CRITICAL ANALYSIS OF A PERFORMANCE MANAGEMENT SYSTEM USED BY A TERTIARY EDUCATION INSTITUTION IN THE EASTERN CAPE

BY

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Dissertation submitted in partial fulfillment of the requirements for the degree of Magister in Business Administration at the Nelson Mandela Metropolitan University Business School

PROMOTER: Prof D M Berry

NOVEMBER 2005
DECLARATION

"I, Zenephone Bhekuyise Mkovane, hereby declare that:

- the work in this dissertation is my own original work;
- all sources used or referred to have been documented and recognised; and
- this dissertation has not been previously submitted in full or partial fulfillment of the requirements for an equivalent or higher qualification at any other recognised education institution."

ZENEPHONE BHEKUYISE MKOVANE

March 2006

DATE
ABSTRACT

As argued by authors like Franzsen on whose work the greater part of the introduction, the main problem and sub-problem has been based, the objective of this study was to establish the extent to which the performance evaluation system currently in use at the subject Institution conforms to the benchmark performance management systems as espoused in literature. Further, the objective was to establish the differences and commonalities between the performance management systems practised in the corporate sector and current practice at the subject Institution.

Best practice was thus lifted to form part of the recommendation of this study.

A questionnaire was designed based on the guidelines in the literature study in order to determine how the subject Institution conducts its performance appraisal and how this relates to the four general purposes of performance management mentioned in the study.

The respondents' opinion obtained from the questionnaire were compared with the guidelines in literature and clustered around the four identifiable general purposes of performance management.

The study concludes with a statement of current practice at the subject Institution, and outlines the extent of conformance to benchmark practice on performance management systems.

Recommendations are made based on best practice and direction is given
to future research into contemporary practices with the express aim of enhancing quality in higher education applying the quality-related procedures of industry and commerce, where quality is crucial to success (Winch, 1996: 9-13).

The current performance management system at the subject Institution proves to be largely conforming to the benchmark. However it should require comments made by the respondents that pertain to improvement.
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CHAPTER 1

PROBLEM STATEMENT AND DEFINITION OF CONCEPTS

1.1. Introduction

Higher Education, particularly in South Africa, although embroiled in a process of extensive transformation on various levels, has been reluctant to adopt performance management systems and practices, especially insofar as it pertains to the management and appraisal of academic staff at institutions of higher learning. The reasons for the reluctance seem to revolve mostly around an exaggerated deference to the idea of ‘academic freedom’ and more operationally, the difficulties associated with ‘measuring’ excellence in academic pursuits. (Franzsen, 2003:132).

Performance appraisals started as a simple method to justify income and expenditure, that is, determining whether the salaries paid to employees were justified and in line with the value they add to the business or organisation. As such, the process was firmly linked to material outcomes, in terms of increases and cuts in salary that were often considered less than ideal. Initially, little consideration, if any, was given to the developmental possibilities offered by appraisal of both the worker and the business as a whole. As a result, the initial emphasis on reward outcomes was progressively rejected in favour of appraisal as a useful tool for staff development and motivation as part of a business enhancing strategy. A broader and more multi-dimensional model, referred to as performance management, emerged as a result. (Franzsen, 2003:133)
1.2 Main problem

Franzsen (2003:133) states that formalising a performance appraisal, as part of an integrated performance management system, has, however, always been controversial and in many instances, an uncertain and contentious matter for those involved. Performance management is seen by some as a tool for management to control and manipulate employees and to enforce a particular transformation agenda. In the South African context, this perception is common, especially where performance management has been introduced as a newly formalised management process. Exacerbating the natural suspicion of practices that involve evaluation and judgment, many respected sources, including researchers, management analysts and psychometricians, have expressed doubts about the reliability and validity of performance appraisal per se, and suggested that such a process is, of necessity, so inherently flawed that it may even be impossible to perfect it.

Franzsen (2003:133) further states that performance management is perceived to be the basis of accountable human resource practices as it intends to optimise contributions of staff in line with the goals of the organisation. Between these two extremes, many schools of thought and belief prevail. While most support the use of appraisals for managing performance, many and varied opinions on how and when to better apply it can be found.

The reader should note the interchangeable use of performance management as a concept with performance appraisal, where the former incorporates systems and practices of which the latter forms part as a practice. This interchangeable use between the two concepts is elaborated on under the sub-head of definition of concepts at 1.5.2 and 1.5.3 below.
Schultz (2001:516), as quoted by Beckett (2005:2), states that when performance management systems are tied into the objectives of the organisation, the resulting performance is more likely to meet organisational needs. They also represent a more holistic view of performance. In order for performance management to be effective, it must be line-driven rather than personnel department-driven. Development of a performance management system should be a joint effort between line and human resource manager.

In summary, the main problem of the research is: what are the perceptions of staff regarding the performance management programme?

1.3 Sub-problems
An analysis of the main problem has led to the following sub-problems being identified:

Sub-Problem One:
To what extent does the current performance management system conform to systems and practices identified in the literature glossed?

Sub Problem Two:
How do staff in the academic Institution perceive the four general purposes of the performance management system: (i) performance appraisal as established for development purposes; (ii) performance appraisal for determining tenure or promotion; (iii) performance appraisal as a basis for
decisions on remuneration; or (iv) performance appraisal as a diagnostic tool for quality control.

**Sub-Problem Three:**

Outside of the four general purposes of performance management as outlined in the main problem to be researched, are there any reasons outlined in literature for which organisations use performance management?

### 1.4 Delimitation of research

The purpose of the delimitation is to make the research topic manageable from a research point of view. The exclusion of certain topics does not necessarily imply no need to research such topics but rather a need to focus on one aspect.

#### 1.4.1 Institution name

The name of the tertiary education institution is Border Technikon.

#### 1.4.2 Organisational level

The research includes will include academic staff ranging from Senior Lecturers who are Academic Heads of Departments (Peromnes levels P7) and Academic Associate Directors including Deans of the two Faculties (P5). It also includes the Management Forum (Peromnes levels 1 – 6)'

Level 1 is the Vice- Chancellor; 2 are the Vice-Rector: Academic and Registrar; 4, and 5 are Directors of Non-academic Departments and 6 are members of management at the lowest level of the management echelons.
1.4.3 **Size of organisation**

Border Technikon has a total staff complement of 291 made up of 268 permanent and 23 contract/temporary staff, both academic and administrative.

1.4.4 **Geographical delimitation**

The empirical component of the study will be limited to senior lecturing staff and members of Border Technikon, situated in Buffalo City Municipality, East London.

1.4.5 **Subject of evaluation**

The study is limited to the evaluation of the performance management process in operation at Border Technikon, as compared to guidelines in literature.

1.5 **Definition of selected concepts**

1.5.1 Evaluation

According to the Concise Oxford Dictionary: New edition for the 1990s (1992:404), evaluation means assessment, appraisal, finding a numerical expression for or finding or stating the number or amount of.

1.5.2 Performance management

Performance management, a broader term than *performance appraisal*, became popular in the 1980s as total quality management (TQM) programmes emphasised using all management tools, including performance appraisal, to ensure achievement of performance goals.

Performance management is a process that directs the energy of the people in the organisation towards achieving strategic goals. Managers often confuse performance appraisal with performance management. Performance management is the day-to-day management of people, whereas performance appraisal is a discrete event which most organisations perform once a year to evaluate employees' performance Schultz, Bargraim, Potgieter, Vledge & Werner (2003:74).


What performance management seeks to improve in organisations can be summarized as improving results at the level of the individual, team and the organisation. Such a process must be line-manager line-driven and championed by the leader of the organisation in order to be successful.

Performance management is shaping what people say and do to the needs of the organisation. (Schultz et al, 2003:74).

1.5.3 Performance management vs performance appraisal
Schultz et al (2003:74) further states that performance appraisal should be a subset of performance management.
In highlighting the interchangeable usage of performance management and performance appraisal, Schultz et al (2003:77) states that a good performance appraisal should aim at developing the individual so as to improve his or her performance in the future. It should be an opportunity for an employee to discuss his or her career in the organisation and any training and development needs with his or her superior. It is also the time when the organisation documents the individual’s level of performance.

The ideal performance appraisal should be a collaborative venture between subordinate and superior in which goals and objectives are agreed upon and development plans are put in place to ensure that the subordinate can achieve these goals and objectives.

All too often performance appraisal is seen as a process owned and driven by a human resource (HR) department in which a superior appraises a subordinate so that the salary increases can be allocated. The development aspect is forgotten and the manager sees the process as one of delivering an overall performance rating (e.g. “He is a 3.6 on a five point scale”) to HR to plug into the pay system. A properly conducted performance appraisal has a justifiable place within a performance management system, because it allows for an individual to discuss development needs formally with his or her superior.

1.5.4 Performance management system, strategy and alignment
A performance management system will only work if there are no fundamental obstacles to performance in the workplace (Schultz et al, 2003:75).
...the universal challenge in organisations is to implement strategy. Over the years innumerable systems have been put forward, all of which offer to solve this problem. The most well known of these processes is management by objectives (MBO). This system has very credible roots, as it was conceptualised by the management guru Peter Drucker (1955). In theory, the system should work because it recommends that the corporate objectives be cascaded down to the individual level in the same way as performance management (Schultz et al, 2003:75).

A concise description of the essential component elements of a performance management system (Schultz et al, 2003:76) state that performance management is the day-to-day management of employees in terms of the goals of the organisation. A performance management system is a systematic process that formally documents the goals and objectives of each employee and has a built-in review process. Good performance management means that each person will have goals and measures that are linked directly to the organisation’s strategy. The process of developing individual measures starts by taking the strategy of the organisation and cascading the strategic objectives down through the different departments. Once the managers of the departments have set their goals and objectives, each person in the department should be assisted by means of a joint goal-setting session to set his or her goals and the associated measures. Organisations often refer to this process as alignment. In effect, everyone’s efforts are directed towards the same goals and there is no wasted effort with employees going off at a tangent.

In further defining the concept of alignment as per the foregoing paragraph, Schultz et al (2003:76) states that the alignment process identifies the critical success factors and key performance areas for the
organisation.
Each person in the organisation has key results areas, as well as key performance indicators, which are measures used to judge the employee’s performance. Part of the process of establishing goals should include identifying any gaps in an individual employee’s performance.

1.5.5. Goals
Bargrain (2003:61) as cited by Beckett (2005:6), defines a goal as a specific target that an individual is trying to achieve. It is what a person is attempting to accomplish.

1.5.6 System

1.6 Assumptions
As the literature review progressed, the researcher assumed that a point would be reached where there was either commonality or diversity with regard to the performance management and reward in the corporate and academic sectors.

1.7 The significance of the research
Based on the findings by Spangenberg (1993:32) this research study aims to confirm or disprove his findings in relation to a tertiary education sector in which the research study is focused. For example, Spangenberg (1993:32), found that managing performance was plagued by inadequate training of managers, supervisors and employees in the performance management process. Likewise the coaching and assistance given to subordinates were considered insufficient.
The author further found that both periodic and formal performance reviews were fraught with problems for all eight items, and were rated significantly problematic. Practical issues include lack of follow-up to performance reviews, over-emphasis on the appraisal aspect at the expense of development, inadequate performance information and the maintenance of objectivity. In addition, two major issues emerged: first, the erroneous assumption that inadequate performance is mainly the employee’s fault rather than an organisational systems or procedural defect (Spangenberg, 1993:32).

Spangenberg (1993:32) further found that a second major concern in this area is the issue of employee resistance to “labeling”. For example, getting an average rating implies that the person is “average”.

This finding confirms personal discussions with performance management facilitators, indicating that employees accept the concept of performance management, but that they resist being labelled. Labelling may negatively affect a person’s self-image. Fact is that a large percentage of employees are just not top achievers (Spangenberg, 1993:32). Spangenberg finally observes that the finding one of Deming’s statement resonates with that performance appraisal, as traditionally applied, confounds people with the system. By assuming that the person being evaluated is, by and large, responsible for results, a basic tenet of the total quality movement is ignored, namely that the system or process is the determinant of performance and primary source of variation. It is imperative that the employee not be made accountable for results which may be influenced by systems and processes outside of his or her area of control (Spangenberg, 1993:32).
In relation to the industry in which the present research is to be conducted, Schultz et al, 2003:83 observes that knowledge workers are professionals who neither need nor wish to be closely supervised. They expect to be held accountable for outcomes and to be given freedom to act as they see fit to achieve the results. They have a strong desire for personal recognition and reward and for personal development, as this increases their value in the marketplace. The following is a checklist for performance management systems in a learning organisation:

- Are job accountabilities and deliverables clearly defined?
- Does the performance management process allow the knowledge worker freedom to act without unnecessary supervision?
- Do individual objectives include measures on knowledge creation and dissemination?
- Is individual performance assessment linked to meaningful financial reward?
- Are work assignments allocated with learning in mind (for example, placing a particular person on a project, working with leading edge technology or with leading experts in a field)?
- Do performance discussions emphasise personal development and growth?
- Does the remuneration package go beyond salary and have an element of wealth creation, such as a share in the profit, or a share scheme?

Roberts (2003), as cited by Szet and Wright (2003:54), observes that performance appraisal is one of the most complex and controversial of human resource management techniques. The process has been rejected by leading thinkers such as Deming (1986) and described by
Scholtes (1999) as "counter productive". Further criticism has been leveled by Guest (1987) and Townly (1991, 1992), amongst many others. In fact, Bownan (1999) has suggested that performance appraisal "is impossible". What actually occurs is a "personnel appraisal". If one includes the alleged widespread manipulation of student/teacher evaluation systems in order to enhance these critiques (Simpson and Signuaw, 2000), then the entire concept might be questioned. Indeed, no other administrative process has attracted more scrutiny and has so successfully resisted resolution, than employee appraisal (Larsen, 2002).

Pretorius (2003:130) states that traditionally, quality in higher education is associated with excellence and striving for perfection. This view has subsequently been replaced by an emphasis on quality as "fitness for purpose" and/or quality as "value for money".

Winch (1996:9-13) as cited by Pretorius (2003:130) states that the current emphasis on quality in higher education has followed the successful application of quality-related procedures in industry and commerce, where quality is crucial to success. However, not all of these procedures apply to the higher education sector, which operates in a different setting. Quality procedures, which have taken over higher education, include formal mechanisms of quality assessment and assurance, a sharper customer/market orientating and increasing documentation.

The research aims to enhance the ascendancy of quality assurance in the tertiary education sector which serves as a means of achieving organisational goals. Furthermore, benchmarks are likely to ideally be
recommended for the Academic Institution as contribution to the increased focus on quality management in South Africa, reinforced by the introduction of courses in Total Quality Management (TQM) Higher Education Quality Control (HEQC) and other structures focusing on quality management.

1.8 Objectives of the research

The purpose of the research was to

- Establish the extent to which the performance evaluation system currently in use at the Border Technikon conforms to the benchmark performance management systems as espoused in literature in terms of how it seeks to improve results at the level of the individual, the Academic Institution and how the process is owned and driven by line managers;
- Establish the differences and commonalities between the performance management systems as practised in the corporate sector and at the Academic Institution;
- Make recommendations for a model performance management system that can enhance the human resource potential within the Academic Institution.

1.9 An overview of related literature

Performance appraisal was once the unquestioned way of doing things, the familiar ritual in which employees and managers sat down for an annual evaluation. If the employees were lucky, they walked away with raises, often tied to a ranking on some sort of rigid numerical scale. Nobody really liked it, but in the old command-and-control system of organisational leadership, this seemed like a perfectly appropriate model for measuring
Performance management rests on the following basic principles, according to Nichols:

- Goals should be set and agreed upon by both the manager and the employee.
- Metrics for measuring the employee's success in meeting those goals should be clearly articulated.
- The goals should be flexible enough to reflect changing conditions in the economy and the workplace.
- Employees should be able to think of their managers as coaches who are there not to pass judgment, but who help them achieve success.

Schultz et al (2003:84) observe that performance management, if properly implemented, can lead to substantial improvement in the performance of individual employees. Boyett and Conn (1995) assert that an improvement of as much as 20 per cent can be expected. Performance management seeks to do what many other systems have tried in the past, namely to align individual effort behind the strategy of the organisation. Performance management is nothing less than a strategy implementation tool. Other strategic implementation systems have failed in the past because the form has driven out the substance. In other words, the process of documentation of performance has taken over from the management of people as the main focus. Effective performance management entails interpersonal relationships and is
dependent upon robust one-on-one discussions between managers and their subordinates about performance objectives. The effective management of performance in a learning organisation shares many common elements with performance management in general. However, it should take into account the special needs of knowledge workers: independence, individualism and personal achievement.

Katz (1996:45), as quoted by Carrell et al (1998: 261-2), writes about the need for a paradigm shift on performance appraisal. The author observes that one of the persistent problems which has undermined appraisal systems is that they are not perceived to fit in meaningfully with the demands of business. Instead, they are often seen as just one more piece of paperwork a manager has to complete.

Katz (1996:45), further observes that what is needed, therefore, is a paradigm shift. One way to begin would be to take out of the system the word “appraisal” with its connotations of yearly meetings, held with the prime purpose of evaluation for pay increases. The replacement could be “performance review” as part of the performance management process.

A name change is not sufficient. The appraisal system often operates in a void. To ensure that continuous performance improvement can work, management should promote these values:

* Believe people inherently want to do their best.
* Insist that everything employees do adds value and builds performance.
* Accept change as a constant of growth.
* Avoid digging up the past, in case it clouds the future.
* Encourage employees to take personal responsibility for continuous improvement and
* Acknowledge the necessity for the meeting and make it an opportunity.

"HRD Involvement"

Katz (1996:45), in offering views on HRD involvement and benefits thereof, states that ideally, HR would not be required to 'just put an appraisal system in place', but would need to:

- Obtain management commitment to develop people through identified training needs;
- Market and "sell" the new application to employees;
- Hold training workshops for managers covering interpersonal skills, giving feedback, listening, setting objectives, acquiring a new language, coaching etc;
- Help managers to organise interviews and set agendas: get managers and employees jointly to agree on objectives and standards, and training and development needs. In other words, together the additional skills necessary to meet present job demands and future job requirements. They should consider methods for gaining new knowledge which might arise from changes in technology, legislation, management techniques and career advancement. In this way, managers should encourage subordinates to become motivated and to take charge of their own development;
- Discuss the dates of individual training requirements with managers and work on an overall strategy to complement organisational strategies, plans, goals;
- Take into account realistic budget;
- Set methods for training, coaching, workshopping, etc; and
- Evaluate the performance review process and training effectiveness.

**Benefits**
Katz (1996:45) lists the following benefits as derived from performance management:
- A good performance review system can be of great value to the organisation, department and individual;
- Employees take charge of their self-development, which becomes part of a career development track;
- Reviews are focused on development, rather than on criticism (the future, rather than the past);
- The training department gains credibility as it satisfies line needs;
- Realistic budgets and strategies are set;
- Managers have the opportunity to develop and strengthen relationships with employees;
- By developing their subordinates, managers are satisfying some of their own objectives.

**1.10 Research Design**
In this section, the broad methodology that was used in the study is described.

**1.10.1 Research methodology**
The following procedure was adopted to solve the main and sub-problems:
1.10.1.1 Literature survey

The identification and definition of the principles and/or guidelines fundamental to performance management systems used in organizations was identified from the literature. Secondary analysis of data through review of relevant documentation and publications was conducted.

1.10.1.2 Empirical study

(a) Survey: A survey was conducted among academic staff which comprised Senior Lecturers who are Academic Heads of Departments, Heads of Schools (Peromnes levels P7). It also included Academic Associate Directors who include Deans of the two Faculties (P5). Management Forum members on levels P1-P6 were also surveyed.

(b) Measuring instrument: The researcher developed a questionnaire according to principles and guidelines identified in the literature survey.

(c) Sample: Academic Departments and Heads of Schools, Academic Associate Directors and Management Forum members at Border Technikon were surveyed.

(d) Analysis of data: The statistical procedure used in interpreting and analysing the data was determined at the time the questionnaire was drawn up.

(e) Ethical aspect: The researcher obtained permission from the Vice-Rector Academic, Professor A M Mdebuka and the Registrar, Mr J R Bhana of Border Technikon, Eastern Cape to conduct the said
research.

The researcher used the information obtained from the questionnaire as a tool for evaluating whether the current performance management process meets the criteria stipulated in the literature. Conclusions were drawn and recommendations made based on the findings of the research.

1.11 Outline of the dissertation
The dissertation includes the following chapters:
Chapter 1: Problem statement and definition of concepts
Chapter 2: Benchmark elements of an effective performance management system
Chapter 3: The empirical study, methods used and analysis of data
Chapter 4: Analysis and interpretation of results of empirical study
Chapter 5: Conclusions and recommendations

1.12 Conclusion
The aim of this chapter was to define the main problem and to outline how the researcher intends to investigate it. To ensure consistency throughout the research paper, the most important concepts and terms were defined. This chapter attempted to define what performance management is, presented the dichotomy of performance management in the corporate sector as against the views held in the academic sector.

Chapter 2 will continue the exposition of theoretical framework, based on the literature as to what performance management is, that is, the benchmark elements of performance management and best practice.
CHAPTER 2
TOWARDS BENCHMARK ELEMENTS OF AN EFFECTIVE
PERFORMANCE MANAGEMENT SYSTEM

2.1 INTRODUCTION

The theoretical views of selected various authors in the field of
performance management are presented in this chapter with the objective
of covering as many theoretical views on performance management. The
present writer holds the view that the theoretical contributions by the
selected various authors in Chapter 2 serve as the benchmark elements of
an effective performance management system.

In order to do this, Chapter 2 is divided into twelve sub-heads, that range
incrementally from indicators of failure of performance management and
conclude with scope that outlines the key phases of effective performance
management.

The key phases of effective performance management, as outlined at the
end of Chapter 2, serve as a model for performance management on which
conclusions and recommendations will largely be based.

Employees give the best part of their lives to organisations. There is,
therefore, a “moral” obligation to let them know how they are performing.
Kermally (1997:83) states …no organisation can operate effectively when
close to half its citizens do not believe their efforts are being measured
fairly and effectively.” Tipping the balance more strongly in favour of these
large minorities should have far-reaching effects on morale and ultimately
Institutional productivity (Szet and Wright 2003:62).

Performance management should be designed as an integrated core management process which becomes "the way we do things". It should embrace four key phases – planning, managing, reviewing and rewarding. If an organisation's approach to managing performance resembles this model, it will have begun to move a long way from the one-dimensional model of traditional performance appraisal (Hartle, 1995:82).

As one of the objectives of the research, as stated in Chapter 1 that the purpose thereof was to establish the extent to which the performance evaluation system, currently in use at the Border Technikon conforms to the benchmark performance management systems, as espoused in literature, how it seeks to improve results at the level of the individual, the Academic institution as an organisation and how the process is owned and driven by line managers.

2.2 INDICATORS OF FAILURE OF PERFORMANCE APPRAISALS
As part of the literature research, aspects of failure of performance management are highlighted. Schneier, Beatty, Baird (eds) (1987: 258-259) schematically outline why performance management fails by identifying each problem and its attendant symptoms. For each of these problems and symptoms, Schneier et al offer the remedy as being an implementation of a performance management system as illustrated in Figure 2.1 below.
FIGURE 2.1
Why Performance Appraisal Fails


Why Performance Appraisal (PA) Fails. In the view of Schneier et al (1987:258), surveys consistently indicate utter dissatisfaction with PA systems and recurring costly revisions. A “good” PA is often viewed as one in which managers simply complete the forms and forward them to the Personnel Department to be filed. In a “poor” PA system, the forms are seldom even completed!

Measurement Problems. The systems ineffectiveness can be traced to four major problems. For all but the most routine positions, identifying appropriate appraisal criteria or determining what to measure is the first problem.
Judgment Problems. The second set of PA problems as identified by Schnelker et al (1987:258), comes from the raters. No matter how conscientious and well-meaning a rater may be, human judgment is still a subjective process. The manner in which the raters observe, store, categorise, recall and evaluate information about a ratee’s behaviour may affect the rating they give more than the ratee’s behaviour itself. PA is judgment and information processing, and not merely completing forms.

For example, one manager might observe a subordinate performing well and attribute the cause of performance to the subordinate’s high ability. Another manager who views the same subordinate might feel he or she performed well only because the task was not very difficult. The first manager, attributing behaviour to an internal cause (the subordinate’s own ability), might give a high rating. The second manager, attributing behaviour to a external cause (the nature of the task), might give a lower rating. Same behaviour, different ratings. The message to those being rated is clear: your ratings may be determined by who gives them, more than by your performance.

Policy Problems. Even in organisations where careful attention has been given to determining what to measure, setting performance standards, and reducing subjectivity and bias in human judgment, the PA system may be ineffective if its results are not used or are inconsistently applied. If there are no negative consequences for those with low ratings and/or no positive consequence for those with high ratings, how important is the appraisal system? Policies are required when PA results are used as the basis for reward administration, promotion, and job assignment. In short, rewards must be performance-contingent or the appraisal system will have no credibility.
Culture problems. A final deterrent to PA system effectiveness is failure to recognize the realities of managerial work and organisational culture. PA systems often clash with the nature of how managers perform their tasks on a day-to-day tasks and what degree of control they typically have (Schneier et al (eds.), 1987:259).

2.6 WHY PERFORMANCE MANAGEMENT DOESN'T WORK AND WAYS TO FIX IT

In this sub-head, Arumugam (2001:24-25) picks up the thread from the previous one at 2.1 above by outlining why performance management does not work. The author systematically outlines reasons for failure of performance management, what the diagnosis is and offers interventions for each of the problem areas.

Arumugam (2001:24) states that many organisations are still struggling with the implementation of effective performance management systems. Perhaps the single reason for this failure lies not so much in the technologies being applied, but as a consequence of the human factor in the performance management process. The central question becomes one of understanding why managers, despite advanced systems, still fail at performance management.

2.3.1 Performance management as a competency

Arumugam (2001:24) cites Boyatzis (undated), a leader in competency-based research, as describing a competency as the ‘underlying characteristics required by an individual for effective performance in a job’. He describes several subsets of underlying characteristics that are generic to any job performance. First is knowledge, referring to the ‘what’ of the particular discipline or task. Secondly, the skills domain refers to the ‘how’.

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The third characteristic of motives and traits is concerned with the "why". The fourth set of underlying characteristics is self-image and social role, referring to a person’s perception of personal identity in the context of the social group.

Each of these underlying domains are examined in turn with a view to identifying if it is a problem area for the organisation and the interventions necessary for resolving the issues. (Arumugam (2001:24).

Arumugam (2001:24-25) follows a pattern in outlining reasons why performance management does not work. The author starts by listing symptoms and consequences to each problem area identified; what the diagnosis is for each problem area and ends by offering interventions as the ways and means to fix the attendant performance management problem. The problem areas, as identified by Arumugam (2001:24-25), are the

* knowledge domain;
* the skills domain;
* motive and trait domain;
* self-image and social role domain;
* formal culture domain and
* informal culture domain.

However, the present research is limited only to the knowledge, skills, formal and informal culture domains.

2.3.2 Performance management problems in the knowledge domain

Arumugam (2001:24) lists symptoms and consequences for problems in the
knowledge domain as follows:

- Performance management is not understood as a core management activity, central to effective organisational performance.
- Performance management is synonymous with performance appraisals.
- Employees report high levels of stress and burnout.
- Managers going through the motions of appraisals.
- Managers do not integrate performance issues into other management decisions.

**Diagnosis**

Arumugam (2001:24) observes that the underlying ineffective management behaviour is the result of a lack of systematic training in performance management theory and methodology.

Managers are unable to systematically develop a personal working model to guide their day-to-day practices.

**Interventions**

Arumugam (2001:24) offers two solutions to the problems in the knowledge domain:

* to create a shared understanding of performance management amongst all managers and staff through systematic outcomes-based performance management training programmes and

* to establish a corporate communication strategy that effectively informs and influences a culture of high performance.
2.3.3 Performance management problems in the skills domain

For problems in the skills domain, Arumugam (2001:24) rhetorically asks what happens when the manager can demonstrate reasonable understanding of performance management but is unable to effectively translate this knowledge into skill?

Arumugam (2001:24) lists the symptoms and consequences for such problems in the skills domain as follows:

- Manager shows resistance to conducting performance appraisals.
- Complaints from subordinates of poorly conducted appraisals.
- A climate of tension and conflict in the employment relationship.
- Managers losing confidence in their ability to manage performance.
- Going through the motions to avoid any conflict.

As diagnosis of the problems in the skills domain, Arumugam (2001:24) reveals that there is often a gap in effective interpersonal skills, which is core to effective performance management.

The appraisal process specifically, and other performance management processes, are inherently conflict-based processes and people tend to generally avoid conflict in the workplace.

Few managers are trained and confident in handling conflict thus compromising the dynamics of performance management interactions.

Arumugam (2001:24) lists three remedies: Firstly, a systematic programme of skills training that moves beyond awareness raising.
Secondly, in the application of performance management technologies, skills training, must incorporate working sessions that allow managers to apply their knowledge and skill to organisation-specific tools.

Thirdly, the interpersonal dynamics of performance management processes must be measured as performance outcomes and demonstrated as behavioural skills by manager.

2.3.4 Performance management problems in the formal culture domain

Arumugam (2001:25) observes that for effective performance management to happen, the organisation must set up the necessary policies, procedures, systems, and practices to support a culture of high performance. Individual management competence, in the area of performance management, can only happen in a well-defined organisational context.

The symptoms and consequences of problems with performance management in the formal culture domain, according to Arumugam (2001:25), are:

- Confusion as to the company’s standards and systems.
- There is no sense of organisational alignment in respect of performance.
- The gap between expected practice and organisational support systems.
- Performance management is considered a farce.
- Decline in individual and corporate performance.
- Difficulty achieving strategic alignment and performance.

The diagnosis according to Arumugam (2001:25) is that often in the absence of a clear senior management mandate and informed support, all
subsequent performance management practices are compromised.

Since the Management of organisational performance is a strategic task, the lack results in employees and managers having little or no faith in the system so as to perceive it as invalid.

Without sanctions for non-compliance and/or poor performance, managers quickly learning to just get by.

Remuneration and reward systems are not consistent with the company’s overall performance management policy and practices.

The total employee workforce does not have a shared understanding of the corporate vision of high performance which is consistently upheld as a non-negotiable. (Arumugam 2001:25).

Arumugam (2001:25) states that at a broad systems level, the organisation benefits by defining a policy in respect of performance management.

Secondly, the senior management team needs to engage in a strategic business process, which integrates performance management systems and practices with the overall business strategy.

At the next level, a multi-disciplinary team of specialists needs to establish the operational subsystems, procedures and practices.

**2.3.5 Performance management problems in the informal culture domain**
The sixth reason why performance management does not work, according
to Arumugam (2001:25), arises out of problems in the informal culture domain.

Its symptoms and consequences are:

- A culture of mediocre performance just to stay out of trouble.
- Perceptions amongst employees that excellence is not valued.
- Blaming and hiding become the dominant defense mechanisms.
- Creativity and innovation and personal growth are blocked.
- Employees resigned to a state of learned helplessness. (Arumugam 2001:25)

Diagnosis, according to Arumugam (2001:25), is that there is a gap between formal and informal cultures resulting in perceptions of the organisation not ‘walking the talk’.

Employees experiencing cognitive dissonance tend to take the path of least resistance, which results in mediocre performance.

Organisations don’t celebrate success and high performance. Senior management does not support a culture of congruence and organisational alignment.

Performance management system interventions should be aligned throughout the organisation in support of a high performance culture.

The culture should demonstrate consistent sanction in cases of poor performance.
The effectiveness of performance management systems depends on a whole system’s approach, which often neglects the human dynamic. Arumugam (2001:25).

2.4 PERFORMANCE MANAGEMENT: CAN IT WORK?
Apart from the rhetorical question which McLagan (1994:23) poses on performance management, the author actually concludes by offering solutions and guidelines for an effective performance management system organisations may adopt.

McLagan (1994:23) states that performance management has many meanings to different people. To some, it is linked to evaluation, pay and promotion. To others, it is a means of bringing rationality and order to individual work. Others see it as the entire people management system.

McLagan (1994:23) further outlines the negative ills that have beset performance management. She states that regardless of meaning, performance management is often a source of dissatisfaction within organisations. Normal curves in performance reviews guarantee that most people are rated average or below. This has a demotivating effect on employees.

Furthermore, communication between management and subordinates is often unsatisfactory and goals are frequently too unstable to be of any use as a performance measure.

Historically, performance provided a rationale for justifying pay increases. Performance goals were devised to provide a clear focus for review. However, managers have proved reluctant to be evaluators and have
tended to rate staff too highly. They also failed to ensure that goals exist.

McLagan (1994:23) points out that both management and employees resist the ranking approach. Some managers rotate high ratings amongst employees while others abdicate responsibility for decisions made under the system. In turn, employees set unrealistically low goals to ensure pay increases.

The beleaguered legacy of performance management has left most organisations with:

- low trust due to poor management and erosion of self-esteem,
- downward pressure on performance due to a reluctance to set challenging goals,
- reduced willingness to communicate errors or problems; and
- reduced incentive to work as a team.

McLagan (1994:24) offers several keys to a better solution to performance management.

The author states that management has to be clear about the purpose of performance management for the organisation. Performance management can serve, at least, three purposes — as the vehicle for strategy implementation, as the driving force for creating a participative culture and as useful information for personnel decisions.

As regards strategy implementation, the emphasis must be on:

- Helping people understand and help create the larger goals and
value priorities,

- Ensuring that teams and individuals translate and internalise the larger priorities as goals for their own work,
- Making the budget and resource allocation process interactive with goal setting rather than a fixed decision that occurs before goals are developed,
- Continuous feedback for teams and individuals regarding their performance.

Regarding participative culture, performance management is a powerful culture carrier. Goal setting, budgeting, day-to-day priority decisions and feedback can be conducted in a paternalistic, autocratic, participative, team-orientated or individualistic way. The culture of the organisation thus mirrors the characteristics of performance management.

Performance management processes do, of course, carry useful information for personnel decisions like pay and career moves. McLagan (1994:24) cautions that such decisions should be delinked as much as possible from the performance management system.

When they are too closely connected, people begin to lower their goals, reduce their risk taking and hide problems and failures. This destroys the positive effects of performance management on culture and strategy implementation.

Another key to a better solution to performance management, according to McLagan (1994:24), is to install performance management as an organisational process that has the stature of budgeting, business planning and the business review. This can be achieved by installing team and
individual goal setting and performance on the business calendar.

Thirdly, organisations have to open up communication and stop unnecessary organisational secrecy. Secrecy deprives people of the context required for decision making, diminishes trust and encourages grapevine hearsay. This, in turn, discredits and disempowers management.

The fourth key to a better solution to performance management is to expand the involvement in and increase personal accountability for key performance management events. Customers, team members, other teams and management should contribute to goal setting and be involved in performance feedback and review.

According to McLagan (1994:25), a framework has to be in place where management:

- directs overall strategy;
- ensures that structures facilitate the work;
- provides resources and the best information systems to enable appropriate decentralisation; and
- facilitates career and skills development.

Concluding on a positive note about performance management, McLagan (1994:25) states that performance management has a major role to play in South African organisations today. But, in the form practiced in most organisations, performance management is in trouble. Some very prominent management experts have gone as far as advising that it should be abandoned altogether.

The author challenges organisations to act now re-educate, design and
actively use performance management processes that are appropriate to the changing times. The most pressing needs for change by organisations and individuals require, and will benefit from, taking a new approach. (McLagan, 1994:25).

2.5 SIX STEPS TOWARD MEANINGFUL PERFORMANCE MANAGEMENT

Weizmann (2001) highlights the fact that critical to performance management is planning. The author succinctly lists six critical steps towards meaningful performance management.

- **Link the performance management calendar to the organisation's business calendar.** This way, performance planning is co-ordinated throughout the entire organisation. "You tell your employees, "Here's what we've got to deliver this year and here are the roles everyone's going to play; We need to know what development interests you have, and by the way, we have some development needs that you'll have to grow with"."

- **Conduct a mid-year review.** With mid-year financial results in hand, you can recast your plans to meet changing conditions. "By the end of the year, then, it's in the bag. And as much energy goes into planning for the next period as goes into evaluation for the past".

- **Articulate a set of role-based competencies.** First, let every employee know of five or six qualities that define success for every member of the organisation, regardless of job description. Then let every employee know how those qualities translate into performance in specific jobs. "This tells the employee what they can expect of their leaders, as well as their co-workers."
Expectations, then, are not disputable. They’re in the role. They’re well-documented”. Thus, when reviews are conducted, employees and managers do not get bogged down in discussions of whether or not a specific behaviour is important. The focus is shifted to a discussion of how well the employee met expectations and how those expectations might change in the coming year.

- **Set developmental guidelines for your employees, based on their roles in the organisation.** Make sure that employees understand the kinds of developmental opportunities they will have to take advantage of if they want to grow in their jobs and move on to positions of increasing responsibility.

- **Don’t get bogged down in paperwork.** “Paperwork has to facilitate the process. Anything you can do to assure the face-to-face discussion of performance between the individual and the manager is what counts. The paper can’t be the end result.”

- **Focus on leadership.** “One of the things that leaders do is set expectations and coach. You want to line up your needs with the employee’s needs. Do whatever needs to be done to get that to happen.” Workforce/workforce.com 2001:38.

2.7 **COMMON RESERVATIONS ABOUT PERFORMANCE APPRAISAL AS A PRACTICE CENTRE AROUND THE LINKAGE OF APPRAISALS WITH REWARD OUTCOMES: THE ACADEMIC DEBATE REVISITED.**

Franzsen’s work (2003:133-138) has been introduced in this sub-heading for the following reasons:
v) to indicate the extent of reservations that performance management external specialists have encountered at higher education institutions at the given point in time;

vi) to assess the extent of shift that has occurred at the sample institution vis-à-vis the common reservations as found by Franzsen to be in existence at higher education institutions;

vii) to highlight the benefits of performance management as a worthy tool that should be adopted at tertiary institutions in light of its benefits as outlined by Franzsen at the end of this sub-heading and

viii) to link the sub-head back to the main problem at Chapter 1 of the present research.

Franzsen (2003:133) states that the developmental advantage of integrated performance management is seen to be reduced and even eliminated by linking it to reward. Rather than a process of constructive review, reward-linked processes appear to be judgmental, punitive and harrowing, resulting in low staff morale and inviting manipulation of the system.

Legal requirements, however, support rival arguments that, to establish remunerative justice, organisations need an equitable process by which reward is openly and fairly distributed to those who are most deserving on the basis of effort, merit and results. To ascertain this, performance needs to be fairly, uniformly and regularly appraised and documented. Human resource managers, particularly those in Higher Educational institutions, face a major challenge to deal with the ambivalence and incongruence of
establishing a performance management framework that addresses both the need for accountability as well as the opportunity for skills analysis and staff development. (Franzsen, 2003:133).

Further blurring of boundaries occur when the concept of "academic freedom" is evoked in arguments opposing the introduction of performance management. Academic endeavour is held up to be a particularly individualised and unique kind of job where uniform performance standards cannot be applied in the appraisal of performance.

Academic freedom has two primary connotations. The first involves the freedom of individual scholars to write, speak and teach on whatever topics they consider important or factual. The second important connotation is the idea that an entire academic institution, be it a university or research group, should have the freedom to decide upon policies, practices and goals without being restrained or controlled by outside agencies; be they political in the sense of the government or private in the sense of corporations or special interest groups.

At times the term academic freedom is used to refer to a near-absolute freedom of teachers to perform their job without unreasonable restrictions and without fear of censure due to the unpopular nature of the subject of their conclusions. This view of academic freedom is largely derivative, because the freedom of the institution is based upon the freedom of the individual researchers and scholars. In light of the increased call for wider accountability, it becomes clear that a conflict of interest could result, particularly where this accountability involves an appraisal of performance against standardised criteria. (Franzsen, 2003:134).
2.6.1 The nature of academic work

Franzsen (2003:134) observes that although the work of academic and support staff in Higher Education institutions is closely linked in terms of strategic objectives and delivery of products and services, the nature of work is totally different in terms of the key performance areas.

Performance standards relate to the key tasks of a particular category of employee which in the case of academic and support staff vary considerably. This distinction in key task and performance areas often necessitates the design of two systems similar in terms of basic principles, approach and application, but different in content and structure.

An approach adopted internationally by institutions supporting competency-based thinking, has been to identify the core competencies required, presuming that the behaviours associated with these competencies result in performance excellence. These are, *inter alia*, effective communication, interpersonal skills, leadership, self-development and the development of others, change management, commitment to quality, student and stakeholder orientation, innovation and creativity, decision-making, judgment and critical thinking skills. These competencies form the basis of the performance criteria defined in the key performance areas of academic work, and thus form the basis for managing and appraising academic performance. (Franzsen, 2003:134).

2.6.2 Critical comments on national performance management practices and implementation issues

The South African Higher Education institutions have been slower than their international counterparts in establishing performance management as a
formal management practice. What has become clear in the research and analysis of systems is that although in many instances, systems have been designed and developed according to standards of contemporary "good practice", implementation has been mostly slow and fraught with difficulties. In addition ... a number of specific issues seem to be common cause for concern and hesitant implementation. (Franzen, 2003:136).

2.6.3 Consequences attached to performance appraisal and feedback on employee performance

In two instances where performance appraisal was used with the sole purpose of introducing performance related pay increases, the financial gain for the individual employees was so insignificant that it had hardly any incentive value and was viewed by employees as a waste of administrative time and effort.

The reverse side of the coin, in terms of reward and punishment, also appears to be cause for concern. Academic staff members repeatedly claim they could accept a performance management system more readily if it meant that under-performance was effectively addressed and resulted in equal workload distribution.

For a performance management process to add value and to be worth the time and cost involved, it must have open dialogue between evaluators and those evaluated as its core. Continuous honest and constructive feedback is not only an administrative and legally required prerequisite for any evaluation process, but it determines the long-term benefits if not the survival of a performance management system. It is in this respect that most academic institutions seem to experience most of their implementation difficulties. (Franzsen, 2003:137).
Giving performance feedback is rated by most managers as one of the most taxing and sensitive managerial tasks requiring specific training in interpersonal and communication skills. None of the academic managers (Heads of Department, Heads of Schools, Directors of Schools or Academic Units) who were interviewed considered themselves adequately trained and competent in dealing with performance interviews, especially in cases where negative feedback had to be communicated. Many academic managers see themselves firstly, as specialists and academics and only secondly, as managers. They complain that they have neither the inclination, nor the time as one respondent put it, to “police” fellow academics. This attitude was echoed by most of the managers interviewed ... and indicates a pressing need for clarification of the roles of academic managers and intensive training to fulfill the responsibilities of such a role. (Franzsen, 2003:137).

2.6.4 Change management and communication issues

According to the findings of Franzsen (2003:137), one of the major problems in the development of performance management system in Higher Education institutions is the protracted processes needed to get buy-in and constructive participation from the various stakeholder groups. This includes the necessity to keep all stakeholders informed and up-to-date with decisions and developments. Despite the concerted information campaigns that some of the institutions have undertaken, they report that academic staff members and unions remain negative and skeptical about the purpose and nature of a proposed system and how it will affect their professional and work lives.

Theron & Roodt (2000) as quoted by Franzsen (2003:137) state that organisations, other than academic institutions, where performance
management was introduced successfully, report that it took up to three cycles of implementation to establish a culture of performance awareness and before the system started yielding results in terms of staff development and improved performance. Haworth (1998), as quoted by Franzsen (2003:137) suggests that a performance feedback system should be introduced first as a development tool, after which it can be changed and used for appraisal and compensation purposes. It is therefore crucial that institutions manage stakeholder expectations in respect of time frames and appraisal outcomes, specifically where the intention is to link direct rewards to the process.

2.6.5 The use of external consultants
As an external consultant herself, Franzsen (2003:137) found out that a number of institutions that developed and implemented a performance management system had made use of external consultants for expert input into the system design. Although the technical know-how they provided was generally sound and scientifically well-founded, it did not, in all instances translate well into the university or technikon culture and environment. Extensive and continuous participation by internal drivers and monitors of the performance management initiative were necessary in the system development to ensure alignment with organisational values and culture. This process often resulted in the adjustment of proposals and the extension of time frames.

These implementation issues, seen together with conceptual and structural problems that are associated with managing an academic performance, could explain what appears to be institutional reluctance to fully embrace formalised performance management.
The conclusion drawn by Franzsen (2003:138) is that none of the national Higher Education institutions which have moved some way along the route of implementing a performance management system, have yet been able to quantify in any way the value added or to claim unequivocal success. However implementation difficulties as highlighted above, contribute significantly to the perceived and real success of a performance management system and rather than abandoning the process altogether, these need to be addressed in a meaningful way. The advantages of a well-established and well-managed performance management system greatly outweigh the difficulties and teething problems experienced insofar as it:

- Complies with labour legislation and requirements;
- Provides role definition and clarifies mutual expectations (i.e. individual and organisational);
- Aligns individual performance with organisation goals;
- Documents performance systematically and provides input for related human resource practices and
- Identifies development needs as basis for professional growth. (Franzsen, 2003: 138).

2.7 SUGGESTED APPROACHES TO EFFECTIVE PERFORMANCE MANAGEMENT

Bennett and Minty (2001) outline four phases: planning, design, implementation, and follow up and alignment of effective performance management.

2.7.1 Design and implementation of a new performance management approach
Phase 1: Planning

Under the first phase of planning for design and implementation of a new performance management (PM) approach, Bennett and Minty (2001:22) identify six sub-action steps as follows:

1. Assess the need for change

Investigate and assess the current PM system. Inquire into its acceptance and effectiveness. Has it undergone numerous revisions? What do people say about the process over lunch; are they supportive or sarcastic? How much day-to-day focus is there on goals set at appraisal time? Are some of the purposes undermined by others, e.g. is the focus on ratings or increases rather than on developmental aspects?

2. Gain top management commitment and mandate for a new PM approach

It is essential that the top team is committed to a new PM process and to adopting a participative approach to its design and implementation of it. The top team members need to understand their role as change leaders and they should be prepared to model and live the new behaviours when they are in place.

The top team should take part in a workshop to review the aims of a PM system. It should also interrogate current practices, assumptions and alternative approaches that will meet organisational needs. A broad framework for the change should be agreed.

3. Set up a project team

The team should represent every level and function and be composed of no more than 12 individuals. If the organisation does not have an open and
trusting culture, preferably keep the team narrower in scope, including passionate people who have divergent perspectives and are respected for their ideas.

The team should undergo change management training and will clarify its role, goals, outputs and deadlines.

4. Review the past
The team will review the current appraisal system, its purposes, outcomes and underlying assumptions.

5. Clarify the objective
The team will clarify what it intends to achieve and success criteria.

6. Build new assumptions
This is the most important and challenging step in the process. New assumptions will form the foundation of a new approach. Identifying more constructive assumptions about people is essential if they are to be encouraged to behave in new ways. Replacing old assumptions requires patience and creativity and the design should be checked against these new assumptions as it evolves.

Phase 2: Design
For the second phase, namely the design of a new performance management approach, Bennett and Minty (2001:23) list six sub-action steps as follows:
1. Begin the design
Design is about hypotheses rather than solutions to problems, this improves the opportunity for learning. At this stage, the team needs to
design a framework with a clear purpose, set new underlying assumptions, develop key components of their recommendation and an estimate required resources.

2. *Plan a communication and education process*
   At this stage, the design team needs to build trust rather than acceptance of any particular design, so it needs a strategy for dissemination of general information and the goals of the new design. It needs to assure people that the design process will be transparent and open to suggestions.

3. *Collect feedback on the proposed design from stakeholders*
   The team needs to check that its thinking is on track and needs to share its design concept, rather than the details. Focus group-type meetings best accomplish this. Objective sessions for managerial and non-managerial staff are important as the needs of each group will be different and maybe contradictory.

4. *Refine the design*
   The design team should apply the feedback received in the previous step

5. *Check with top management*
   The new design should have a powerful impact on organisational culture and therefore needs a final go-ahead.

6. *Complete the design and plan implementation*
   This step should see the team finalise objectives, underlying assumptions, success criteria, processes, procedures, forms and roles that are required for effective implementation.
Phase 3: Implementation

For the third phase, namely that of implementation, Bennett and Minty (2001:23) identify three sub-action steps as follows:

1. Decide if a pilot is appropriate
A pilot project may make sense, especially in a large corporation. A pilot should highlight the benefits and drawbacks of a new system in a smaller environment and allow for learning. The team should decide if areas need to be strengthened, and this may be followed by making necessary adjustments.

These advantages should be weighed against the extended time required; the possibility of alienating groups not involved in the pilot and other politics of change; the opportunity for "real-time" learning and so on.

2. Present the final design to top management
As it only takes one or two dissenting voices to derail a potentially promising project, this last visit to top management is important.

3. Design training material and train on the alternative system
Training is arguably the most important step in implementation. People must understand the "why" as well as the "what" that the design is flexible and subject to a continuous improvement process.

Phase 4: Follow up and alignment
In conclusion, the last phase of follow-up and alignment, according to Bennett and Minty (2001:23), comprises monitoring results and making improvements as required.
1. **Monitor results and improve as required**

In most cases, successful new processes initially make things worse, so they need time to bed down before changes are made. Implementation is not an end, it is still part of the learning process. The team needs to avoid becoming defensive about complaints. Remember, complaints are a gift, an opportunity for improvement.

2. **Realign other HR systems e.g. remuneration**

The last sub-action step is that of re-aligning other HR systems. Particular attention needs to be paid to remuneration. Any changes to HR systems need to be made in a participative manner.

The concept of participation needs to be carried through into all day-to-day operations, with everyone accountable for his, or her own performance and development. This will not happen overnight. It will take time and patience to achieve. To set this transformation process in motion, it is critical to first review past practices and the assumptions that underlie them. This is followed by a redesign of the way in which people work, based on a new set of much healthier assumptions about human nature, and which complement our vision of a new world of work. (Bennett and Minty, 2001: 23).

2.8 **DEVELOPING AND IMPLEMENTING STATE-OF-THE-ART PERFORMANCE MANAGEMENT SYSTEMS (PMS)**

Sloan (2003) states that the state-of-the-art PMS are characterised by the following:

- Apply rigorous analytical approach to understand the nature and logic of the business model which enables them to identify and
select the right measures.

- Are the cornerstone of strategic management and reporting processes, and the measures are periodically modified as strategies are implemented or measures become less applicable.

- Design individual performance and compensation programmes for executives and managers which are consistent with the business “dashboards”.

- Are enabled by state-of-the-art information technology systems that enable automatic data capture, drill down presentation and root-cause analysis. (Sloan, 2003:24)

**Developing state-of-the-art PMS**

Sloan, (2003:25) further states that PMS is more than just a set of measures. State-of-the-art PMS is essential for promoting focus on organisational alignment around strategic objectives, providing insight to help determine when a change in direction is required and ensuring that the organisation has holistic and comprehensive performance measurement dashboards. In developing state-of-the-art PMS, special care has to be paid to the following:

Sloan (2003:25) lists three broad areas, namely, identification and selection of the right measures; strategic management process and individual performance and compensation programmes.

**Identification and selection of the right measures**

Identify and select the right measures which are highly relevant from both the strategic and value creation perspectives. By creating “a dashboard” that focuses on the strategic objectives while not neglecting key value drivers, companies are able to measure both their progress in implementing
the strategy and their ability to create shareholder value.

**Strategic management process**

Strategic management includes the process of articulating strategy, defining required initiatives allocating resources determining targets and budgets, reviewing performance and finally taking corrective actions. It is distinct from daily management processes which focus on day-to-day operations. Furthermore, the strategic management process has to focus on the following four components:

- Plan – Strategic and operational planning
- Do - Business management
- Check – Measurement and review
- Act – Plan adjustment

In addition, special care also needs to be taken, as it was pointed out before, to use PMS as the cornerstone of the strategic management process because it:

- Establishes an effective link between the strategic objectives, actions, budgets and current performance;
- Provides a flexible and iterative learning loop that enables the company to adapt to changes in the environment, and;
- Facilitates communication about strategy and performance throughout the organisation.

**Individual performance and compensation programmes**

The reward mechanism is the most important accelerator in gaining commitment and consensus around strategy. Inconsistencies in the way
individuals are evaluated and rewarded may lead them to pursue goals that are at odds with the strategy. A classic example of these problems occurs when the strategy aims to achieve aggressive long-term growth objectives, yet executives are rewarded on the basis of short-term financial performance. Individual performance management programmes at companies with state-of-the-art PMS entails the following characteristics:

- They are based on a comprehensive set of measures taken from the performance 'dashboards' of the organisation. In addition, the individual performance measures cover all the ways in which the individual can contribute the organisation's goals.

- Individual targets are clearly aligned with the strategic objectives. The most successful performance-managed organisations are set very ambitious targets only for the breakthrough objectives, setting less ambitious targets for the non-breakthrough objectives.

- The compensation structure rewards results rather than specific behaviour. (Sloan, 2003:25).

2.8.1 Critical success factors for implementing state-of-the-art PMS

Sloan (2003:26) concludes by acknowledging the complexities relating to designing and implementing PMS. The author states that a state-of-the-art PMS should signify change the way the business is managed, resources are allocated, tasks are prioritised and individuals are rewarded. Understanding the dynamics of and obstacles to change in the organisation is often the most decisive factor for success or failure. Furthermore, the system should focus on the key elements of the strategy, align the organisation behind
these elements, and provide valuable insight into the performance of the business. All requires a deep understanding of the following issues:

- The strategy of the organisation;
- Its operations and business processes;
- The current and potential information architecture; and
- The dynamics of creating change.

The team designing PMS needs to be able not only to articulate the business vision clearly, but also to disaggregate the system into the strategic objectives, critical success factors and ultimately through a path of root causes, into potential measures. The same applies to system developers: they must have a solid understanding of the business as well as insight into the user’s perspective in order to design an analytical engine that allows users to scrutinise causes and effects and see the results easily. (Sloan, 2003:26)

2.9 IMPLEMENTING PERFORMANCE MANAGEMENT – THE CRITICAL SUCCESS FACTORS

In this sub-head, Hartle (1995) outlines at least seven factors he regards as critical for the successful implementation of performance management. These are:

- **Performance management should be 'owned' by all staff**: In organisations where procedures and paperwork dominate the performance management process PM is likely to be regarded by employees as an administrative burden and a needless irritation. Emotionally “it does not belong to them”.

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The performance management process should not be 
driven by 'pay': The performance management process has 
avalue with or without a pay link.
The focus is on identifying what motivates people of different 
kinds in the organisation. Money is one of the many 
motivators; it rarely drives performance on its own. 
Performance-related pay can be part of the performance 
contract.

- **Senior managers should set and communicate an overall strategy and key strategic goals:** A strategics 
  plan enables senior managers to guide and focus the effort to 
  all employees in a common direction and to show their own 
  commitment to managing performance.

Performance management is the process that organisations should 
use to link these corporate targets with individual/team contributions, 
through the setting of measurable objectives. By setting clear objectives 
for teams and individuals everyone can see how they fit in to the 
organisation and what they need to do on a daily basis.

- **Active support from top management:** The best support 
  for the process for top managers to use the performance 
  management process with their staff which shows a genuine 
  commitment to it.

- **Running a 'pilot'/staged approach:** Sometimes it is more 
  sensible to run a pilot of the process in a part of the 
  organisation, rather than go for the 'big bang' approach. A 
staged approach often builds support for performance
management from the bottom up. A ‘big bang’ adds to the difficulties but may give the initiative a higher profile and achieve faster cultural change.

- **Training all in the key phases of performance management:** Effective performance management requires all staff to be skilled in the setting of objectives, monitoring and tracking of performance, and the assessment of performance. It requires managers to create the kind of workplace climate which motivates their employees and encourages them to stretch their performance.

- **Regard it as a ‘learning process’:** Evolution, revision and change are necessary to achieve continuous improvement. To keep performance management moving forward you must first know how it is succeeding, or taking, to meet the objectives set:
  - what's working well?
  - what is not working well?
  - how could the process/application be improved?

Common ways to monitor performance management are:

- Recording and analysing performance assessment, this helps establish how managers are using performance management;

- Sampling performance review documentation, this is a good indication of the nature of performance reviews;

- One-to-one interviews with managers/staff to assess how they are finding the experience of performance management and where they need more support;

- Employee attitude surveys and/or focus discussion groups;
- Repeating the organisational surveys that might have used before the process was introduced to the organisation, e.g. diagnostic questionnaire, organisational climate survey, management style questionnaires. This should enable you to assess the impact of the performance management process.

It is important for the long-term development of the process to identify areas of good practice and to disseminate it around the organisation. Make some ‘Golden’ awards to highlight good role models. In addition, to maintain high standards, the following actions are useful:

- Maintaining training in performance management for all new staff (including individuals who are promoted to management posts);
- Top-up training to keep the principles and practices fresh;
- One-to-one coaching of managers;
- Workshops for managers to share experiences.

Another very useful step is to establish a taskforce/steering group to monitor the performance management process. This group should be representative of all staff and empowered to review and revise the process in the light of their analysis. This approach would reinforce the principle of getting staff to ‘own’ the process and to accept responsibility for its success.

Performance management processes can remain unchanged for several years, but with the high rate of change in organisations, it will probably need to develop, introduce new ideas and take on new objectives. In particular, when individuals/teams have mastered some practices in
performance management, they may wish to take things forward themselves. In other words, to become more self-managed. They should be encouraged to do so. Normally, organisations undertake reviews of performance management every three to five years. (Hartle, 1995:218).

2.10 A TO Z OF MANAGING PERFORMANCE

Kermally (1997) offers a checklist of organisational management performance using an alphabet key.

A Align corporate mission and objectives with departmental/team and individual objectives.
B Business performance should incorporate the interests of all stakeholders.
C Clarify your intention and communicate clearly and with conviction.
D Develop measures which are consistent with business objectives.
E Evaluate performance regularly.
F Feedback systems should be appropriate and considered seriously.
G Focus on internal and external factors that drive your business.
H Generate enthusiasm and commitment through your leadership.
I Have the courage of your convictions.
J Improvement should be continuous. Invest in your products, processes and people.
K Juggle with various business drivers to design a balanced performance system.
L Keep scorecards to track performance.
M Learning and innovation are key drivers of enhanced performance.
Mission statements should be made meaningful to all employees and motivating.

Non-financial measures are just as important in measurement as financial measures.

Openness in communication will lead to outperforming your targets.

People, processes and products should be monitored continuously to achieve high performance.

Quality should be a primary consideration in all activities and operations.

Review for desired results regularly.

Set stretching targets for enhanced performance.

Teaming and teambuilding should be aligned to divisional and individual objectives.

Understand what your measurement system is all about.

Vision of your organisation should be the centerpiece of the measurement system. Values should underpin the measurement system.

Wow! Factor in the business world results from managing performance effectively.

Theory X approach which takes a pessimistic view of motivation, should be made redundant in designing the performance system.

Your success depends on your conviction, commitment and communication.

Zeal, zest and zing of all employees need to be sustained by enlightened leadership. (Kermanly, 1997:197-8).

2.11 THE KEY PHASES OF EFFECTIVE PERFORMANCE MANAGEMENT

Through a schematic representation as in Figure 2.2 below, Hartle (1995)
identifies four key phases of effective performance management: performance planning, managing performance, performance review and rewarding performance.

FIGURE 2.2
Performance management processes and the elements they need to contain

Source: Hartle (1995:64)

2.11.1 Performance planning
Hartle (1995:65) defines performance planning as the process of identifying the desired performance and gaining employees’ commitment to perform to those expectations. It is of vital importance because unless individuals know what is expected of them in the future they will be unable to work effectively to achieve the objectives. Corporate performance is generally described in terms of results: short- and long-term profits, dividends, return
on assets and return on investments. Similarly, performance planning focuses on individual/team results: what an individual achieves and, perhaps just as important, how these results are achieved.

Performance planning that clearly identifies the expected results, as well as the behaviours and skills the individual is expected to demonstrate, provides a specific action plan aimed at a clear target. A planning strategy that solicits the active participation of employees in the process will help to build commitment to the achievement of the objectives.

Therefore, core to good performance management is ensuring that managers and their staff develop the clearest possible picture of the key priorities amongst the multitude of tasks that face them every day.

The critical, and often most difficult, part of performance management is to define clearly what ‘good’ or ‘excellent’ performance is.

**The Planning Phase: Key Processes**

Hartle (1995:67) then lists four key processes that form part of the planning phase.

**Establishing team/individual objectives:** Individual/team objectives may be set through:

- Establishing improvements over previous years;
- External bodies that set targets and standards to be achieved;
- Benchmarking – internal setting of standards and targets compared with the best in the field.
Normally the setting of team objectives is the responsibility of managers, but consulting their staff can usually add to clarity. Establishing team/individual objectives sets priorities.

**Describing the job roles of individuals:** Defining individual roles and performance expectations is a key to sound performance planning. Defining job roles can be done by the manager, the team or the individuals but it is an essential prerequisite to the performance planning phase.

**Objective setting:** A key part of performance management is the setting and agreeing of team/individual objectives. They highlight, for the team and the individual, the clarity of understanding of their jobs, and provide a focus for their actions and behaviours in the coming period.

**Development Planning:** Clarifying the job roles, responsibilities and objectives is a way of defining what the job holder has to do. What is important is to realise that each job holder, regardless of current levels of performance, can achieve better results if personal performance improvement objectives are built into the planning process. This focuses on how they achieve their objectives, what they can do themselves to develop better performance and any support that is available from the organisation to help them.

The development plan will be more effective if it meets these conditions:

- It should be agreed that personal development objectives should be an interactive process between managers and staff.
• Individuals should be encouraged to own and take responsibility for their own development.
• The discussion should focus on future performance, rather than past 'failings'.
• Training and development activities should support the achievement of key objectives identified during the planning phase.
• The development activities should fit the preferred learning style of the individual. Thus there should be a variety of development activities. For example, formal training courses and reading, use of learning resource centers and project work.

2.11.2 Managing performance
The second key phase of performance management, according to Hartle (1995:72) is managing performance. This is the on-going process of working towards the performance expectations established in the planning phase. It is probably the most neglected area of the performance management cycle. Together, manager and employee review the employee’s performance on a periodic basis. If it is on track, or exceeding expectations, the manager provides positive reinforcement to keep performance at a high level. If performance is below expectations, the manager coaches the employee on improving the trouble spots. This involves developing strategies with the employee to determine appropriate action plans.

Managing performance, according to Hartle (1995:72), involves several activities.
Coaching

The first of these activities is coaching and involves working with an individual on a specific task or activity that forms part of their job, in a planned manner so that their knowledge, competence or skill is improved. Coaching on a timely basis eliminates the often unpleasant – punitive – ‘post-mortem’ aspects of the performance appraisal.

Essential ingredients of ‘good’ coaching are:

- Coaching is a learning process, not a teaching process.
- The individuals are responsible for planning and achieving the task, but are supported, counselled and monitored by their managers throughout the learning process.
- Feedback should be specific, timely and focused on positive achievements as well as the need to improve some aspects of performance.

Managers who periodically track and review performance let employees know where they stand; performance appraisal discussions hold no surprises. Instead manager and team member discuss good or bad aspects of performance when they actually occur – the best time to modify behaviour. The year-end performance review becomes a summary with little or no new information, and discussion focuses on planning for the future performance cycle.

Counselling is the next activity involved in managing performance. Effective counselling is an important part of managing performance. This is necessary when, for whatever reason, performance has not reached up to expectations and the manager needs to take a formal and planned
approach in order to help the job holder overcome the obstacles. This is not a disciplinary measure – it is meant to be positive and helpful. Steps to follow with counselling are:

- The sessions should be timely, that is, they should occur soon after the problems arise. They should not be delayed until the end of year.
- They should be planned in advance and, as for formal review meetings, should be in an undisturbed and comfortable environment. It would be helpful if, at the meeting, both manager and job holder have any facts or examples which are relevant to the issues.
- There should be a two-way dialogue. In most situations it is more constructive if the manager is in 'active listening' mode. A two-way session will encourage, and demonstrate, openness.
- The focus is on negative and positive issues. To maintain a good climate, it is also important to be factual and specific about positive aspects of performance. There should be positive reinforcement as well as specific advice on how to improve some aspects of performance.
- Supervisor and subordinate should always end with agreement on specific action plans which both parties are committed to take to bring about performance improvements.

**On-going Progress Reviews**

Performance management should be a line management process, not a once-a-year review meeting. It means becoming more focused on the links between individuals’ capabilities, objectives and output and the overall
success of the organisation.

If the individual/team objectives are critical to the success of the organisation, they need to be monitored on a regular and routine process. For some jobs a discussion and summary of progress every three months may be sensible. For other short cycle jobs or when the person is a new employee, or in a new role, weekly or daily feedback may be appropriate. Hartle (1995:74) offers some pointers to effective progress reviews:

- Fit the progress reviews around the business cycles and individuals in the job.
- Plan progress reviews into work schedules.
- Do not squeeze them out by pressure of other work. On-going review of progress is a part of managers’/job holders’ accountabilities.
- Keep them informal and focused. They are not formal or final reviews of performance. They are for information-gathering, information-sharing and agreeing actions to keep progress on track.
- If circumstances dictate, change the objectives.
- Record progress and agreed actions to date but do not be overwhelmed by paper.

Self-Monitoring
The last activity in managing performance is self-monitoring. An effective performance management process has to be a partnership between manager and employee. As organisations get flatter and encourage ‘self-managed’ processes, it is essential for all individuals to own the performance management process – it should not be left solely to the
manager to maintain the process. The job holders are a key stakeholder in performance management and should be encouraged to recognise the benefits of actively managing and taking responsibility for their own performance.

They should be encouraged to:

- Seek specific guidance/feedback from colleagues/peers who have a view on their daily performance;
- Participate fully in discussions about their performance;
- Review their own performance and form a judgment about how well they have done, prior to any performance reviews; and
- Monitor the management information the manager is using to judge performance.

2.11.3 Performance review
The performance review is the third key phase of performance management as identified by Hartle (1995:75). The author states that performance review provides the opportunity to step back from day-to-day activities, assess performance trends and plan for the future. Because periodic performance reviews have essentially eliminated any surprises, both the manager and job holder can anticipate the nature of the discussion and prepare for the meeting accordingly. Career development, a natural outgrowth of this discussion, helps build the employee’s commitment and loyalty to the organisation, increasing motivation and productivity as well.

The formal review
The formal performance review is both the beginning and the end point of
the annual process. The analysis of past performance provides the basis for planning next year’s expectations, and at the same time, it ‘closes the loop’ of the current cycle. Formal review describes an event, often annual, in which the manager and job holder form an agreed view on the job holder’s performance in the preceding year.

In order to create a more positive and helpful performance review, Hartle (1995:76) offers the following:

1. Link the reviews to the planning process. You should review the agreed key objectives as well as whole job performance during the preceding twelve month period.

2. Meetings should be planned in advance and dates/times/location agreed with the job holder.

3. All information on the job holder’s performance should be shared with the job holder, preferably in advance of the meeting.

4. The review should focus on performance only; it should not be concerned with other elements that genuinely don’t link with performance, e.g. behaviour traits, issues of gender or race.

5. Both parties should prepare adequately for the meeting. It may be sensible to consult with colleagues who work with the appraisee.

6. If periodic progress reviews have taken place throughout the year, there should be ‘no surprises’ and relatively little anxiety about the meeting in that such meetings have become a regular part of
‘managing’.

7. If a rating system is used, staff should be clear about the significance of different ratings and what standards apply to each rating. Consistency matters a lot and the organisation should have a monitoring system to ensure that there is consistency between departments as well as between individual appraisers.

8. If performance ratings affect salary, the organisation must decide how the links are to be made, the timing of pay increases should be communicated and the results of the pay link and the review should be separate. Performance-related pay should not be the driver of the performance management process. It is not usual, nor sensible, to discuss pay in the same meetings as performance review.

9. Both appraiser and appraisee should agree (or agree to disagree) on the written record of the meeting.

10. Some organisations have a ‘grand parent’ to sign off the record of the meeting. This is felt to increase the probability of reaching greater consistency and objectivity. Usually it is the line manager’s manager.

Hartle (1995:77) identifies two types of performance review, namely individual self-review and peer group and upward appraisal.

Individual Self-Review
All individual job holders should be partners in the performance management. Usually they will have an accurate picture of their own
performance. They certainly will have an opinion about how well they have done. Therefore they should be encouraged to participate fully in reviewing their achievements, and understanding the factors that have led to successful performance in some aspects of their job or problems in other areas.

Peer Groups and Upward Appraisal
In recent years, some organisations have been trying to break the 'top down' approach which is synonymous with traditional performance appraisal approaches. The concept of 360 degrees feedback has emerged, i.e. getting feedback from manager, subordinates and peers.

To set up peer group or upward appraisal the following factors are important considerations:

- Careful thought should go into choosing the contributors and the form of feedback. People who have axes to grind, who have particular prejudices or who are close friends seldom view performance dispassionately.

- The idea may be uncomfortable to all parties concerned. It needs careful planning, communication and implementation.

- Appraisal judgments should be based on the evidence of specific behaviours through the year. This evidence should be quoted by each appraiser for each judgment.

- All information from other sources should be available to the appraisee and attributable in origin. All comments, and
supporting evidence, should be written down.

If all subordinates rate their managers, through upwards appraisal, statistically the ratings will be more reliable than the traditional 'top down' approach. Having more subordinates is better. However, upwards appraisal will incur greater cost since more forms have to be processed and clearly this is more time consuming. Subordinates will need training on how to rate individuals without falling into some of the well-known traps of traditional 'appraisals'. Obviously upwards appraisal will work only in work climates which foster openness, trust and honesty. (Hartle 1995:81)

2.11.4 Rewarding Performance

Reward is an important part of the 'feedback loop' in performance management. However, it is not necessarily only concerned with money. A reward only has a positive effect on the individual if it is:

- Valued by them; and
- Appropriate to the effort put in and the achievement.

Since each individual might be motivated by different things, an effective performance reward process should be sufficiently flexible to cater for individual needs. Consequently, there is a wide range of types of reward:

- Praise
- Promotion
- Individual Bonuses
- Merit Pay
- Team Bonuses
- Prizes
- Special Awards

(Hartle, 1995:82)
2.11.5 Training and development needs

Schneier et al (1987), in addition to Hartle's (1995:64) schematic representation as referred to in Figure 2.2. above, add training and development as concluding the performance management cycle.

**FIGURE 2.3**

*The Performance Management Cycle*


Figure 2.3 has been included, in addition to the four basic phases as espoused by Hartle, to illustrate the training and development needs in order to complete the performance management cycle.

Integral to performance management is competency development. A simple description of a competency would be: The integration of knowledge, skills and attitude to achieve a defined standard in a specific context (Meyer 1996) as cited by Schultz et al, 2003:81. To improve their performance, employees need to develop specific competencies. In a good performance management system, the formal documentation of development objectives takes place in the performance appraisal, and is followed up throughout the year as part of the overall performance management process.
Based on both current job requirements and requirements for future positions, a personal development plan should be put in place. Training needs are identified through the gaps in skills and knowledge between current and desired performance; development needs are based on the gaps between the current performance and performance required in future positions. Many methods can be used to close the identified gaps such as:

- Formal classroom training;
- On the job training;
- Coaching;
- Mentorship programmes;
- Temporary assignments;
- Shadow assignments;
- Assignment to project teams for learning;
- Self-managed learning; and

### 2.12 CONCLUSION

A variety of views on performance management, constituting the benchmark elements of an effective performance management system have been outlined, based on literature. The four phases of performance management as espoused by Hartle (1995) and complemented by Schneier et al (1987), and including the addition of training and development needs complete the performance management cycle. A consolidation of the views as contained in Chapter 2 are made in Chapter 5. It includes the conclusions and recommendations as a result of the research undertaken.

Chapter 3 deals with the empirical study.
CHAPTER 3

THE EMPIRICAL STUDY, THE METHODS USED, AND THE ANALYSIS OF DATA

3.1 Introduction

In Chapter 2, theoretical views of selected various authors in the field of performance management were presented in twelve sub-heads. These select views represent the theoretical benchmark elements of effective performance management system which will elaborate extensively as discussed in Chapter 5.

The purpose of Chapter 3 is to describe the methodology employed by the researcher to solve some of the sub-problems.

3.2 Research design

Research, according to Welman & Kruger (1999:2), refers to the process in which scientific methods are used to expand knowledge in a particular field of study. Leedy and Ormrod (2001:3) define research as the systematic process of collecting and analysing information (data) in order to increase our understanding of the phenomenon with which we are concerned or interested.

The main problem and its sub problems are:

i) to establish whether the performance appraisal system as a current practice at the Institution is perceived as a crucial aspect of organisational success or is negatively perceived as a management tool to control and manipulate staff to enforce an
institutional agenda.

ii) As the three sub-problems identified, the following points stand to be established:

- To what extent does the current performance management system conform to systems and practices identified in the literature.

- How do staff in the academic Institution perceive the four general purposes of the performance management system namely
  - performance appraisal as established for development purposes
  - performance appraisal for determining tenure or promotion
  - performance appraisal as a basis for decisions on remuneration or (iv) performance appraisal as a diagnostic tool for quality control.

- Outside of the four general purposes of performance management as outlined in the main problem, are there any reasons outlined in literature for which organisations use performance management?

To solve the main problem as well as the sub-problems, the following procedure was followed:

- In Chapter 2, a literature survey from at least ten sources was conducted with particular emphasis on benchmark elements of effective performance management.

- A questionnaire was developed and circulated to academic staff comprising the Senior Lecturers who are Academic Heads of
Departments (Peromnes levels P7) and Academic Associate Directors including Deans of the two Faculties (P5). The other level is that of the Management Forum (Peromnes levels 1 – 6) at Border Technikon. The sample thus has the capacity to assess performance of subordinates. It is a representative cross-section comprising both academic and non-academic supervisory/management levels.

3.3 Conducting the empirical study

The empirical study was conducted by means of a mail survey. The questionnaire developed for this purpose served as a measuring instrument. The results of the questionnaire were statistically analysed.

3.3.1 Sample

Leedy & Ormrod (2001:211) state that the sample should be so carefully chosen that, through it, the researcher is able to see all the characteristics of the total population in the same relationship that they would be seen were the researcher, in fact, to inspect the total population.

3.3.2 Sampling methods

According to Struwig & Stead (2001:117) the sampling method selected by the researcher to collect primary data is crucial because it will form the foundation for the conclusions derived. Sampling techniques may be grouped into probability and non-probability sampling techniques (Struwig & Stead, 2001:111)

* Probability sampling techniques are:
  - systematic sampling;
  - stratified sampling;
- cluster sampling; and
- multi-stage sampling;

* Non-probability sampling techniques are:
- convenience sampling;
- judgment sampling;
- quota sampling; and
- snowball sampling.

3.3.3 Sample size
Leedy & Ormrod (2001:221) state that the basic rule is, the larger the sample, the better. But such a generalised rule is not too helpful to a researcher who has a practical decision to make about a specific research situation. Gay (1996:125) in Leedy & Ormrod (2001:221) clarifies that for small populations (N<100), there is little point in sampling. Survey the entire population.

3.3.4 Sampling error
According to DSS Research (2001) every survey contains some form of error. Even a complete census of all known members of a population is subject to random error or potential measurement error. DSS Research (2001) describes two major forms of sampling error that might be encountered in a survey:

- **Random error** is the difference between the sample results and the true results. Even if all aspects of the sample are executed properly, the results will still be subject to a certain amount of error (random error or random sampling error) because of chance variation. This error cannot be avoided, only reduced by increasing the sample size. It is possible to estimate the range of
random error at a particular level of confidence.

- **Systematic error** occurs when sample results consistently vary in one direction (consistently higher or lower) from the true values for that population. Systematic error includes all forms of error not directly attributable to the sampling process. Systematic error is made up of sample design error and measurement error.

**Sample design error.** Sample design results may be biased for a number of reasons:

- Frame Error – results when the sampling frame does not represent a true cross-section of the target population.

- Population specification error – results from an incorrect definition of the universe or population from which the sample is to be selected.

- Selection error – involves a systematic bias in the manner in which respondents are selected for participation in the survey (DSS Research 2001).

**Measurement Error.** Occurs when there is a variation between the information being sought (true value) and the information obtained by the measurement process. There are several types of error that can occur during the measurement process (DSS Research, 2001):

- Surrogate information error – occurs when there is a discrepancy between the information sought by the researcher and the information required to answer a particular question.

- Interviewer error – there is a potential for respondents to be influenced by the interviewer’s physical appearance or body language resulting in them giving inaccurate or false answers.

- Measurement instrument bias – results from poorly written questionnaires.
• Processing error – mistakes resulting from the incorrect transferring information given by respondents to computer data files.
• Non-response bias – refers to the people who are selected to participate in a research study, but who fail to respond to the survey for one of several reasons.
• Response bias – occurs when survey participants deliberately falsify information or misrepresent information when they are not certain of the facts.

3.3.5 The questionnaire
In guidelines for constructing a questionnaire, Leedy & Ormrod (2001:202) list the following:
• Keep it short – be as brief as possible and solicit only the information essential to the research project.
• Use simple, clear, unambiguous language – write questions that communicate exactly what you want to know.
• Check for unwarranted assumptions implicit in your questions.
• Word your questions in ways that do not give clues about preferred or more desirable responses.
• Check for consistency – respondents may give answers that are socially acceptable rather than true, you may wish to incorporate a “countercheck” question some distance from the first question.
• Determine in advance how you will code the responses – even before constructing the questionnaire, the researcher must know precisely how the data will be processed after the results are received; for example should the researcher want to computerise the data, the questionnaire would be structured quite differently
than if the data were to be handled in more conventional ways.

- Keep the respondent's task simple – make the instrument as simple to read and respond to as possible.
- Provide clear instructions – communicate exactly how you want people to respond.
- Give a rationale for any items whose purpose may be unclear – at a minimum, each question should have a purpose, and in one way or another, you should make that purpose clear.
- Make the questionnaire attractive and professional looking.
- Conduct a pilot study – give the questionnaire to at least half a dozen friends or colleagues to see whether they have difficulty understanding any items.
- Scrutinise the almost-final product carefully to make sure it addresses your needs – a questionnaire should be quality-tested again and again for precision of expression, objectivity, relevance, and probability of favourable reception and return.

The questions on the questionnaire were selected such that there was a bias towards probing aspects as posed in the problem statement as well as sub-problem Two in particular. The line of questioning thus gave rise to the cluster or group of questions that were subsequently generated by the researcher.

3.3.5.1 Questionnaire covering letter

According to Leedy (1997:196) the primary objective of the covering letter is to attempt to ensure a high response rate, as well as an honest reaction. In the covering letter, the selfish interest of the researcher should be set aside. The correspondence should be persuasive, courteous, understanding and have respect for others. This should ensure co-operation.
Appendix A is the Memorandum of Application to conduct research lodged with the Institution’s management on 17 April 2005; Appendix B is the Institution’s response to the researcher granting him such permission and Annexure C is the brief explanation of the research, with assurance of confidentiality made to the respondents and specific return date of the completed questionnaire. Annexure D is the questionnaire.

3.3.5.2 Administering the questionnaire
The names of the members of the Management Forum and senior academics who are either Heads of Departments or Associate Directors were sourced from the Human Resources Officer operating the Integrated Tertiary System (ITS). These were either e-mailed with the questionnaire or hard copies with the covering letter were distributed to them by the researcher.

3.3.5.3 Response rate
Hard copies of the letter and copies were either distributed or e-mailed to twenty one persons as per the delimitation of the research outlined in Chapter 1. The respondents were requested to return the questionnaire by 4 November 2005. 14 questionnaires were returned, which represented a response rate of sixty seven percent.

3.4 Analysis and interpretation of the biographical information
Qualitative and quantitative researchers use many ways to present data. Some researchers use diagrams and charts and others use graphics and tables (Silverton, 2000:89).

The results of the questions, based in Section A of the questionnaire are presented in Tables 3.1 to 3.4 and charts 3.1 to 3.4.
BIOGRAPHICAL INFORMATION OF ACADEMIC / NON-ACADEMIC RESPONDENTS

TABLE 3.1

<table>
<thead>
<tr>
<th>Classification by employment status</th>
<th>Population</th>
<th>No. questionnaires distributed</th>
<th>No. questionnaires received</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic/Non Academic</td>
<td>21</td>
<td>21</td>
<td>14</td>
<td>67%</td>
</tr>
</tbody>
</table>

CHART 3.1

BIOGRAPHICAL INFORMATION OF ACADEMIC / NON-ACADEMIC RESPONDENTS

Biographical Information of Academic/Non-Academic Respondents

- Population
- No of Questionnaires distributed
- No of Questionnaires received
- Percentage %
TABLE 3.2

NUMBER OF RESPONSES VERSUS PEROMNES LEVELS

<table>
<thead>
<tr>
<th>Peromnes job grade level</th>
<th>No of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>P2</td>
<td>2</td>
</tr>
<tr>
<td>P4</td>
<td>3</td>
</tr>
<tr>
<td>P5</td>
<td>5</td>
</tr>
<tr>
<td>P6</td>
<td>3</td>
</tr>
<tr>
<td>P7</td>
<td>1</td>
</tr>
</tbody>
</table>

= 14

Percentage 14/21 x 100 = 67%

CHART 3.2

NUMBER OF RESPONSES VERSUS PEROMNES LEVELS

No of Responses vs Peromnes Levels
TABLE 3.3

EMPLOYMENT PERIOD VERSUS NUMBER OF RESPONDENTS

<table>
<thead>
<tr>
<th>Employment period at the Institution in years</th>
<th>No of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>2</td>
<td>14%</td>
</tr>
<tr>
<td>6-10</td>
<td>9</td>
<td>64%</td>
</tr>
<tr>
<td>+ 10 years</td>
<td>3</td>
<td>21%</td>
</tr>
</tbody>
</table>

CHART 3.3

EMPLOYMENT PERIOD VERSUS NUMBER OF RESPONDENTS

No of respondents

- 1-5: 21%
- 6-10: 14%
- +10: 65%
### TABLE 3.4

**BIOGRAPHICAL INFORMATION BY NUMBER OF SUBORDINATES**

<table>
<thead>
<tr>
<th>No of subordinates for whom appraisals have been conducted</th>
<th>No of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1-5)</td>
<td>4</td>
<td>29%</td>
</tr>
<tr>
<td>(6-10)</td>
<td>6</td>
<td>43%</td>
</tr>
<tr>
<td>(Other)</td>
<td>4</td>
<td>29%</td>
</tr>
</tbody>
</table>

### CHART 3.4

**BIOGRAPHICAL INFORMATION BY NUMBER OF SUBORDINATES**

![Biographical Information by No of Subordinates](image-url)
3.5 Concluding remarks

The aim of this Chapter was to document the research methodology that was used during the study as well as part of the questionnaire – Section A, the demographics.

During the discussion on the methodology, attention was given to the development and administration of the questionnaire and the selection of the sample. Tables and charts interpreting the biographical information were drawn.

The following chapter will take the research findings up a step further by discussing the core of the questionnaire – Section B (Annexure D).
CHAPTER 4

ANALYSIS AND INTERPRETATION OF RESULTS OF EMPIRICAL STUDY

4.1 Introduction

In the previous chapter, the research methodology that was used during the study was described. In addition, the results of the demographics from Section A of the questionnaire (Annexure D) were also presented.

Chapter 4 is devoted to the discussion of Section B, namely, the core of the questionnaire (Annexure D).

To this end, tables and charts are used to illustrate any patterns that have presented themselves on the questions put to the respondents.

According to Neuman (1997:426), data analysis means a search for patterns in data such as recurrent behaviours, objects or a body of knowledge.

4.2 Presentation and discussion

The reader should note that some of the first nineteen questions that were put to the respondents have been clustered into four parts along the four general purposes of performance management system as stated in sub-problem two, namely:

i) Performance appraisal as established for development purposes;

ii) Performance appraisal for determining tenure or promotion;

iii) Performance appraisal as a basis for decisions on remuneration; and

iv) performance appraisal as a diagnostic tool for quality control.

The resultant clusters vary in number depending on how the researcher
weighed them according to the four general purposes of performance management as espoused in literature and referred to in sub-problem Two. Odd questions that did not meet the clustering criteria are 10, 12 and 13. Question 20 is to form part of Chapter 5.

It should be further noted that the discussion of Chapter 4 also relates back to the objectives of the research as outlined in paragraph 1.8 of Chapter 1.

Winch (1996:9-13) as cited by Pretorius (2003:130) states that the current emphasis on quality in higher education has followed the successful application of quality-related procedures in industry and commerce, where quality is crucial to success.

4.2.1 Clusters along four general purposes of Performance Management.
The condensed first 19 questions of Section B excluding questions 10, 12 and 13 of the questionnaire are as follows:

4.2.1.1 Performance appraisal as established for development purposes:
Question 2: The performance appraisal for the Institution is meant to improve my performance in future.
Question 4: Formal documentation of developmental objectives does take place in the performance appraisal.
Question 9: Being an Academic Institution, the Factor Assessment form used, does not achieve the objectives for which it was designed.
Question 14: In managing performance, I coach and counsel my subordinates who under-perform.
Question 16: There is over-emphasis on the appraisal aspect at the expense of development.
Question 17: I am given opportunities to learn, grow and develop to expand my career options.

4.2.1.2 Performance appraisal for determining tenure or promotion.

Question 9: Being an Academic Institution the Factor Assessment form does not achieve the objectives for which it was designed.

4.2.1.3 Performance appraisal as a basis for decisions on remuneration

Question 9: Being an Academic Institution the Factor Assessment form used, does not achieve the objectives for which it was designed.
Question 11: The performance appraisal forms only get filled in because managers'/supervisors' performance rewards depend on getting paperwork done.
Question 18: The most important reward for your performance is an increase in pay.
Question 19: Salary and promotion decisions are based on ratings.

4.2.1.4 Performance appraisal as a diagnostic tool for quality control.

Question 1: My goals and measures are linked directly to the Institution's strategy.
Question 2: The performance appraisal for the Institution is meant to
improve my performance in future.

Question 5: Job accountabilities and deliverables are clearly defined in the PA system used.

Question 6: The performance management process allows you as an academic (knowledge worker), the freedom to act without unnecessary supervision.

Question 7: My efforts are being measured fairly and effectively through the PA system used.

Question 8: I would accept a performance management system more readily if it meant that under-performance was effectively addressed and resulted in equal workload distribution.

Question 9: Being an Academic Institution the Factor Assessment form does not achieve the objectives for which it was designed.

Question 14: In managing performance, I coach and counsel my subordinates who under perform.

Question 15: There is lack of follow-up to performance reviews.

Odd question Nos. 10, 12, 13, though not clustered remain relevant as they support the misgivings as espoused by Franzsen (2003:132) as referred to in paragraph 1.1 of Chapter 1 of the present research.

Question 9, in the view of the researcher, has been relevant to all four general purposes of performance management.
### TABLE 4.1

**TABULAR REPRESENTATION OF CLUSTER 1 QUESTIONS**

**SECTION B**

<table>
<thead>
<tr>
<th>Cluster 1 questions</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>2</td>
<td>7</td>
<td>4</td>
<td>1</td>
<td>14 100%</td>
</tr>
<tr>
<td></td>
<td>14%</td>
<td>50%</td>
<td>29%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>3</td>
<td>6</td>
<td>4</td>
<td>1</td>
<td>14 100%</td>
</tr>
<tr>
<td></td>
<td>21%</td>
<td>43%</td>
<td>29%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>7</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>14 100%</td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>14%</td>
<td>21%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>2</td>
<td>9</td>
<td>2</td>
<td>0</td>
<td>14 100%</td>
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<td>64%</td>
<td>14%</td>
<td>0%</td>
<td></td>
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<td>16</td>
<td>3</td>
<td>5</td>
<td>6</td>
<td>0</td>
<td>14 100%</td>
</tr>
<tr>
<td></td>
<td>21%</td>
<td>36%</td>
<td>43%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>0</td>
<td>8</td>
<td>4</td>
<td>2</td>
<td>14 100%</td>
</tr>
<tr>
<td></td>
<td>0%</td>
<td>57%</td>
<td>29%</td>
<td>14%</td>
<td></td>
</tr>
</tbody>
</table>

### CHART 4.1

**CLUSTER 1 QUESTIONS**

---

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**TABLE 4.2**

TABULAR REPRESENTATION OF CLUSTER 2 QUESTION

SECTION B

<table>
<thead>
<tr>
<th>Question</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>7</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>14%</td>
<td>21%</td>
<td>7%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**CHART 4.2**

GRAPHIC REPRESENTATION OF CLUSTER 2 QUESTION
### TABLE 4.3
**TABULAR REPRESENTATION OF CLUSTER 3 QUESTIONS**
**SECTION B**

<table>
<thead>
<tr>
<th>Question</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>7 (50%)</td>
<td>2 (14%)</td>
<td>3 (21%)</td>
<td>1 (7%)</td>
<td>14 (100%)</td>
</tr>
<tr>
<td>11</td>
<td>1 (7%)</td>
<td>2 (14%)</td>
<td>8 (57%)</td>
<td>3 (21%)</td>
<td>14 (100%)</td>
</tr>
<tr>
<td>18</td>
<td>1 (7%)</td>
<td>3 (21%)</td>
<td>8 (57%)</td>
<td>2 (14%)</td>
<td>14 (100%)</td>
</tr>
<tr>
<td>19</td>
<td>0 (0%)</td>
<td>7 (50%)</td>
<td>3 (14%)</td>
<td>4 (29%)</td>
<td>14 (100%)</td>
</tr>
</tbody>
</table>

### CHART 4.3
**CLUSTER 3 QUESTIONS**

![Cluster 3 Questions Chart](chart_image)
### TABLE 4.4

**Tabular Representation of Cluster 4 Questions**

**Section B**

<table>
<thead>
<tr>
<th>Question</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 7%</td>
<td>10 71%</td>
<td>2 14%</td>
<td>1 7%</td>
<td>14 100%</td>
</tr>
<tr>
<td>2</td>
<td>2 14%</td>
<td>7 50%</td>
<td>4 29%</td>
<td>1 7%</td>
<td>14 100%</td>
</tr>
<tr>
<td>5</td>
<td>0 0%</td>
<td>7 50%</td>
<td>4 29%</td>
<td>3 21%</td>
<td>14 100%</td>
</tr>
<tr>
<td>6</td>
<td>1 7%</td>
<td>3 21%</td>
<td>4 29%</td>
<td>1 7%</td>
<td>14 100%</td>
</tr>
<tr>
<td>7</td>
<td>0 0%</td>
<td>8 57%</td>
<td>3 21%</td>
<td>3 21%</td>
<td>14 100%</td>
</tr>
<tr>
<td>8</td>
<td>6 43%</td>
<td>7 50%</td>
<td>0 0%</td>
<td>0 0%</td>
<td>14 100%</td>
</tr>
<tr>
<td>9</td>
<td>7 50%</td>
<td>2 14%</td>
<td>3 21%</td>
<td>1 7%</td>
<td>14 100%</td>
</tr>
<tr>
<td>14</td>
<td>2 14%</td>
<td>9 64%</td>
<td>2 14%</td>
<td>0 0%</td>
<td>14 100%</td>
</tr>
<tr>
<td>15</td>
<td>3 21%</td>
<td>6 43%</td>
<td>4 29%</td>
<td>1 7%</td>
<td>14 108%</td>
</tr>
</tbody>
</table>

### Graphic Representation of Cluster 4 Questions

**Chart 4.4**

Cluster 4 Questions

- [Series 1]
- [Series 5]
- [Series 2]
- [Series 6]
- [Series 3]
- [Series 7]
- [Series 4]
- [Series 8]
- [Series 9]

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4.3 The four general purposes of PM and literature commentary

At 4.2.1 above, it was stated that the four general purposes of PM were to be clustered as outlined in the said sub-head.

Below follows a brief debate as supported by extracts from literature as referred to in Chapter 2 of the present research.

Cluster 1: Performance appraisal as established for development purposes:

In sub-head 1.5.3, on page 7, paragraph 2 it is stated that "...goals and objectives are agreed upon and development plans [my emphasis] are put in place to ensure that the subordinate can achieve these goals and objectives". It is at this time that an individual discusses development needs [my emphasis] formally with his or her superior (Schultz et al, 2003:75).

Schultz et al (2003:81) states that development needs [my emphasis] are based on the gaps between the current performance and performance required in future position.

Cluster 2: Performance appraisal for determining tenure or promotion:

In support of this general purpose of performance management, an additional set of three purposes of performance management, namely, a vehicle for strategy implementation; as the driving force for creating a participative culture and as useful information for personal decisions (McLagan 1994:24) are added [my emphasis].

Cluster 3: Performance appraisal as a basis for decisions on remuneration:
In sub-head 2.3.4 of the present research, Arumugam (2001:25) observes that on occasion, remuneration and reward systems are not consistent with the company's overall performance management policy and practices.

Franzsen (2003:137) in sub-heading 2.6.3 of the present research observes that in two instances where performance appraisal was used with the sole purpose of introducing performance-related pay increases, the financial gain for the individual employees was so insignificant that it had hardly any incentive value and was viewed by employees as a waste of administrative time and effort.

Hartle (1995:82) states that there is a wide range of types of reward which include praise, promotion, individual bonuses, merit pay, team bonuses, prizes or special awards.

**Cluster 4: Performance appraisal as a diagnostic tool for quality control.**

Under sub-head 1.5.2 of the present research, Armstrong (1994:23), as cited by Schultz et al (2003:74), states that what performance management seeks to improve in organisations can be summarised as: improving results at the level of the individual, team and the organisation.

In sub-head 1.7 of the present research, Schultz et al (2003:83) enumerate a checklist for performance management systems in a learning organisation as being, amongst others, the question whether job accountabilities and deliverables are clearly defined and whether the performance process does allow the knowledge worker (academic) freedom to act without unnecessary supervision.
As Franzsen (2003:137) states, academic staff members repeatedly claim they could accept a performance management system more readily if it meant that under-performance was effectively addressed and resulted in equal workload.

4.4 The subject Institution’s current performance appraisal form:
Annexure E is a form called Factor Assessment and is currently used at the subject institution for performance appraisal.

It should be recalled that in sub-head 1.2, last paragraph, page 2 of the present research, a note was made on the interchangeable use of performance management and performance appraisal as concepts.

Based on a rating scale of 0% - 100%, where 0% - 20% represents extremely poor; 21% - 40% as unacceptable; 41% - 60% as acceptable; 61% - 80% as good and 81% - 100% as exceptional, the Factor Assessment form is categorized into the following parts: Task Orientation, Human Orientation, Personal Factors, Objectives achieved/not achieved, Proposed Action Plan and Comments – Employee.

Provision is made for self-assessment and assessment by evaluator on each of the attributes listed under Task Orientation, Human Orientation and Personal Factors. A rating column, being the mean of scores for both employee and evaluator, is provided.

Against the backdrop of the Factor Assessment in Annexure E it is stated in Annexure F, that the issue of applicability of the assessment document was raised whereafter a firm view was held by staff, and in particular academic
staff, that this document and to a lesser extent the process of performance assessment, was inappropriate. Issues highlighted in-cluded the view that an element of subjectivity was evident and that the system was inappropriate geared towards the development needs of employees. As a result, academic staff in particular were not keen on implementing this system. The process appeared to have lost credibility along the way and was, thereafter, never again rigidly applied.

The recommendation carried in Annexure F is that the policy and procedure be revisited and a more practical and relevant performance appraisal system implemented.

As part of contribution to Chapter 5, the above recommendation will be elaborated on.

4.5 Concluding remarks

The purpose of Chapter 4 was to discuss Section B, namely the core of the questionnaire as clustered into four general purposes of performance management system, and as listed in sub-problem Two. Incidentally, the subject Institution’s performance appraisal system was discussed, thus leading the debate to Chapter 5 which is to be discussed next.
CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1  Introduction
In this final chapter, the researcher endeavours to summarise the findings of the study of the performance management at the subject Institution.

Within the parameters of the literature researched in this work, recommendations are to be made which may lead to possible avenues for research being pursued.

Theoretical supporting arguments have been brought to the fore by way of examples mentioned in Chapter 4.

5.2  Problems and Limitations
Though not a major problem, the fact that the research questionnaires were distributed to the respondents while some of them were physically already operating from Nelson Mandela Drive, Mthatha, having relocated as a result of the merger call, caused a delay or total lack of response in returning the questionnaires.

For those respondents who remained based at Potsdam delivery site, lack of response could be ascribed to pressure from merger-related demands to meet academic year-end deadlines.

5.3  Research findings and Conclusions
The main problem at 1.2 reflects the observations of Franzsen (2003:133) that performance management is seen by some as a tool for management to control and manipulate employees, and enforce a particular transformation agenda.
These skeptical misgivings, as highlighted by Franzsen (2003:133) that involve evaluation and judgment, have led many respected sources, including researchers, management analysts and psychometricians expressing doubts about the reliability and validity of performance appraisal \textit{per se}, and suggested that the process is so inherently flawed that it is impossible to perfect.

It's been two years since Franzsen made her observations. The present research sought to establish the level and extent of shift in reluctance to adopt performance management systems and practices especially insofar as it pertains to the management and appraisal of academic staff at institutions of higher learning (Franzsen, 2003:132).

The findings from the research are that the respondents have acknowledged that performance management is a useful tool for staff development and motivation as part of a business-enhancing strategy.

The subject Institution’s draft Policy and Procedures (Annexure G) document which has been in abeyance since 1999 lists the benefits of performance appraisal as including the following:

- Identifying training needs;
- Identifying key skills in the individual and those required for the position;
- Improving present performance;
- Forming a base for future development;
- Identifying potential in employees;
- Improving motivation;
- Identifying subordinate’s aspirations;
- Paving the way for rewards, benefits and sanctions.
Reference to abeyance only refers to the document (Annexure G) and not the process itself at the subject Institution.

The aim of the performance appraisal is acknowledged in Annexure G to provide a basis for regular and consistent staff assessment that is understood and accepted by staff members and supervisors, and perceived to be effectively administered and controlled to ensure fairness.

The respondents listed the following comments in answer to question 20 of the questionnaire, “Do you have any suggestions for improving the current performance management system?”.

- Make it a regular activity;
- Discuss rating with employee;
- Take action based on the appraisal; recommend development strategies or reward excellent performance;
- Specific measurable reliable/realistic and time-specific goals or objectives to be set by each employee at the start of each year and monitored after three months by supervisor;
- Staff training on the value gained through PM is required;
- Revision of the current form used is needed;
- Needs to be strongly tied to effective teaching and research for academic staff;
- Need to review the system;
- Find a suitable measuring instrument and train people regularly how to use it: the system currently in use is seriously flawed because HODs/supervisors use their own interpretation of the system, and this has led to a lot of resentment and mistrust of the process;
PMS should be designed by both HR and Quality Assurance unit so that there is an effective improvement plan that should be monitored.

The comment, as made in the second last bullet is a symptom of the failure of the performance appraisal which has arisen as a result of the problem in appraising performance as schematically presented by Schneier et al (eds) (1987:259) quoted in Fig. 2.1 (22).

This is further supported by Arumugam (2001:24) as quoted in 2.3.2 (26) that ineffective management behaviour is the result of a lack of systematic training in performance management theory and methodology he offers to solutions to the problems in the knowledge domain as being the creator of a shared understanding of performance management amongst all managers and staff. This is achieved through systematic outcomes-based performance management training programmes and to establish a corporate communication strategy that effectively informs and influences a culture of high performance.

A further solution to the last sub-head above is in the view of Katz (1996:45) as quoted at 1.9 (16) who states that HR would not be required to 'just put an appraisal system in place'. It should also:

- Obtain management commitment to develop people through identified training needs;
- Market and 'sell' the new application to employees;
- Hold training workshops for managers covering interpersonal skills; giving feedback, listening, setting objectives, acquiring a new language, and coaching etc;
- Help managers to organise interviews and set agendas: get managers and employees jointly to agree on objectives and standards and together to set training and development needs;
- Discuss the dates of individual training requirements with managers and work on an overall strategy to complement organisation strategies;
- Take into account realistic budget;
- Set methods for training; coaching, workshopping etc; and
- Evaluate the performance review process and training effectiveness.

5.4 Recommendations

In addition to some of the foregoing recommendations that have been made to some of the findings referred to above, the following are offered as recommendations:

In the view of Schneier et al (1987:258) as quoted in 2.2 (23) with regard to policy problems as indicator of failure of performance appraisal it is advised that despite setting performance standards, and reducing subjectivity and bias in human judgment, the PA system may still be rendered ineffective if the results are not used or are inconsistently applied.

The subject Institution should improve on the current performance management system by considering what McLagan (1994:24) as quoted in 2.4 (36) offers as keys to improved performance management. These are installing performance management as organisational process that has the stature of budgeting, business planning and business review; opening up communication thus stopping unnecessary organisational secrecy and expanding the involvement in and increasing accountability for key performance management events.
Considering improvements to the form, as in Annexure E, it appears that the subject Institution's form conforms already to the criteria set down by Franzsen (2003:134) as quoted in 2.6.1 (39) when she states:

An approach adopted internationally by institutions in line with competency-based thinking, has been to identify the core competencies required, presuming that the behaviours associated with these competencies result in performance excellence. These are, *inter alia*, effective communication, interpersonal skills, leadership, self-development and the development of others, change management, commitment to quality, student and stakeholder orientation, innovation and creativity, decision-making, judgment and critical thinking skills. These competencies form the basis of the performance criteria defined in the key performance areas of academic work, and thus form the basis for managing and appraising academic performance. (Franzsen, 2003:134).

Franzsen (2003:138) as quoted in 2.6.5 (43) concedes that none of the national Higher Education institutions which have moved some way along the route of implementing a performance management system, have yet been able to quantify in any way the value added or to claim unequivocal success. However, implementation difficulties as highlighted above contribute significantly to the perceived and real success of a performance management system and rather than abandoning the process altogether, these need to be addressed in a meaningful way. The advantages of a well-established and well-managed performance management system greatly outweigh the difficulties and teething problems experienced insofar as it:
• complies with labour legislation and requirements;
• Provides role definition and clarifies mutual expectations (i.e. individual and organisational);
• Aligns individual performance with organisation goals;
• Documents performance systematically and provides input for related human resource practices; and
• Identifies development needs as basis for professional growth. (Franzsen, 2003:138).

In considering the redesign and revamp of the current performance management system, it is recommended that the subject Institution incorporates the ideas of Bennett and Minty (2001) as quoted in sub-head 2.7 (43-48) and Hartle (1995:65-69), as quoted in sub-head 2.11.1 (58-69) and which will not be repeated here for reasons of economy of space.

While there may be other models that could be adopted in the design of performance management system, the present research, operating within the confines of literature glossed offers its contribution in such design to the extent that it has covered.

5.5 Opportunities for further research
Future research may focus on noticeable trends in contemporary times whereby appointments in certain key positions are made conditional on performance-based contracts for a specified time-period.

Another area recommended for future research is performance management underpinned by the balanced scorecard as referred to by Meyer (2003:188). This should set performance management in organisations, including academic institutions, on a higher plane.
| Annexure A: | Memorandum of Application to conduct research | 105 |
| Annexure B: | Management Response memorandum granting research | 106 |
| Annexure C: | Covering letter on Performance Management system survey | 107 |
| Annexure D: | The questionnaire | 108 |
| Annexure E: | Factor Assessment form used at the subject Institution | 111 |
| Annexure F: | Draft Performance Appraisal Policy Framework as at 1999 | 115 |
| Annexure G: | Draft Policy and Procedures Document (Performance Appraisal) | 119 |
ANNEXURE A

Memorandum of Application to conduct research

To: PROF A M MDEBUKA
VICE-RECTOR: ACADEMIC

MR J BHANA
REGISTRAR

From: Z B MKOVANE

Ref: ZBM/lr

Date: 17 April 2005

Subject: APPLICATION TO CONDUCT RESEARCH

I am currently a registered student at the Nelson Mandela Metropolitan University and currently writing my research dissertation in fulfillment of the requirements for the Masters degree in Business Administration (MBA) in the Faculty of Business and Economic Sciences.

I write to request your good offices for permission to circulate questionnaires among a sample of Staff (academics on Peromnes levels 5-7 being either Deans, Associate Directors, Senior lecturers as Heads of Departments/Heads of Schools) and members of the Management Forum on levels 1-6.

The research is on Evaluation of a Performance Management System used at a Tertiary Education Institution in the Eastern Cape.

I thank you in anticipation of a favourable reply.

Z B MKOVANE
ANNEXURE B

Memo

To : Director Human Resources: Mr Z Mkovane
Cc : Vice Chancellor: Prof L Bruneey
     Vice Rector Academic: Prof A Mdeubuka
From : Registrar
Date : 18 April 2005
Re : APPLICATION TO CONDUCT RESEARCH

Your memo dated 17 April 2005 on the above refers.

There are no objections to your conducting this research provided the institution is provided with copies of the research and that it can utilize the findings to improve on its systems.

Thank You

[Signature]

Mr J Bhana

REGISTRAR
PERFORMANCE MANAGEMENT SYSTEM SURVEY

Dear Colleague

You are invited to participate in a survey aimed at evaluating the performance management system used at the Border Technikon as a tertiary education Institution. The survey is being conducted by Zen Mkovane, in order for him to obtain a Master’s Degree in Business Administration at the Nelson Mandela Metropolitan University.

The Technikon management has agreed per memorandum dated 18 April 2005 that Mr Mkovane conduct this evaluation of the Performance Management System as part of his thesis. It will be greatly appreciated if the attached questionnaire can be completed by yourself. The questionnaire has been designed in such a way that minimum time is required for the completion thereof. It is important that you need not reflect your name on the questionnaire and that your response will be treated as strictly confidential.

Your kind co-operation in this regard will be highly appreciated.

Kindly return the completed questionnaire to Mr Mkovane before 4 November 2005.

ZEN MKOVANE
RESEARCHER
## SECTION A: DEMOGRAPHICS

1. In terms of my conditions of employment I am classified as:

   (PLACE AN X IN THE APPROPRIATE BLOCK)

   - Academic
   - Non-academic

2. My permanent job grade is level

   (give job grade e.g. 5)

3. Employment period at the Institution:

   - 0 - 5 years
   - 5 - 10 years
   - + 10 years

4. Number of subordinates for whom you have conducted performance appraisals

   - 1 - 5
   - 6 - 10
   - Other
EVALUATING PERFORMANCE MANAGEMENT SYSTEM AT THE TERTIARY INSTITUTION

SECTION B: QUESTIONNAIRE

Please indicate the extent to which you agree with the following statements by indicating with an "X" in the appropriate box.

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>My goals and measures are linked directly to the Institution's strategy.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>The performance appraisal for the Institution is meant to improve my performance in future.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>My view of performance appraisal is that it is a process owned and driven by the HR Dept.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Formal documentation of developmental objectives does take place in the performance appraisal.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Job accountabilities and deliverables are clearly defined in the PA system used.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>The performance management process allows you as an academic (knowledge worker) freedom to act without unnecessary supervision.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>My efforts are being measured fairly and effectively through the PA system used.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>I would accept a performance management system more readily if it meant that under-performance was effectively addressed and resulted in equal workload distribution.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Being an Academic Institution the Factor Assessment form used, does not achieve the objectives for which it was designed.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Performance management is a ritual that has become an annual burden at this Institution.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>The performance appraisal forms only get filled in because manager's / supervisors' performance rewards depend on getting paperwork done.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

109
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>I feel comfortable with the Institution's approach to performance rating.</td>
</tr>
<tr>
<td>13</td>
<td>Performance management is used by Management as a tool to manipulate and control employees.</td>
</tr>
<tr>
<td>14</td>
<td>In managing performance, I coach and counsel my subordinates who under-perform.</td>
</tr>
<tr>
<td>15</td>
<td>There is lack of follow-up to performance reviews.</td>
</tr>
<tr>
<td>16</td>
<td>There is over-emphasis on the appraisal aspect at the expense of development.</td>
</tr>
<tr>
<td>17</td>
<td>I am given opportunities to learn, grow and develop to expand my career options.</td>
</tr>
<tr>
<td>18</td>
<td>The most important reward for your performance is an increase in pay.</td>
</tr>
<tr>
<td>19</td>
<td>Salary and promotion decisions are based on ratings.</td>
</tr>
<tr>
<td>20</td>
<td>Do you have any suggestions for improving the current performance management system?</td>
</tr>
</tbody>
</table>

Thank you for your kind co-operation.
ANNEXURE E

FACTOR ASSESSMENT

NAME: ........................................

JOB TITLE: ...................................

DEPARTMENT: ............................... 

SECTION: .................................

Comment on and assess performance in relation to each of the following factors as they affect the achievement of objectives:

<table>
<thead>
<tr>
<th>% RATING</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 20</td>
<td>Extremely poor. Achievements do not meet the standard.</td>
</tr>
<tr>
<td>21 to 40</td>
<td>Unacceptable. Achievements largely do not meet the standard.</td>
</tr>
<tr>
<td>41 to 60</td>
<td>Acceptable. Measured against the standard of work performance that can be reasonably accepted, the achievements are quite satisfactory.</td>
</tr>
<tr>
<td>61 to 80</td>
<td>Good. Achievements be noticeably of a higher quality than merely standard.</td>
</tr>
<tr>
<td>81 to 100</td>
<td>Exceptional. Achievements of such a quality that improvement on them is hardly possible.</td>
</tr>
</tbody>
</table>

TASK ORIENTATION

<table>
<thead>
<tr>
<th></th>
<th>SELF ASSESSMENT</th>
<th>ASSESSMENT BY EVALUATOR</th>
<th>RATING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Attitude and Behaviour</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Human Relations</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Communication</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Motivation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approach to Work</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Handling of Conflict</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decision Making</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Using Resources</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

111
**HUMAN ORIENTATION**

<table>
<thead>
<tr>
<th></th>
<th>SELF ASSESSMENT</th>
<th>ASSESSMENT BY EVALUATOR</th>
<th>RATING</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attitude: Colleagues</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Attitude: Students</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Acceptance and Handling of Authority</strong></td>
<td></td>
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</table>

**PERSONAL FACTORS**

<table>
<thead>
<tr>
<th></th>
<th>SELF ASSESSMENT</th>
<th>ASSESSMENT BY EVALUATOR</th>
<th>RATING</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initiative</strong></td>
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<td></td>
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<tr>
<td><strong>Creativity and Innovation</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Leadership Abilities</strong></td>
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<tr>
<td><strong>Management Abilities</strong></td>
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<td></td>
<td></td>
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<tr>
<td><strong>Ambition</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Perseverance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Commitment</strong></td>
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</table>

**OBJECTIVES ACHIEVED/NOT ACHIEVED**

<table>
<thead>
<tr>
<th>OBJECTIVES SET (PREVIOUS ASSESSMENT)</th>
<th>COMMENT 3 MTHS</th>
<th>COMMENT 6 MTHS</th>
<th>COMMENT 9 MTHS</th>
<th>COMMENT 12 MTHS</th>
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112
PROPOSED ACTION PLAN

Training requirements, self-development and/or additional experience


COMMENTS - EMPLOYEE


CONFIRMATION OF POST (YES/NO):

CURRENT SALARY NOTCH:

REVISED SALARY NOTCH:

SIGNATURES:

SUPERVISOR

EMPLOYEE

MODERATOR (If Present)

DATED:
ANNEXURE F

DRAFT - PERFORMANCE APPRAISAL POLICY FRAMEWORK

1. Introduction:

Background:

It is evident that a policy regulating staff appraisals was tabled and approved at a Council meeting, possibly as far back as 1993 or even prior to this.

Although a written policy in this regard is not available, it is evident that the policy included the following:-

* Quarterly appraisals be carried out for all new staff members during their probationary period.

* Six-monthly appraisals to continue beyond the probationary period.

* At the behest of the employee, an independent moderator could be requested to be present at the interview.

The original performance appraisal document was revised in about 1993, thereafter a new appraisal form was then introduced.

Current Status:

At a point in time hereafter the issue of applicability of the assessment document was raised whereby a firm view was held by staff, and in particular academic staff, that this document and to a lesser extent the process of performance assessment, was not appropriate. Issues highlighted included the view that an element of subjectivity was evident and that the system was not appropriately geared towards developmental needs of employees. As a result, academic staff in particular were not keen on implementing this system.

Although this original policy and assessment format were never to our knowledge formally challenged or revised, this process appeared to have lost credibility along the way and was thereafter never again rigidly applied.

A recent needs assessment conducted by a consultant under the TELP programme identified that most of the issues relating to the lack of employee motivation were as a result of an unsatisfactory performance management system at Border Technikon.

Recommendation:

The policy and procedure be revisited and a more practical and relevant performance appraisal system implemented.

It is however important to understand performance appraisal, and hence it is anticipated that the following
information which is intended for discussion and comments will provide for this.

2. What is performance appraisal.

Performance appraisal has long been recognised by Human Resource specialists as an important management tool. A performance appraisal is a structured discussion between employees and supervisor. It provides an opportunity for the supervisor to recognise an employee's achievements, offer suggestions for improvement where needed, discuss job responsibilities, define objectives, and counsel for career development.

3. Benefits derived from such a system

Overall, the appraisal system is used to identify areas for development and then create a development plan for the employee that meets both the needs of the organisation and the personal career needs and aspirations of the employee.

The performance review can do this by:

* identifying training needs
* identifying key skills in the individual and those required for the position
* improving present performance
* forming a base for future development
* identifying potential in employees
* improving communication and relationships
* improving motivation
* identifying subordinate's aspirations
* paving the way for rewards, benefits and sanctions.

4. Who is to be appraised

On a yearly basis every staff member at Border Technikon will have to undergo performance appraisal. Each supervisor, manager or HOD is responsible for conducting a performance appraisal for each subordinate. An example of this under the current situation would imply that the Vice-Rector: Academic would be responsible for appraising the Deans, who will in turn be responsible for appraising the Associate Director/HOD, who in turn will appraise the lecturer. The Vice-Rector would also be appraised by the Vice-Chancellor. Similarly, another example would be, the Registrar will be responsible for appraising the Public Relations Manager, who in turn will be responsible for appraising the Public Relations Officers and so on. The Registrar would also be appraised by the Vice-Chancellor.

5. When is the appraisal to be carried out

The policy will stipulate when performance appraisal should be scheduled. Performance appraisal is an ongoing process beginning from the first day the employee enters the
organisation. However, it is suggested that formal appraisals be carried out as follows:

* at any other time deemed necessary to address current performance standards.
* quarterly for all new staff members during their probationary period.
* six monthly performance appraisals continue beyond the probationary period (mid-year review).
* annual appraisals at year end.

6. Monitoring and evaluating performance appraisal

Monitoring and evaluating employees performance is the responsibility of each manager, supervisor or HOD. The document will be based on objective data of performance results to support instances cited rather than subjective opinion. It will also draw attention to non-performance of employees.

During this process the appraiser is to ensure the following:

* exceptional performance or under-performance is recorded
* training and development needs must be highlighted and probable cost implications included in the annual budget
* corrective action, promotion rewards and benefits must be recommended

The above process remains the ultimate responsibility of the respective manager/supervisor/HOD however subject to final committee approval.

7. How is the appraisal carried out

A performance appraisal after scheduling a time, date and venue will be conducted in accordance with the policy in a structured discussion between employee and supervisor. The appraiser will mark appropriate performance ratings, make written comments in the space provided either to clarify or explain ratings.

8. What to do with results

At the conclusion of the performance appraisal discussion, a copy of the appraisal form should be provided to the employee and a copy returned to the individual's personal file in the H R Department.
The completed performance appraisal should be routed to the next higher level with the required authority who together with the Human Resources Department will review the results which will form the basis of how to take the process forward.

RA/1r
19.8.99
DRAFT POLICY AND PROCEDURES DOCUMENT

PERFORMANCE APPRAISAL

1. POLICY

1.1 Preamble

Performance appraisal is a structured discussion between employee and supervisor. It provides an opportunity for recognition of an employee's achievements, offer suggestions for improvement where needed, discuss job responsibilities, define objectives and forms a base for career development.

1.2 Purpose

To ensure that employees receive periodic performance feedback, recognition and corrective measures to promote effective and efficient job performance and enhance career development.

1.3 Objectives

The objectives of performance appraisal are:-

1.3.1 To ensure that the staff member understands what tasks have been allocated to him/her.

1.3.2 To establish the standard of performance required for each of the above.

1.3.3 To assess the staff members performance of the allocated duties against the standards set for the period under review.

1.4 Benefits

Benefits include the following:-

* identifying training needs
* identifying key skills in the individual and those required for the position.
* improving present performance.
* forming a base for future development.
* identifying potential in employees.
* improving motivation.
* identifying subordinate's aspirations
* paving the way for rewards, benefits and sanctions.
1.5 Aim

The aim of performance appraisal is to provide a basis for regular and consistent staff assessment that is understood and accepted by staff members and supervisors, and perceived to be effectively administered and controlled to ensure fairness.

2. APPLICATION OF PERFORMANCE APPRAISAL

Performance Appraisal will apply to all contract and permanent staff of Border Technikon.

3. MANAGEMENT RESPONSIBILITIES

Each manager/supervisor/HOD is responsible for conducting performance appraisals on a timely basis according to the guidelines of the policy.

To promote consistency and objectivity, each performance appraisal shall be reviewed by the next higher level manager and the HR Department.

4. POLICY IMPLEMENTATION

4.1 The new performance appraisal policy becomes effective on ....................... All performance appraisals conducted after this date should be in accordance with the new policy guidelines.

4.2 All managers/supervisors/HOD's are responsible for implementing the policy in their respective work unit, department or division.

4.3 All performance appraisals should be conducted in an objective manner which avoids discrimination of any form.

5. PROCEDURES AND IMPLEMENTATION GUIDELINES

The Human Resources Department will advise managers/supervisors/HODs and staff members, if required, how to go about conducting performance appraisals, but will not do the appraisals themselves. Guideline notes are available as required from the Human Resources Department.
5.1 When do appraisals occur

5.1.1 Quarterly for all new staff members during the probationary period.

5.1.2 At six monthly intervals beyond the probationary period.

5.1.3 At any other time deemed necessary to address performance standards.

5.2 Conducting the appraisal.

5.2.1 Performance appraisal forms are available from the HR Department.

5.2.2 The respective appraiser should agree a time and place for the appraisal interview with the staff member, and advise the staff member to prepare for the interview.

5.2.3 The appraiser should refer to policy guidelines, performance related definitions, employee objectives, department objectives, individual objectives, productivity records and related data when preparing for the interview.

5.2.4 A private room/office should be set aside for this purpose.

5.2.5 The appraiser, before the interview, should prepare himself/herself as well as possible, to ensure that the interview is conducted objectively, efficiently, effectively and constructively.

5.2.6 The appraiser and staff member should strive to conduct the appraisal interview as frankly and openly as possible.

5.2.7 A reasonable duration for discussion is recommended.

5.2.8 Complete all sections of the form.

5.2.9 Mark appropriate performance ratings.

5.2.10 Ensure exceptional performance or under performance is recorded.

5.2.11 Training and development needs must be discussed and highlighted.

5.2.12 Make written comments in the space provided to
clarify or explain ratings.

- 4 -

5.2.13 At the conclusion of the performance appraisal discussion, the appraiser should request the employee to sign the appraisal form in order to document participation in the discussion.

5.3 Monitoring and evaluating performance appraisals

Monitoring and evaluating employees performance is the responsibility of each manager/supervisor/HOD. The document will be based on objective data of performance results to support instances cited rather than subjective opinion.

During this process the appraiser is to ensure the following:-

* Exceptional performance or under-performance is recorded.

* Training and development needs must be highlighted and probable cost implications included in the annual budget.

* Corrective action, promotion rewards and benefits must be recommended.

Management of the above process remains the ultimate responsibility of the respective manager.

5.4 Implementing the outcome of the appraisal

The completed performance appraisal should be routed to the next higher level and the Human Resources Department for review and if necessary discussions with the respective supervisor/manager/HOD whereafter the results will be utilised to address related issues.

REA/1r
18.8.99
REFERENCES


Workforce/workforce.com 2001:138