess achievements and identify a proper course of action to remedy under-performance.

Armstrong and Baron (2005:135) assert that the process of performance management is designed to manage performance in general or even deal with poor or under-performers. Individuals may perform poorly due to a number of reasons. These include demotivation, incompetence, inadequate leadership, allocation of inappropriate tasks or placement in jobs that are beyond their capabilities. In order for feedback to be effective, it should be provided as soon as a wrongful conduct is observed (Armstrong & Baron, 2005:133).

During performance planning stage an action plan for individuals, which is the personal development plan should be built into one’s agreement. It usually includes areas of development which are identified at planning stage. These include formal training, coaching and self-managed learning (ibid). A 360 degrees feedback is also useful in identifying developmental needs of individuals except on cases where it is practically impossible to achieve.

5.4 Performance Management is a Developmental Tool
It is proposed that the employees and staff of the Provincial Treasury should understand that performance management is owned and delivered by line managers and its primary orientation is developmental (ECPMH, 2003:5). It must, however, manage consistent inadequate performance and reward satisfactory performance. In order for performance to be improved, developmental opportunities must be accessible to all staff members. These include training, mentoring and coaching.

5.5 Performance Management is designed for Financial Incentives
According to the empirical findings, there is a wide ranging perception that performance management is designed for financial incentives. Performance management is associated with both financial and non-financial incentives (Armstrong and Baron, 2005:103). Non-financial rewards can include provision of rewards through feedback, training or giving guidance on career paths. Financial rewards may include pay contingent on performance. A holistic approach is therefore recommended to avoid
putting reliance on the one approach and not the other. These authors indicate that performance management is not primarily concerned with linking performance to financial reward.

5.6 Improvement of the Implementation of Performance Management

The responses indicated that poor implementation of performance management was caused by managers who have not been trained on performance management, performance agreements and work plans were not signed timeously, there was no adherence to set milestones and PMDS is not incorporated in senior managers’ performance agreements as a key performance area (KPA). There was also an indication that rewards for compliance and sanction for non-compliance was not implemented, there were no monitoring procedures directors or supervisors were not holding regular meetings with their subordinates. The last response highlighted that that scoring and rating procedure in PMDS was not clear; this contributes to the underperformance of employees.

Senior Managers are responsible for the implementation of performance management in their directorates by ensuring that each supervisee under his supervision has a signed work plan agreement/performance plan, recognises good performance and manages poor or non-performance. They are also responsible for ensuring that performance management needs to operate within a framework where strategic organisational goals are translated into action through the business planning process and related individual and team objectives. This will ensure that there is integration in the manner in which performance management is implemented. The systems approach to training adapted from Buckely and Capple (1991:101) suggests that in the first stage training needs have to be identified. In the second stage the design and planning of training should be aimed at addressing the needs of the training. Thereafter, the effectiveness of training must be assessed. Performance standards need to be developed by both managers and staff if possible or by the manager and the relevant directorate to enhance the integrative approach and effectiveness of the system.

In addition, the Eastern Cape Performance Management Forum mandated the Office of the Premier to establish a task team to identify all challenges experienced by
departments since the inception of PMD. This task team is charged with making recommendations to improve and streamline this system to make it effective.

Monitoring of performance is one of the stages of the performance cycle. One's performance should be monitored continuously since progress should be evaluated throughout the year feedback should be given to subordinates at least four times a year, orally, if the employee’s performance is satisfactory, at least twice during the six months preceding the employee’s annual formal performance assessment date in writing, on the annual formal performance assessment date and in writing, if the employee’s performance is unsatisfactory (ECPMH, 2003:15). The entire implementation process needs to be evaluated and refined on an ongoing basis for PMDS to be effective.

5.7 Objectivity of Senior Managers/Managers during Performance Review Stage

This study recommends that there should be a correlation between the recognition of outstanding performance which the employees of government departments claim and the frustration the communities have due to poor service delivery (Malefane (2010:1). If qualitative measures are to be used in an evaluation of one’s performance, Armstrong and Baron (2005:29) are of the opinion that performance assessments can be judgmental and therefore potentially biased, unfair or inconsistent. They propose performance assessments to be based on objective factual evidence of behavior. In this case they advise the use of a portfolio of evidence. These must be built like a production of records to support one’s evidence.

Grote (2010:3) maintains that dissatisfaction arises from employees who often see themselves as victims of a subjective, failure-oriented procedure that focuses only on highlighting faults and shortcomings.

5.8 Giving Feedback to Subordinates after a Review is Conducted

Half of the empirical findings have revealed that feedback is not given continuously to employees.

Armstrong and Baron (2005:11) are of the opinion that giving continuous feedback to subordinates by the management is one of the principles of performance management. A 360 degrees feedback approach is recommended except in cases where it is
practically impossible to achieve (ECPMH, 2003:10). Results of assessments are given to individuals in the form of ratings against a number of dimensions. This feedback refers to a subordinate being assessed by a number of different people under various headings (Armstrong & Baron (2005:125). Self-assessments may also be incorporated. This type of feedback is aimed at supplementing the traditional top-down approach to assessments given only by supervisors, an approach which has been seen as being unable to appreciate all the dimensions of an individual due to the growing complexity of organisations. It also assists to overcome the potential biases of being appraised by one person, which may be as a result of prejudices.

5.9 Development of an Alternative to the current Rating System

The empirical findings revealed that some of the reasons for employees and managers to feel that an alternative to the current rating system is needed are due to poor communication from the directorate responsible for performance management. The need for an alternative rating system is also triggered by rating sheets which are not correctly captured by the responsible people. Some indicated that supervisors should not decide for employees what the rating should be in the rating/score sheet of the performance review. There was also a view that training should be provided. Another view highlighted that the problem is with implementation of performance management.

The recommendation for poor communication would be to emphasise that communication is an integral part of performance management (ECPMH, 2003:16). Communication also enables managers to plan, organise, delegate, lead, co-ordinate and control their functions. Regarding rating of employees by supervisors, the former needs to be trained on PMDS to enable them to understand that it is a statutory requirement that in the rating form, the employee allocates, weighs and scores him/herself, then the supervisors do the same. The two should agree on the weights and scores allocated during the evaluation of performance. If there is a dispute in the results of PMDS, an employee must lodge an appeal in writing to the Assessment Appeal Authority within five days of being notified about the outcome of his/her assessment. If the dispute is not resolved after the above process has been followed, the normal grievance procedure of the public service is recommended.
5.10 Conclusion
Communication in organisations contributes to the execution of performance management and it is being viewed as an integral part of performance management. During performance evaluation, the supervisor and the employees should consider that recognition of one's performance has a bearing on the directorate’s or departmental performance. This means that it is illogical to claim that employees of a department have performed to an extent of being awarded financial rewards yet, the bigger department has, for instance, obtained an adverse audit opinion or a disclaimer of audit opinion from the Auditor General. Instead of adopting another approach to managing performance in public sectors, it is recommended that one looks at the possible contributory factors to poor performance and come up with possible strategies. Managers should motivate and strengthen their subordinates’ perceptions. They should also clarify expectations in PMDS. Training may also assist in clearing any misperceptions about this system. An employee who is of the view that he/she is unhappy with the outcome of his/her PMDS review must lodge an appeal if the dispute is not resolved after the above process has been followed, the normal grievance procedure of the public service can be pursued.
6. List of References


Government, Western Cape. Nelson Mandela Metropolitan University.


Hello

My name is Kayakazi Bongiwe Maseti. I am currently registered for my Master in Public Administration degree (MPA) at the Nelson Mandela Metropolitan University. As part of my degree I am conducting research on the Implementation of Performance Management in the Provincial Treasury-Province of the Eastern Cape. The main aim of the study is to identify the perspectives, sentiments and attitudes of Senior Managers and employees of Provincial Treasury concerning the implementation of Performance Management in their Department.

I wish to invite you to participate in the study. Please note that your participation is voluntary and that non-participation will have no negative consequences. Should you wish to be part of this research, you will have to participate in an interview wherein questions will be administered by a Researcher. I am also requesting your permission to tape record the interview so that I can collect all the information during the interview. The use of the tape recorder will also enhance the reliability of the data which will be collected and supplement interview notes which will be taken. The tapes will be destroyed after the study has been completed.

Please note that you can withdraw from the study at any time should you feel that you do not want to continue. If you feel that certain of the questions are too personal or if you feel uncomfortable answering them, you have the right to refuse to answer, should you wish to do so. Although I am unable to guarantee total confidentiality, I advise all participants who will participate in the interview to maintain confidentiality. No identifying information will be included in the final report.

By participating in this study you may stimulate constructive suggestions and recommendations that may act as guidelines for the effective implementation of PM in the Provincial Treasury. The outcomes of this research will be made available to the Accounting Officer of Provincial Treasury.
Yours faithfully

----------------------------------------
Kayakazi Bongiwe Maseti
Researcher
Cell: 079 0461 360
Subject Information Sheet for Participants (Staff)

Hello

My name is Kayakazi Bongiwe Maseti. I am currently registered for my Master in Public Administration degree (MPA) at the Nelson Mandela Metropolitan University. As part of my degree I am conducting research on the Implementation of Performance Management in the Provincial Treasury-Province of the Eastern Cape. The main aim of the study is to identify the perspectives, sentiments and attitudes of Senior Managers and employees of Provincial Treasury concerning the implementation of Performance Management in their Department.

I wish to invite you to participate in the study. Please note that your participation is voluntary and that non-participation will have no negative consequences. Should you wish to be part of this study, I am requesting your permission to complete a questionnaire which will be self-explanatory. This questionnaire will take approximately forty minutes. Please note that you can withdraw from the study at any time should you feel that you do not want to continue. If you feel that certain of the questions are too personal or if you feel uncomfortable answering them, you have the right to refuse to answer, should you wish to do so. Although I am unable to guarantee total confidentiality, I advise all participants who will participate in this research to maintain confidentiality. No identifying information will be included in the final report. The information you supply will only be used for the purpose of the study. There are no known risks for your involvement. No form of compensation is included in this study.

By participating in this study you may stimulate constructive suggestions and recommendations that may act as guidelines for the effective implementation of PM in the Provincial Treasury. The outcomes of this research will be made available to the Accounting Officer of Provincial Treasury.

Yours faithfully

..................................................
Kayakazi Bongiwe Maseti
Researcher
Cell: 079 0461 360
My name is Kayakazi Bongiwe Maseti. I am currently registered for the degree of Masters in Public Administration at the Mandela Metropolitan University. As part of my degree I am conducting research on the following topic:

**Implementation of Performance Management Development System in the Provincial Treasury, Province of the Eastern Cape**

The purpose of this study is to investigate the effectiveness of the implementation of Performance Management in the Provincial Treasury. The questionnaire attached hereto is designed to test the degree to which you as a participant agree that the current performance management system can assist Provincial Treasury achieve its goals and objectives. You are therefore invited to participate in this study.

Data collection will involve secondary literature such as annual reports, strategic plans, relevant pieces of legislation and peer reviewed journal articles. Eye-witness accounts of staff will also be relevant. Please note that your participation is voluntary and that non-participation will have no negative consequences. Please note that you can withdraw from the study at any time should you feel that you do not want to continue. Informed consent will be sought from all prospective participants in order for them to make informed decisions. They will also be told what the aims and objectives of this study are.

Participants have an option to remain anonymous to ensure confidentiality and anonymity. If you feel that certain questions are too personal or if you do not feel comfortable answering them, you have the right to refuse to answer, should you wish to
do so. Researcher will not impose any personal opinions or influence of any nature on the participants. By participating in this study you might stimulate constructive recommendations that will fill gaps in the current Performance Management Manual used by Provincial Treasury.

Your participation in this study will be highly appreciated.

Yours faithfully

....................................
Kayakazi Bongiwe Maseti
Researcher
Cell:079 0461 360
The Department of Provincial Treasury
Tyamzashe Building
BHISHO
5605
For attention: PARTICIPANTS-MANAGERS
RE: INVITATION TO PARTICIPATE IN A STUDY

My name is Kayakazi Bongiwe Maseti. I am currently registered for the degree of Masters in Public Administration at the Mandela Metropolitan University. As part of my degree I am conducting research on the following topic:


The purpose of this study is to investigate the effectiveness of the implementation of Performance Management in the Provincial Treasury. The questionnaire attached hereto is designed to test the degree to which you as a participant agree that the current performance management system can assist Provincial Treasury achieve its goals and objectives. You are therefore invited to participate in this study.

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Your participation in this study will be highly appreciated.

Yours faithfully

__________________
Kayakazi Bongiwe Maseti
Researcher
Appendix E

SCHEDULE OF QUESTIONS TO MANAGEMENT


SECTION A: BIOGRAPHICAL INFORMATION

Please provide the following personal information by placing an “X” in the appropriate box.

1. What position do you hold in the Department?
   
   a. Senior Manager
   b. Manager
   c. Assistant Manager

2. In which age group do you fall?
   
   a. 25 years and younger
   b. 26-35 years
   c. 36-55 years
   d. 56 years and older

3. Number of years in the public services?
   
   a. 0-5 years
   b. 5-10 years
   c. More than 10 years
SECTION B: PERFORMANCE MANAGEMENT ASPECTS
Please respond by placing an X in the appropriate box and give explanation where required.

1. Clearly defined purpose of Performance Management is communicated effectively to all employees in this department.
   YES  NO

2. The department's Performance Management programme supports the objectives of the department's business plan.
   YES  NO

3. Performance Management is effective in raising the performance of employees.
   YES  NO

4. Performance Management enables the department to identify underperformers.
   YES  NO

5. Performance Management is a developmental tool.
   YES  NO

6. Performance Management is a management tool.
   YES  NO

7. Performance Management is designed for financial incentives.
   YES  NO

8. When are performance agreements, work plans or standard framework agreements signed?
   ...........................................................................................................................................................................
SECTION C - IMPLEMENTATION ASPECTS:

Please tick the appropriate box:

1. Senior Managers are committed to successful implementation of Performance Management.

   YES  NO

2. Supervisors are committed to successful implementation of Performance Management

   YES  NO

3. Supervisors identify developmental needs to assist subordinates to grow

   YES  NO

4. Please advise how implementation of Performance Management can be improved

   __________________________________________________________
   __________________________________________________________
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   __________________________________________________________

SECTION D - PERFORMANCE REVIEWS & FEEDBACK

1. Supervisors/Senior Managers are objective during performance review stage

   YES  NO

2. Performance is measured against objectives previously agreed upon.

   YES  NO

3. Performance Management is the same as Performance Appraisal

   YES  NO

4. Feedback is given after the review is performed.

   YES  NO
5. Feedback is given continuously to employees
   YES  NO

6. Outcomes of performance reviews are used to identify training needs
   YES  NO

7. Outcomes of performance reviews are used to reward one’s achievement
   YES  NO

8. Outcomes of performance reviews are used to identify a need for wellness unit intervention.
   YES  NO

9. Reviews give managers and individuals an opportunity to reflect on how an individual has been performing in order to plan ahead
   YES  NO

    YES  NO

11. An alternative to rating should be developed, if your response is yes please explain why.
    YES  NO

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SECTION E- PERFORMANCE IMPROVEMENT ASPECTS

Please tick the appropriate box:

1. Mechanisms exist to continuously improve performance.
   YES   NO

2. Sufficient information is communicated to all employees to enable them to execute their responsibilities in the best interest of the department.
   YES   NO

3. Supervisors identify developmental needs to assist subordinates to grow.
   YES   NO

4. Performance Development Plans (PDP’s) are built into one’s performance agreement, work plan or standard framework
   YES   NO

5. Senior managers/ managers have been trained on Performance Management and Development
   YES   NO

Thank you for participating in this study.
**QUESTIONNAIRE-STAFF SURVEY**

**RESEARCH TOPIC:** Implementation of Performance Management Development System in the Provincial Treasury, Province of the Eastern Cape.

**SECTION A: BIOGRAPHICAL INFORMATION**

Please provide the following personal information by placing an “X” in the appropriate box.

1. What position do you hold in the Department?
   - a. Administrative Staff
   - b. Messenger / Driver
   - c. General Worker
   - d. Cleaner
   - e. Other

2. What level do you hold in the organization?
   - a. Level 2-3
   - b. Level 4-6
   - c. Level 7-8

3. In which age group do you fall?
   - a. 25 years and younger
   - b. 26-35 years
   - c. 36-55 years
   - d. 56 years and older

4. Number of years in the public services?
   - a. 0-5 years
   - b. 5-10 years
   - c. More than 10 years
SECTION B: PERFORMANCE MANAGEMENT ASPECTS
Please respond by placing an X in the appropriate block and give explanation where required.

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<th>No.</th>
<th>Statement</th>
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<th>Agree</th>
<th>Neither</th>
<th>Agree/Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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<tr>
<td>1.</td>
<td>Clearly defined purpose of Performance Management is communicated effectively to all employees in this department.</td>
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<td>2.</td>
<td>Performance Management is effective in raising the performance of employees</td>
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<td>3.</td>
<td>Performance Management enables the department to identify underperformers</td>
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<td>4.</td>
<td>Performance Management is a developmental tool</td>
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<td>5.</td>
<td>Performance Management is designed for financial incentives</td>
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<td>6.</td>
<td>Performance management is a management tool</td>
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<td>7.</td>
<td>Standard framework and Work plan agreements are signed at the beginning of a new financial year</td>
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SECTION C- IMPLEMENTATION ASPECTS:
Please tick the appropriate block:

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<th>Strongly disagree</th>
<th>Disagree</th>
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<th>Agree</th>
<th>Strongly agree</th>
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<tbody>
<tr>
<td>1.</td>
<td>Supervisors are committed to the successful implementation of performance management</td>
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<td>2.</td>
<td>Supervisors consider training needs identified in performance development plans during the year</td>
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<td>3.</td>
<td>My performance is measured according to the agreement signed with my supervisor</td>
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<td>4.</td>
<td>The most important reward in PMDS is monetary.</td>
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<td>5.</td>
<td>Performance assessments are not judgmental</td>
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<td>6.</td>
<td>Employees have been trained on Performance Management and Development</td>
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8. Please advise how implementation of Performance Management can be improved.

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Section D
PERFORMANCE IMPROVEMENT ASPECTS
Please tick an appropriate block

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<tr>
<th>No.</th>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mechanisms exist to continuously improve performance.</td>
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<tr>
<td>2.</td>
<td>Sufficient information is communicated to all employees to enable them to execute their responsibilities in the best interest of the department.</td>
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<td>3.</td>
<td>Supervisors identify developmental needs to assist subordinates to grow.</td>
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<td>4.</td>
<td>Employees are committed to a successful implementation of performance management</td>
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<td>5.</td>
<td>Performance Development Plans (PDP’s) are built into the work plan or standard framework</td>
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<td>6.</td>
<td>Performance assessments are not judgmental but are based on factual evidence</td>
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</table>
**Section E**  
**PERFORMANCE REVIEWS & FEEDBACK**  
Please place a tick on the appropriate block

<table>
<thead>
<tr>
<th>No.</th>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Supervisors /Senior Managers are objective during performance review stage</td>
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<td>2.</td>
<td>Performance is measured against objectives previously agreed upon.</td>
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<td>3.</td>
<td>Feedback is given after the review is performed.</td>
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<td>4.</td>
<td>Feedback is given continuously during the year</td>
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<td>5.</td>
<td>Outcomes of performance reviews are used to identify training need</td>
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<td>6.</td>
<td>Performance reviews give the supervisor and the employee an opportunity to reflect on how an individual has been performing in order to plan ahead</td>
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<td>7.</td>
<td>Outcomes of Performance Management are used to reward one’s achievement</td>
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<td>8.</td>
<td>Performance Management establishes a clear link between performance and rewards.</td>
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<tr>
<td>9.</td>
<td>Performance Management should be discontinued</td>
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</tbody>
</table>

Thank you for participating in this study
University of Fort Hare
East London Campus
East London
RE: EDITING/PROOF READING
Dear Supervisor
This serves to confirm that I did the proof reading and editing of Ms. Bongiwe Maseti’s Master’s treatise.

If there are any questions please contact me via my email address provided below.

Regards,
Jabulani Mkhize
+27 71 123 4567
Email: jmkhize@uth.ac.za
Annexure H

Authorisation from HoD- Provincial Treasury to conduct Research

Ms. K.B. Maseti
Department of Political & Governmental Studies
P O Box 7700
NMMU
PORT ELIZABETH

REQUEST TO CONDUCT AN ACADEMIC RESEARCH


2. The HOD supports that you conduct a research and you should ensure that the confidentiality of the information be strictly observed and guaranteed.

3. We wish you well in your endeavors.

Ikhwezi Lomso greetings: Serving with Honesty, Humility and Integrity

M Mbina-Mthembu
SUPERINTENDENT-GENERAL &
HEAD OFFICIAL OF TREASURY

DATE: 31/11/2011

K B Maseti
Request to Conduct an Academic Research 3.11.2011
"A quality Treasury leading in Service Excellence"