THE ROLE OF PERFORMANCE MANAGEMENT IN THE MOTIVATION OF EMPLOYEES: A CASE STUDY

A thesis submitted in Partial Fulfillment of the requirements for the Degree

Of

MASTER OF BUSINESS ADMINISTRATION (MBA)

Of

NELSON MANDELA METROPOLITAN UNIVERSITY

NMMU

NELSON MANDELA BUSINESS SCHOOL

By

Themba Lambert Zwane

NOVEMBER 2009
DECLARATION

I, Themba Lambert Zwane, hereby declare that this research thesis is my own Original work, that all reference sources have been accurately reported and Acknowledged, and that this document has not previously, in its entirety or in part, or submitted to any University in order to obtain an academic qualification.

TL Zwane 30 November 2009
ABSTRACT

After a review of the literature relevant to performance management systems both over time and across different types of organizations, this thesis confines its research to a case study of the Role of Performance Management in The Motivation of Employees in an organization.

Important insight was gained into the relative importance of the performance management practices to promote desired employee outcomes. In view thereof that a discussion of performance in organizations is incomplete without reference to the construct of organizational culture, this study also provided propositions to prompt further research on the role of performance management in reinforcing a high performance organizational culture. Insightful conclusions were drawn from the results obtained and recommendations are made for future research.
ACKNOWLEDGEMENTS

I would like to take this opportunity to thank the following people for their contribution to the successful completion of this thesis:

➢ Verah, my wife, for her invaluable insights and professional comments,

    And for reminding me that “you get out what you put in”

➢ Mbali, Sibongile, my daughters, for putting up with my lengthy absences from their early years of their life.

➢ My Brothers and Sisters Mthunzi, Mzwandile, Nobentungwa and Sybil for the support (financial and otherwise) and encouragement

➢ My supervisor, Ian du Preez, for his time and commitment to my success, for his patience and understanding with my seemingly never ending list of Questions, and for his relevant advice on all aspects of the thesis

➢ My Mum Thandekile for her support and encouragement.

➢ To My Father Dumisa MacFarlane who taught me that anything is possible with the right attitude.
CHAPTER 1: INTRODUCTION

1.2. MAIN PROBLEM

1.3. SUB PROBLEMS

1.4. OBJECTIVES OF STUDY

1.4.1 Main Objective

1.4.2 Secondary Objectives

1.5. DEMARCATION OF THE FIELD OF STUDY

1.5.1 Primary Sources

1.5.2 Secondary Sources

1.6. RESEARCH METHODOLOGY

1.6.1 Research Design

1.6.2 The design of the Questionnaire

1.6.3 The sampling Method

1.6.4 Analysis of results

1.6.5 Mail survey

1.7. KEY ASSUMPTIONS
CHAPTER 2: THE THEORY ON PERFORMANCE MANAGEMENT

2.1 PERFORMANCE CRITERIA ................................................................. 24
   2.1.1 Trait based criteria ................................................................. 24
   2.1.2 Behavior based criteria .......................................................... 24
   2.1.3 Outcome based criteria .......................................................... 24

2.2 PERFORMANCE MANAGEMENT OBJECTIVES .............................. 24

2.3 EVALUATIVE OBJECTIVE ............................................................. 25

2.4 DEVELOPMENT OBJECTIVES ....................................................... 25

2.5 TRADITIONAL PERFORMANCE MANAGEMENT SYSTEM ............... 26

2.6 ADVANTAGES OF AN OBJECTIVE SYSTEM .................................. 27

2.7 DISADVANTAGES OBJECTIVE SYSTEM ........................................ 27

2.8 PAYOFF FOR USING PERFORMANCE MANAGEMENT.
   2.8.1 Management benefits ............................................................ 28
   2.8.2 Employee benefits .............................................................. 29
   2.8.3 Organizational benefits ....................................................... 29

2.9 CONCLUSION
CHAPTER 3: HOW PERFORMANCE MANAGEMENT IS PROCTISED

3 THE PERFORMANCE MANAGEMENT PROCESS ACTIVITIES ..........32

3.1.1 Corporate strategies and objectives------------------------------32
3.1.2 Performance agreements and plans------------------------------32
3.1.3 Continues management of performance throughout the year--------32
3.1.4 Formal performance reviews-----------------------------------32
3.1.5 Development and training-------------------------------------32
3.1.6 Rating--------------------------------------------------------32
3.1.7 Performance related pay---------------------------------------32
3.1.8 Performance management planning-----------------------------34
3.1.9 Performance measures----------------------------------------35
3.1.10 The performance of Senior Managers--------------------------35
3.1.11 The performance of managers/Team leaders---------------------36
3.1.12 Administrative and support staff-----------------------------36
3.1.13 Production workers------------------------------------------36

3.2 THE CAUSES OF INEFFECTIVENESS OF PERFORMANCE MANAGEMENT

3.2.1 Knowledge domain---------------------------------------------36
3.2.2 The skills domain---------------------------------------------37
3.2.3 Motivate and Trait domain-------------------------------------37
3.2.4 Self-image and social role domain.........................................................38

3.2.5 Formal culture domain.................................................................38

3.2.6 Informal culture domain.............................................................39

3.3 CONCLUSION....................................................................................40

CHAPTER 4: GUIDELINES FOR IMPLEMENTING AN EFFECTIVE
PERFORMANCE PROGRAMME

4.1 Performance management is underpinned by a philosophy,
Which is based on?..................................................................................41

4.1.1 Motivation Theory............................................................................41

4.1.2 The Process of Motivation...............................................................42
  4.1.2.1 Goals.........................................................................................43
  4.1.2.2 Reinforcement theory..............................................................43
  4.1.2.3 Expectancy theory....................................................................43

4.2 DESIGN AND IMPLEMENTATION OF A PERFORMANCE
MANAGEMENT SYSTEM .............................................................................44

4.2.1 PHASE 1: Planning ........................................................................44
  4.2.2 Gain top management commitment............................................44
  4.2.3 Gain top management commitment............................................44
  4.2.4 Review the past............................................................................44
  4.2.5 Clarify the objectives....................................................................45
4.2.6 Build new assumptions ......................................................... 45

4.3.1 PHASE 2: DESIGN ............................................................... 45
  4.3.2 Communication and education process ............................... 45
  4.3.3 Feedback on proposed design from stakeholders .................. 45
  4.3.4 Refine the design .......................................................... 45
  4.3.5 Top management .......................................................... 46

4.4 PHASE 3 ............................................................................. 46
  4.4.1 Implementation .............................................................. 46
  4.4.2 Present the final design to senior management ...................... 46
  4.4.3 Design training material ................................................... 46

4.5 PHASE 4 ............................................................................. 47
  4.5.1 Follow up and alignment .................................................. 47
  4.5.2 Realign other HR systems ............................................... 47

4.6 Conducting a performance appraisal ...................................... 47
  4.6.1 Why have performance reviews ....................................... 48
  4.6.2 Objectives of performance reviews .................................... 48
4.7 Performance appraisal interview process

4.7.1 Allocate interview times

4.7.2 Both employer and employee must prepare for the session

4.7.3 Manager to prepare for the session

4.7.4 Reach agreement on past and present performance

4.7.5 Identify and agree on areas needing improvement

4.8 CONCLUSION

CHAPTER 5: Analyzing and interpretation of results

5.1 DATA SUMMARY

5.2 PERFORMANCE MEASURE

5.2.1 INTERNAL MANAGEMENT PRACTICES

5.2.2 PEOPLE EMPOWERMENT

5.2.3: EMPLOYEE RELATIONS

5.2.4 DIGNITY AND DIVERSITY

5.2.5 REWARD AND RECOGNITION

5.2.6 PROPENSITY TO LEAVE

5.3 CONCLUSION
CHAPTER 6:
INTRODUCTION ........................................................................................................... 84
6.1 Summary of key research findings and conclusions ......................................... 84
6.1.2 Internal management practices ..................................................................... 84
6.1.3 People empowerment ..................................................................................... 85
   6.1.3.1 Survey Findings ..................................................................................... 86
6.1.4 Employee Relations ...................................................................................... 86
6.1.5 Dignity and Diversity .................................................................................... 87
6.1.6 Reward and Recognition .............................................................................. 88
6.1.7 Propensity to leave ...................................................................................... 89
   6.1.7.1 Why do employees stay? .......................................................................... 90
   6.1.7.2 What drives loyalty? ................................................................................ 90
6.2 THE PERFORMANCE MANAGEMENT MODEL ........................................ 90
6.2.1 Organizational philosophy ........................................................................... 92
6.2.2 Organizational mission ................................................................................ 92
6.2.3 Organizational Policy .................................................................................. 93
6.2.4 Organizational Objectives .......................................................................... 93
6.2.5 Organizational strategic operations and budget .......................................... 93
6.3 STRATEGIC PLANNING ............................................................................. 93
6.4 DEFINING THE OBJECTIVE ........................................................................ 94
6.5 MEASUREMENT MANAGEMENT

6.5.1 Phase 1 Defining the Strategy

6.5.2 Phase II: Designing the Measures

6.5.3 Phase III: Cascading the Measures

6.5.4 Phase IV: Embedding the Measurement System

6.6 TACTICAL PLANNING

6.6.1 Work unit Objectives and Goals

6.6.2 Work unit Function Statement

6.6.3 Work Units Budgets

6.6.4 Individual Job Assignments

6.7 Establishing a Job Content Foundation

6.8 CONCLUSION

CHAPTER 7: Conclusions and recommendations

7 INTRODUCTION

7.1 Summary of the Case Study

7.2 Recommendations
7.2.1 What role does the leadership play in influencing the organizational culture when implementing a performance management system? ..............................................101

7.2.2. What is the appropriate direction for the implementation of performance Management system? .................................................................102

7.2.3 What are expectations of a good performance system? .........................103

7.2.4 Defining Results..............................................................................103

7.3 CONCLUSION.....................................................................................105

8 REFERENCES.......................................................................................106
LIST OF FIGURES

Figure 1: Evaluative and Developmental objectives

Figure 2: The Performance management process

Figure 3: The contribution of the organization and the individual in performance management

Figure 4: Focus for performance measures

Figure 5: The process of motivation

Figure 6: Supervisor Checklist

Figure 7: The framework of a performance Appraisal System

Figure 8: The four Phases for Developing a Measurement Managed Culture.

Figure 9: Key Criteria for good measurement
LIST OF TABLES

Table 1: Research Interview Questions, Internal Management Practices

Table 2: Research Interview Questions, People Empowerment

Table 4: Research Interview Questions, Employee Relations:

Table 5: Research Interview Questions, Dignity and Diversity

Table 6: Research Interview Questions, Reward and Recognition

Table 7: Research Interview Questions, Propensity to leave:
LIST OF APPENDICES

Appendix 1: Research Interview Questions:
CHAPTER 1

1. INTRODUCTION

Performance management is a set of practices through which work is defined, reviewed and rewarded, and employee’s capabilities are developed. (Butteries, 2000:229)

The business climate has changed during the past few years. It seems that no industry is immune to a shake up as a direct or indirect consequence of deregulation or competition from abroad. For many organizations, one result of this trend is a justifiable obsession with quality and productivity. It’s therefore more important than ever to accurately measure job performance so rewards can be distributed fairly and performance problems can be solved quickly. (Swan & Margulies, 1991:3)

A few decades ago the performance appraisal was a procedure of very limited utility, used to pinpoint coarse distinctions between good and bad performers. Today many more job types and levels are subject to performance appraisals, and the performance appraisal is used for decisions about salaries, promotions and placements, to pinpoint performance problems improve employee performance for career counseling and to help implement the strategies and instill the values of the organization.

The conventional approach, unless handled with consummate skill and delicacy, constitutes something dangerously close to violation of the integrity of the personality. Managers are uncomfortable when they are put in the position of “playing god” the respect we hold for the inherent value of the individual leaves us distressed when we must take responsibility for judging the personal worth of a fellow man. Yet the conventional approach to performance appraisal forces managers, not to only to make such judgments and to see them acted upon, but also to communicate them to those who had been judged. (McGregor, 1957:37)
The “conventional” approach McGregor worried about is the practice of periodically determined whether and to what extent a given person has lived up to certain predetermined requirements. It is the “playing god” aspect that concerns managers the fear that what gets put on a piece of paper might spell the end of a man’s career, or the dashing of his hopes and aspirations (McGregor, 1957:38).

(McGregor, 1957:40) saw what so many managers have reported about performance appraisal: that it is tricky, often subjective, and in many ways dangerous thing to do. These managers feel that there is something inherently wrong with “judging” a man or woman. There are dreadfully afraid of making a once-and-for-all judgment which turns out to be wrong, and they are as much or more afraid of having to tell someone they are going to give him or her a “low rating” (McGregor, 1957:38).

Not surprisingly, managers who feel this way are inclined to “get through” performance appraisals as quickly as they can; so quickly sometimes that the people being appraised are not quite sure they’ve been told where stand. The whole process is perceived as so painful that both parties skim across its surface (Dartnell Management Guide, 1981).

A comprehensive literature study will be performed to determine the views on performance, and on performance management programmes. The study will also include the investigation into the extent to which the performance management programmes should be aligned with organizational and individual goals.
1.2 MAIN PROBLEM

The role of performance management in the motivation of employees

1.3 SUB PROBLEMS

In order to develop thorough research and solve the main problem, the following sub-problems have been identified:

(a) What is performance management?
(b) Why does performance management fail?
(c) What is performance management suppose to accomplish?
(d) Is there a downside to performance management?

1.4 OBJECTIVES OF STUDY

1.4.1 Main Objective

The main objective of this study is to evaluate and establish the factors that have an impact on the performance management system.

1.4.2 Secondary Objectives

In order to achieve the main objective of the study, as stated in paragraph 4.1 above the secondary objectives are:

(a) To provide a literature overview of the role of management in general.
(b) To provide an overview of the role of employees in establishing or negotiating individual objectives.
(c) To analyse the effects of communication within the system.
(d) To statistically evaluate the results of the research and interpret them.
(e) To provide recommendations.
1.5 DEMARCATION OF THE FIELD OF STUDY

Information will be collected from both primary and secondary sources.

1.5.1 Primary Sources

The empirical study will be used to gather information and consists of the following parts:

(a) A structured questionnaire with a five point Likert scale will be used during interviews.
(b) A questionnaire based on information gained from the literature study will be developed and used by the researcher.
(c) A survey will be carried out at general management, human resources and employees at certain selected organisations.
(d) A mail survey will be used.

1.5.2 Secondary Sources

A literature will be gathered from libraries of the Nelson Mandela Metropolitan University and Rhodes University. Published and unpublished sources will be used. Journals, periodicals, dissertations, theses and textbooks will be used and library reference services will be consulted. Information not available from publications, but relevant to the research will be gathered from the Internet.
1.6 RESEARCH METHODOLOGY

The following procedures were adopted to solve the Main and Sub problems.

1.6.1 Research Design

A questionnaire will be designed to establish the effects of performance management in the chosen organisations.

1.6.2 The design of the Questionnaire

A five-point Likert scale questionnaire will be used during the empirical study. The questionnaire will consist of two sections. The first section, section A, will focus on the respondents views about the effects of performance management systems in general. The second section, section B, will provide biographical data of the respondents.

1.6.3 The sampling Method.

The sampling procedure will be based on the principle of randomness. The respondents, which will be included in the survey, will be chosen randomly, and the structure of each section within the departments will be scrutinised, so as to ensure that all grades or levels within the organisation are covered.

1.6.4 Analysis of results

The results of the survey will be analysed and integrated with the literature findings. The researcher will do the data capturing manually.
1.6.5 Mail survey
Postal surveys will be utilised because to the fact that Welman and Kruger (1999:153) cite the advantages of utilising postal surveys as being associated low costs, the respondent anonymity, and the fact that the respondents may complete the survey at their leisure.

1.7 KEY ASSUMPTIONS
The literature that will be used is mostly originated from countries other than South Africa. It is assumed that the findings from those countries will be applicable in South Africa.

1.8 PROPOSED PROGRAMME OF STUDY
Chapter 1 The problem statement, the motivation for the research, methodology and the outline of the research project.
Chapter 2 The theory of performance management.
Chapter 3 How performance management is practised.
Chapter 4 Guidelines for implementing an effective performance management programme.
Chapter 5 Analyzing and interpretation of results.
Chapter 6 Integration of the findings from the survey with the literature study in order to develop a model.
Chapter 7 Conclusions and recommendations.
CHAPTER 2

2 THE THEORY ON PERFORMANCE MANAGEMENT

Performance management may be defined as a formal and systematic process, by means of which the job-relevant strengths and weaknesses of employees are identified, observed, measured, recorded and developed. Performance management provides the opportunity for the organization to evaluate and take stock of its human resources. It also provides information so that important decisions can be taken and gives feedback for further development of staff (Doris, 1994:160).

It gives management the opportunity for communication with staff, to clarify expectations and to take part in the development of each staff member. For the employer, it gives the opportunity to discuss with employees their performance and career goals for the future (Doris, 1994:161).

Performance management is an ongoing communication process, undertaken in partnership, between an employee and his or her immediate supervisor that involves establishing clear expectations and understanding about:

- The essential job functions the employee is expected to do.
- How the employee’s job contributes to the goals of the organization.
- What “doing the job well” means in concrete terms.
- How employee and supervisor will work together to sustain, improve, or build on existing employee performance.
- How job performance will be measured.
- Identifying barriers to performance and removing them.

(Doris, 1994:163).
2.1 PERFORMANCE CRITERIA

Three types can be found:

2.1.1 Trait based criteria: Focus on the personal characteristics of an employee, for example; loyalty, dependability, creativity and communication skills. The focus is on what a person is and not on what he or she does or accomplish on the job.

2.1.2 Behaviour based criteria: These are concerned with specific behaviours that lead to job success.

2.1.3 Outcome based criteria: focus on what was accomplished or produced rather than how it was accomplished or produced. This type of criterion is not appropriate for every job and that often it is criticized for missing important aspects of the job, such as quality.

2.2 PERFORMANCE MANAGEMENT OBJECTIVES

It is the view of Grobler et al (2002:263) that performance management systems are a key element in the use and development of an organization’s most vital resource, its employees. Performance management systems are used for a wide range of administrative purposes, such as making decisions about pay, promotion and retention.

Effective systems can significantly contribute to the satisfaction and motivation of employees- if they are correctly used. The objectives of the system fall into two categories: evaluative and developmental as displayed in figure 1
Figure 1: Evaluative and developmental objectives

Objectives of performance appraisal

<table>
<thead>
<tr>
<th>Evaluative</th>
<th>Developmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation decisions</td>
<td>Performance feedback</td>
</tr>
<tr>
<td>Staffing decisions</td>
<td>Direction for future performance</td>
</tr>
<tr>
<td>Evaluate selection system</td>
<td>Identify training and development needs</td>
</tr>
</tbody>
</table>

Source: Adapted from Grobler et al (2002:266)

2.3 Evaluative objective
The most common decisions based on evaluative objectives concern compensation, which includes merit increases, employee bonuses and other increases in pay. The performance appraisal normally has two-part effect on future pay. In the short run, it may determine merit increases for the following year; in the long run, it may determine which employees are promoted into higher paying jobs.

2.4 Development objectives
This objective encompasses employee skills and motivation for future performance. Performance feedback is a primary developmental need because all employees want to know how their superior feels about their performance (Grobler et al, 2002:266).
2.5 Traditional Performance Management Systems

Performance management can be described as absolutely logical. The assumptions underlying it that relate to organization effectiveness, are somewhat flawed and contains many excellent notions. Its approaches are generally described within the context of a managing by objectives framework (MBO). An MBO system includes the following components:

- Development of role and mission statement.
- Establishing strategic goals.
- Defining results.
- Establishing indicators or effectiveness, goals, or organizational objectives.
- Establishing performance standards for each objective.
- Action planning for each employee.
- Coaching/training to remediate deficits.
- Some form of evaluation or assessment done formally and included in an employees’ record.

MBO is a process in which manager and subordinate sit down at the beginning of each performance period and agree upon individual job goals that subsequently serve as a basis for personal performance assessment (Lynch and Cross, 1991:42).

Within an MBO system, the performance management process to the management of the individuals begins with the assignment of individuals’ objectives, through to the final, formal assessment process.

In addition, the MBO is a system that begins with the hoped for outputs and measures the quality of effort and the effectiveness of resource utilization, against these hoped for outputs (Ordione, 1979:36)
Lynch and Cross (1991: 203) have identified five major problems with MBO:
Fosters internal competition rather than teamwork because it is a mechanism for assessing individual or departmental contributions at review time;

- Goals are set by senior management that may or may not be strategy related.
- MBO goals often ignore the customer and are based on past performance.
- Focuses on the manager, subordinate, or departmental structure within the company’s vertical structure, rather than on the horizontal work flow independent of organizational boundaries.
- Objectives once set, tend to become fixed throughout the organization. adapting to changes in external environment is often difficult.
- Measures tend to be one dimensional, often financially oriented.

2.6 Advantages of an Objective System
It allows easy linking of individual objectives to work unit objectives. It allows the likelihood of disagreement during appraisal meetings- if standards and targets were written well during the performance planning process. It is probably the most legally defensible approach to appraisal (Bacal, 1999:106).

2.7 Disadvantages objective System
It takes more time because of the need to invest in up front performance planning. It requires managers and employees to develop skills in writing objectives and standards that are meaningful and measurable. It may result in more paperwork. It can be misused or used in a superficial way by managers who lose track of why they are doing it (Bacal, 1999:106).

2.8 Payoff for using Performance Management.
When performance management is used properly, there are clear benefits to everyone; managers, employees and the organization.
2.8.1 Management benefits.

While performance management cannot solve every problem, it has the potential to address many common management concerns. If it is properly used, with invested time on it, and a cooperative relationship, performance management can:

- Reduce the need to be involved in everything that goes on.
- Save time by helping employees make decisions on their own by ensuring they have the necessary knowledge and understanding to make decisions properly.
- Reduce time-consuming misunderstanding among staff about who is responsible for what.
- Reduce the frequency of situations where you do not have the information you need when you need it.
- Reduce mistakes and errors (and their repetition) by helping you and your staff identify the causes of errors or inefficiencies.
- Identify individual training and development needs.
- Build closer working relationships based on mutual trust and respect.
- Provide better feedback to individuals about their performance and progress based on mutual understanding of needs.


Performance management is an investment up front so that managers can just let employees do their jobs. They will know what they are expected to do, what decisions they can make on their own and how well they have to do their jobs.
2.8.2 Employee benefits.

It can provide scheduled forums for discussion of work progress, so employees receive the feedback they need to help assess their accomplishments and to know where they stand. That regular communication ensures there are no surprises at the end of the year. Since performance helps employees understand what they should be doing and why, it gives them a degree of empowerment-ability to make day-to-day decisions.

It helps in figuring out how to improve performance, even if there are no current performance problems. This provides an opportunity to help employees develop new skills and is more likely to identify barriers to better performance, such as inadequate resources.
Employees benefit from better understanding their jobs and their job responsibilities. If they know their limits, they can act more freely within those parameters.

2.8.3 Organizational benefits.

When people in the organization understand how their work contributes to the success of the company, morale and productivity usually improve. A company can have all of its parts aimed at the same bull’s-eye. Performance management is the key to making these links clear to everyone.
2.9 Conclusion.

The effective management of individual performance is the central requirement for the attainment of organizational goals. If line managers are to achieve strategic objectives, accurate information regarding the performance levels of their members is essential. This is the reason why most organizations insist on a formal and systematic process whereby such information may be gathered and recorded (Swanepoel et al, 2nd 2000:431).

Performance management is, in some ways, very simple and, in other ways, very complex. It consists of lots of parts and it requires some skills. But if it is approached with proper mindset, it can work and pay great benefits.

Performance management is a vital component of the process of managing human resources with the aim of achieving employee and organizational goals and will remain a key concern of HR practitioners and managers alike (Bacal, 1999:199).
CHAPTER 3

Performance management is mostly developed by organizations based on its needs. They develop a conceptual framework within which their process can be operated. This framework will help in deciding the approach to be adopted and, when the decision has been made, it will provide guidance to managers and the individuals and the teams they manage on what performance management activities they will be expected to carry out (Armstrong, 1994:41).

The framework is illustrated in Figure 2

**Performance management process**

Figure 2 The performance management process
3 The performance management process activities:

3.1.1 Corporate strategies and objectives
Preparation of mission and value statements linked to business strategy. Definition of corporate and functional or departmental objectives.

3.1.2 Performance agreements and plans
Agreements of accountabilities, tasks, objectives, knowledge, skill and competence requirements and performance measures - the performance agreement or contract. Agreement of work plans and personal development and performance improvement action plans.

3.1.3 Continues management of performance throughout the year
Regular feedback
Interim progress review

3.1.4 Formal performance reviews
Preparation by the manager and the individual for the formal review.
The annual performance review, which leads to a new performance agreement.

3.1.5 Development and training
Formal development and training programmers prompted by the performance review. Less formal development thought out the year will be taking place in shape coaching, on the job training and self-development activities.

3.1.6 Rating
Rating or ranking performance

3.1.7 Performance related pay
Performance related pay.
Performance management it isn’t a linear, straight-line process. It’s a dynamic process between two people that changes over time. These activities are broadly sequential, but they can overlap and there is scope for feedback during the year from the formal performance review, which can lead to a revised or new performance agreement.

Performance management operates as a partnership between the organization and the individual as shown in figure 3:

![Figure 3: The contribution of the organization and the individual in performance management](Source: Armstrong, 1994:44)
Both parties contribute to the definition of objectives, tasks, standards, and performance measures, monitoring progress and developing performance.

### 3.1.8 Performance management planning

Performance planning is the usual starting point for an employee and manager to begin the performance management process. Manager and employee work together to identify what the employee should be doing for the period being planned, how well the work should be done, level of authority and decision making for the employee. The performance planning for the employee is usually done for one-year period. (Bacal, 1999:27)

By the end of the performance planning process, both manager and employee should be able to answer the following questions in the same way:

- What are employee’s major responsibilities for the year?
- How will I know whether the employee is succeeding?
- What level of authority does the employee have with respect to job tasks?
- Which job responsibilities are most important and which are list important?
- Why is the employee doing what he or she is doing?
- How can the manager help the employee accomplish the tasks?

While performance planning is mostly about clarifying job tasks for individual employees, it can provide a forum for discussing general issues with all employees. (Bacal, 1999:28).

What comes out of performance planning is common understanding and answers the above questions which will be written down to form part objectives, goals and standards. This constitutes the employees plan for the year, which will then be used in
the performance appraisal meeting at the end of the period being planned. If employees need development or training to do their jobs, that’s also recorded.

3.1.9 Performance measures
The focus and content of performance plans and measures will of course vary considerably between different occupations and levels of management as shown below on figure 4:

<table>
<thead>
<tr>
<th>Senior Managers</th>
<th>Managers, Team Leaders, Professionals</th>
<th>Administrative and Support Staff</th>
<th>Production Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectives (Targets)</td>
<td>Competences</td>
<td>Tasks Standards</td>
<td>Work Output</td>
</tr>
<tr>
<td>Principal Accountabilities</td>
<td>Main Tasks</td>
<td>Work Measured Standards</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4: Focus for performance measures. (Source: Armstrong: 1994, 48)

3.1.10 The performance of Senior Managers
The focus for senior managers is likely to be based on definitions of principal accountabilities, which emphasize their personal responsibility for growth, added value and results. The emphasis will largely be on objectives in the form of quantified targets, with less prominence given to competences. Their performance will be measured by what they do to get results.
3.1.11 The performance of managers/Team leaders
Their performance is measured by reference to definitions of their principal accountabilities. The achievement of quantities targets is still important but more emphasis is placed on attribute and competence requirements.

3.1.12 Administrative and support staff.
Their performance is measured by defining main tasks or key activities with standards of performance (objectives) as a basis of measure.

3.1.13 Production workers
Their performance is measured by standards of out or time taken. Sales targets and customer service measure sales staff.

3.2 The causes of ineffectiveness of performance management
The underlining ineffectiveness behavior is the result of a lack of systematic training in performance management theory and methodology. Managers are unable to develop a personal working model to guide their day-to-day practices. There are underlying characteristics required by an individual for effective performance in a job.
Within those characteristics there are subsets, which are generic to any job performance (Arumugam, 2001:24-25).

3.2.1 Knowledge domain
Problems in the knowledge domain and symptoms and consequences:
- Performance management is not understood as a core management activity, which is central to effective organizational performance.
- Performance management is synonymous with performance appraisals.
- Employees report high levels of stress and burnout.
Managers do not integrate performance issues into other management decisions (Arumugam, 2001:24-25).

3.2.2 The skills domain
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 interactions.

A manager may show understanding of the performance management process but unable to effectively translate this knowledge into skill. Symptoms and consequences include:

- Managers show resistance to conduct performance appraisal.
- A climate of tension and conflict in the employment relationship.
- Managers lose confidence in their ability to manage performance.

(Arumugam, 2001:24-25).

3.2.3 Motivate and Trait domain
Effective performance management is barred by unresolved intra-and interpersonal issues. There tends to be a thin line between managers private psyche and his/her work psyche. Manager’s motives and traits have an impact in manager’s work. Being skilled on what you do, know and what you should do, does not mean that the manager will do it.

Our personal volition impacts our behaviors in respect of performance management and can be seen by:

- Managers negative towards performance appraisals.
- Low self-esteem and a feeling of personal threat in the appraisal process.
➢ Using avoidance as a coping mechanism in dealing with performance management demands.
➢ Projection and blaming the system for poor performance or denying that any performance problem exists.

3.2.4 Self-image and social role domain
Management role is not perceived as valuable as technical competency. Managers are often not engaged to a new level of commitment as part of their organizational transformation. Performance management practices become compromised because organizations do not effectively deal with transformation and its personal and corporate implications for managers and staff generally.

The challenges of dealing with individual and groups issues are impacted by our self and role perceptions due to increasing diverse work force and can be seen by:
➢ Abdication of performance management tasks;
➢ Hypersensivity towards diversity issues to the point of paralysis in managing performance.
(Arumugam, 2001:24-25.)

3.2.5 Formal culture domain

The organization must set up the necessary policies, procedures, systems and practices to support a culture of high performance for effective performance management to happen. Performance management can only happen in a well-defined organizational context.

Performance management practices tend to be compromised in the absence of a clear senior management mandate and support. The employees lack inherent faith in the system and perceive it as invalid. The result of lack of sanctions for non-compliance and poor performance causes managers to quickly learning to just get by as well as
the inconsistence of company’s overall performance policy and practices when it comes to remuneration and reward system.

3.2.6 Informal culture domain
This refers to the unwritten rules of the organization (organizational culture). There tends to be a gap between the formal and informal cultures resulting in mixed perceptions of an organization, not walking the talk. This tends to create conflict and causes employees to take the path with least resistance; this often tends to mediocre performance.

Lack of celebration when success and high performance has been achieved tends to promote mediocre performance.

Symptoms and consequences:

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

(Arumugam, 2001:24-25).
3.3 CONCLUSION

All too often, the job description that occasionally accompanies the review bears little resemblance with the work being performed. Given the fast changing demands of the marketplace, this is not surprising. Companies must adapt quickly if they wish to remain in business. Yet managers who do not adjust the performance expectations of their subordinates accordingly, run a very high risk of reducing the value of an evaluation, as well as the value added contributions of the employees.

Too many evaluations are based upon a set of arbitrary activities from a format developed by HR - that have little direct impact on the material success of the department or the organization. Far too many job descriptions record activities instead of outcomes that are valuable to departmental or organizational success.

In the quest for operational efficiency, managers, supervisors and executives have far more people reporting to them than they can effectively manage.

Thus, the evaluation process becomes commoditized with a “just fill out the form” mentality. The higher one goes in the hierarchy, the more qualitative the criteria become the root of all evaluations is the reality that it is damned hard to objectively and constructively evaluate the performance of someone that you work with 24/7.

It is very easy to evaluate anyone from a distance but the closer that person becomes to you, the more personal it is for both. Further, it becomes more difficult to look them in the eye and provide constructive criticism without having them misinterpret your comments (kmoore01@nycap.rr.com).
CHAPTER 4

Implementing a good performance management system, organizations need to consider its design and carefully plan how it will work before using it to evaluate employees. Because performance reviews can be highly emotional, especially for the employee, it is best to approach a review with a specific agenda in mind. Plan in advance what you are going to say during each part of the review. Be sure you can successfully deliver the message you intend regardless of the employee’s response. A performance management system should provide employees with four basic benefits (Armstrong, 1994:29).

- A clear understanding of job expectation.
- Regular feedback about performance.
- Advice and steps for improving performance.
- Rewards for good performance.

4.1 Performance management is underpinned by a philosophy, which is based on:
- Motivation theory.
- Concepts of organizational effectiveness and how performance management contributes to it.
- Beliefs about how performance is best managed.

4.1.1 Motivation Theory
Goals, reinforcement and expectancy are three motivation theories, which contribute most to the philosophy of performance management (Armstrong; 1994:29).
4.1.2 The Process of Motivation

The process of motivation can be modeled as shown in Figure 4.1 below. This is a needs related model and it suggests that motivation is initiated by the conscious or unconscious recognition of unsatisfied needs. These needs create wants, which are desires to achieve goods or obtain something.

Figure 4:1. The process of motivation

Goals are then established which will satisfy these needs and wants and a behavior trail is selected which it is expected will facilitate the achievement of the goal.
If the goal is achieved the need will be satisfied and the behavior is likely to be repeated the next time a similar need emerges. If the goal is not achieved the same action is less likely to be repeated. This model describes how individual motivation process takes place. It is based on the motivational theories related to needs (achievements), goals, equity, and behavior modeling (reactance)

Source: Armstrong, M. (1993:30)
4.1.2.1 Goals
Lathan and Locke (1979:56) research observed that the level of production in the companies increased by as much as 19 percent as a result of goal setting processes with below characteristics:

- Goals should be specific;
- They should be challenging (have stretch) but reachable;
- They should be fair and reasonable;
- Individuals participate in goal setting;
- A feeling of pride and satisfaction from feedback must be ensured when a challenging but fair goal has been achieved.
- Feedback must be used to gain commitment to even higher goals.


4.1.2.2 Reinforcement theory
Successes in achieving goals and rewards act as positive incentives and reinforce the successful behavior, which is repeated the next time a similar need arises.

4.1.2.3 Expectancy theory
Vroom (1964:64) stated that for there to be a heightened motivation to perform, individuals have to:

- Feel able to change their behavior.
- Feel confident that a change in their behavior will produce a reward.
- Value the reward sufficiently to justify the change in behavior.

(Armstrong, 1994:30)
4.2 Design and Implementation of a performance management system

4.2.1 Phase 1: Planning

Assess the need for change
What do employees say about the process over lunch; are they supportive or sarcastic? Has it undergone numerous revisions? Assess the current PM system. Inquire into its acceptance and effectiveness. Is there a balance from its purposes i.e. focus on ratings or increases rather than on development aspects.

4.2.2 Gain top management commitment.
The top team members need to understand their role as change leaders and they must be prepared to model and live the new behaviors when they are in place. For a broad framework for change to be agreed top teams would take part in workshop reviews of the aims of a PM system, current practices and assumptions and alternative approaches to meet organizational objectives. They should adopt a participative approach to the design and implementation of it.

4.2.3 Set up a project team
Representation of the team should represent every level and function. Where the organization does not have an open, trusting culture keep the team narrower in scope, with passionate people who have divergent perspectives and are respected for their ideas.

The team must undergo change management training and clarified roles, goals, outputs and deadline.

4.2.4 Review the past
The project team must review the current appraisal system, its purposes, outcomes and underlying assumptions.
4.2.5 Clarify the objectives
There should be clarity of what is intended to achieve and its success criteria.

4.2.6 Build new assumptions
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. There should be constantly checked against the old to new as it evolves.

4.3 PHASE 2:

4.3.1 DESIGN
The team needs to design a framework with clear purpose, a set of new underlying assumptions, the key components of their recommendation and an estimate of required resources.

4.3.2 Communication and education process
The design team needs to build trust rather than acceptance of any particular design; they need a strategy to inform the employees the general information and goals of the new design. They need to assure the employees that the design process will be transparent and open to suggestions.

4.3.3 Feedback on proposed design from stakeholders
The team needs to check whether its thinking is on track and needs to share its design concept, rather than details. Have group-type meetings. Separate sessions for managerial and non-managerial staff as the needs of each group will be different and may contradict.

4.3.4 Refine the design
The project team will apply the feedback received.
4.3.5 Top management
The design needs a go ahead from top management since it will have a powerful impact on organizational culture. The team should finalize objectives, procedures, forms and roles that are required for effective implementation.

4.4 PHASE 3

4.4.1 Implementation
In a large corporation a pilot may make sense to highlight the benefits and drawbacks of a new system in a smaller environment and allow for learning. Necessary adjustments can be made and areas that need strengthening and clarifying can be sorted.

4.4.2 Present the final design to senior management
This last visit to management is important because it takes one or two voices to derail a potentially promising project.

4.4.3 Design training material
Employees must understand that the system design is flexible and subject to continuous improvement process.
Training is important during the implementation process.
4.5 PHASE 4

4.5.1 Follow up and alignment
Monitor results and do improvements
The project team needs to avoid become defensive about complains. They must consider them as opportunity to learn and for process improvement.

4.5.2 Realign other HR systems
The new system must be aligned and integrate with other HR systems. The remuneration process must not be overlooked and must be inline with the new system. All changes must be communicated and be made in a participative manner.

Performance management is an area of responsibility for each manager. How ever, it does not just happen. An effective means of accomplishing improvement includes considering all factors influencing performance in a collaborative discussion with the employee. Through discussion, you can establish improvement goals and develop a strategy and schedule for attaining them. You are an effective part of the discussion, but you should not necessary be directing outcome.
(Haynes, Stepping up supervisor, Executive Round table publications, Houston, 1987: 92)

4.6 Conducting a performance appraisal
Employees need to know ‘How am I doing?’ Performance management systems should fulfill that need and more. In the performance appraisal session the employees and his/her manager must sit down and review employees past and present performances and set future directions.

These sessions must be simple encouraging open dialogue between manager and employee.
(Neil et al, Just About everything a manager needs to know in South Africa, 1998:160)
The performance appraisal/review is the basis of assessing the three key elements of performance namely: Contribution, Competence and Continues development. Such meetings are the means through which the five primary performance management elements of measurements, feedback, positive reinforcement, exchange of views and agreement can be put to good use. (Amstrong, 1994:80)

4.6.1 Why have performance reviews
Formal review it provides a focal point for the consideration of key motivational, performance and development issues. It is the means for considering the future in the light of an understanding of the past and present. It answers the two fundamental question of ‘where are we going and where have we got to’ it gives the employees the opportunity to pause after the hurly-burly of every day life and reflect on the key issues of personal development and performance improvement. (Amstrong, 1994:90)

4.6.2 Objectives of performance reviews
The objectives are as follows:

- Motivation: to encourage employees to improve their performance and develop their skills;
- Development: to provide a basis for developing and broadening attributes and competences relevant both to the current role and any future role the employee may have the potential to carry out;
- Communication: to serve as a two way channel for communication about roles, objectives, relationships, work problems and aspirations;
Performance reviews should not be conducted casually. They require attention and organization. Management must prepare for each review, gathering information from supervisors and other managers and evaluate each employee's strengths and weaknesses ahead of time. When handled well, performance reviews prevent employee drift. They help solidify the company and enable staff at all levels to function proficiently and knowledgeably.

**Figure 4.1: Supervisor Checklist**

**Conducting the Performance Review Meeting**

<table>
<thead>
<tr>
<th>Action</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct the review in a relaxed and private environment free from disturbance</td>
<td>☑</td>
</tr>
<tr>
<td>Allocate plenty of time (1-1.5 hours)</td>
<td></td>
</tr>
<tr>
<td>Welcome the staff member and explain the purpose of the review meeting. Establish expectations and desired outcomes – yours and theirs – and ensure a match.</td>
<td></td>
</tr>
<tr>
<td>Talk about any anxieties or concerns that the staff member may have early in the meeting, otherwise they may act as a filter for the rest of the discussion.</td>
<td></td>
</tr>
<tr>
<td>Invite the staff member’s self assessment of their achievements. Encourage the staff member to talk by asking open questions to elicit information.</td>
<td></td>
</tr>
<tr>
<td>Using the staff member’s prepared documentation as a focus, review the staff member’s performance over the past cycle. Work together to complete and agree on the documentation.</td>
<td></td>
</tr>
<tr>
<td>Remember that reviews are most effective when they are forward looking - we look back so we can set new goals for the future, not to record past failings.</td>
<td></td>
</tr>
<tr>
<td>Focus on facts and concentrate on job performance, not personality</td>
<td></td>
</tr>
<tr>
<td>Issues</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
<td>---</td>
</tr>
<tr>
<td>Use active listening skills to give your whole attention to the discussion. Monitor non-verbal communication. Clarify the message and give feedback to make sure you are understood.</td>
<td></td>
</tr>
<tr>
<td>Be specific – Focus on one thing at a time. Be careful not to generalize.</td>
<td></td>
</tr>
<tr>
<td>Look for jobs that have been done well – when were standards exceeded?</td>
<td></td>
</tr>
<tr>
<td>Use praise in a specific and accurate way to provide positive reinforcement and increase the likelihood that good performance will be repeated in the future.</td>
<td></td>
</tr>
<tr>
<td>Identify performance gaps or areas for improvement. Ask open and probing questions to draw out from the staff member what they think are their areas of weakness. Listen carefully.</td>
<td></td>
</tr>
<tr>
<td>Analyze the reasons for any performance gap(s) and discuss how they can be overcome in the future</td>
<td></td>
</tr>
<tr>
<td>Use “I” statements (e.g. I believe…, It seems to me…), not “You” statements (e.g. You are…, Everyone says you…), because they are less ‘accusing’.</td>
<td></td>
</tr>
<tr>
<td>Keep an open mind – ask the staff member for their ideas and suggestions. Seek genuine agreement to solutions and listen to contributions with an open mind.</td>
<td></td>
</tr>
<tr>
<td>Discuss any differences – If you and your staff member differ in opinion, this should be noted as comments.</td>
<td></td>
</tr>
<tr>
<td>Consider the staff member’s training and professional development needs and identify opportunities. Discuss career goals and progress towards them.</td>
<td></td>
</tr>
<tr>
<td>Discuss and agree on work goals for the next 12 months (Refer to Appendix 2: Establishing SMARTA Work Goals.</td>
<td></td>
</tr>
<tr>
<td>Ask more closed, directive questions to close the discussion and</td>
<td></td>
</tr>
</tbody>
</table>
move it towards completion / decisions / closure.

| Summarise agreed action(s) and arrange and diarize follow-up dates if appropriate. | ☐ |
| Discuss your recommendations (i.e. for incremental advancement, probation). | ☐ |
| Note any resource implications as well as any specific commitments required from the Head of Department/School/Administrative Unit (or any other person). | ☐ |
| Ensure that you and your staff member date and sign each page. | ☐ |
| Ensure the staff member leaves the discussion clear about what is expected of them and what help and support you will provide them. | ☐ |

Source:

4.7 Performance appraisal interview process

4.7.1 Allocate interview times
Employees need to know well in advance the date and time for their appraisal. The time should be mutually convenient to both manager and employee. Both parties have enough time to prepare.

4.7.2 Both employer and employee must prepare for the session
Encourage the employee to focus particularly on his/her performance since the last meeting, comparing against goals previously agreed to.
4.7.3 Manager to prepare for the session
Assemble material relevant to achieving your outcome. From past employee’s performance decide if there are any issues you wish to raise or emphasize. Have an uninterrupted location and allocate sufficient time.

4.7.4 Reach agreement on past and present performance
The employee must be given an upfront opportunity of how she/he feels the job is progressing generally. Examine how well the standards and set goals were met. Were they met in time, any problem areas? Reach agreement on the next stage and list the steps to be taken. Agree on new goals or standards together with an action plan to achieve them.

(Neil et al, Just About everything a manager needs to know in South Africa, 1998:161)

4.7.5 Identify and agree on areas needing improvement
Give full and generous acknowledgement for appropriate performance, and special emphasis on above average achievements. Gain the employees commitment to addressing those areas in need of attention. Focus on no more than three areas of improvement. Explain why improvement is necessary, express improvement in measurable terms and record actions to be taken. This process should involve employee input as ownership of the issues is essential.

(Neil et al, Just About everything a manager needs to know in South Africa, 1998:161)
4.8 Conclusion
In today's rapidly changing business environment, organizations are concerned about competition, the quality of their products and services and operating more efficiently. Gaining the cooperation and active involvement of employees is critical to an organization's success.

Providing them with a clear sense of how their activities and assignments are connected with the organization's missions and goals facilitates such involvement. It is management's role to provide direction and feedback to accomplish these intentions, and Performance Management is the mechanism by which it all happens.
CHAPTER 5

Analyzing and interpretation of results

This chapter examines and analyses the practice of strategic approach to managing performance in local industries. The main questions guiding this examination are:

(a) Internal management practices.
(b) People empowerment.
(c) Employee relations.
(d) Dignity and diversity.
(e) Reward and Recognition.
(f) Prosperity to leave.

The chapter is organized into two main sections. First, it examines the background and organizational framework of local industry, within which these performance management schemes operate. The main focus is on the well-being and understanding of the performance management system by the employees. Secondly, the chapter presents research findings from interviews and questionnaire surveys. The focus of the research questions are about the issue of organizational capacity to implement private sector-oriented managerial practices, with particular reference to performance management.
5.1 Data summary

The questionnaire was completed and returned by a total of 87 respondents.

The questionnaire consisted of 26 questions divided into 6 subsections. Of these, 22 questions were answered by all 87 respondents, while 4 questions were answered by only 86 of the 87 respondents. The same respondent failed to answer the 4 questions in subsection C sighting as reason for these omissions: “I have not paid enough attention to employee relations to rate fairly.”

To evaluate the responses provided to the questions, the following coding structure was used:

<table>
<thead>
<tr>
<th>Measured Response Category</th>
<th>Code Assigned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>1</td>
</tr>
<tr>
<td>Fair</td>
<td>2</td>
</tr>
<tr>
<td>Moderate</td>
<td>3</td>
</tr>
<tr>
<td>Good</td>
<td>4</td>
</tr>
<tr>
<td>Excellent</td>
<td>5</td>
</tr>
</tbody>
</table>

5.2 Performance Measure

Phase 1 of analysis: The following table provides a summary of the percentages of responses obtained in each of the response categories of the questionnaire as determined for all respondents that completed the each of the question

5.2.2 Internal Management Practices

This response rate was significant enough to assert that all respondents have a corporate objectives statement in their policy documents. Essentially, the origin of corporate objectives suggests the nature of priorities that are entrenched within such statements. Therefore, the study was also prompted to find out whether these objectives are internally developed or are imposed from above.
Responses to these questions are presented in Table 5.2.1 to 5.2.5 below.

**Table 5.2.1: My goals and objectives are clear and understandable**

The survey further examined whether or not these corporate objectives are then broken down into manageable departmental or functional objectives. Therefore, the respondents were asked this question and their responses are presented below.

<table>
<thead>
<tr>
<th>Type of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>6.46</td>
<td>7.41%</td>
<td>7.41%</td>
</tr>
<tr>
<td>Fair</td>
<td>6.45</td>
<td>7.41%</td>
<td>14.82%</td>
</tr>
<tr>
<td>Moderate</td>
<td>3.22</td>
<td>3.70%</td>
<td>18.52%</td>
</tr>
<tr>
<td>Good</td>
<td>58.00</td>
<td>66.67%</td>
<td>85.19%</td>
</tr>
<tr>
<td>Excellent</td>
<td>12.88</td>
<td>14.81%</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>87</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>
**Question 1:** “My goals and objectives are clear and understandable.” This management aspect was rated as “Good” by 66.67% of the respondents and rated as “Excellent” by 14.81% of the respondents. Overall this aspect seems to have a very positive rating.

This response indicates that there is a significantly high degree of effort made by managers to communicate organizational objectives to their employees. It is important that employees are made aware of what the corporate objectives are and what is expected of them, to achieve these objectives.

**Table 5.2.2:** Last performance review was fair and accurate.

<table>
<thead>
<tr>
<th>Type of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>16.1124</td>
<td>18.52%</td>
<td>18.52%</td>
</tr>
<tr>
<td>Fair</td>
<td>9.6657</td>
<td>11.11%</td>
<td>29.63%</td>
</tr>
<tr>
<td>Moderate</td>
<td>16.1124</td>
<td>18.52%</td>
<td>48.15%</td>
</tr>
<tr>
<td>Good</td>
<td>38.6628</td>
<td>44.44%</td>
<td>92.59%</td>
</tr>
<tr>
<td>Excellent</td>
<td>6.4467</td>
<td>7.41%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
Question 2: “Last performance review was fair and accurate.” This management aspect was rated as “Good” by 44.44%, while 18.52% rated it as “Moderate” and 18.52% rated it as “Poor.” Although the majority of respondents gave a “Good” rating, it is noteworthy that almost one fifth rated the fairness and accuracy of their last review as “Poor,” thus indicating it a point of concern.

Table 5.2.3: Regular goal reviews with my manager

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>28.9971</td>
<td>33.33%</td>
<td>33.33%</td>
</tr>
<tr>
<td>Fair</td>
<td>6.4467</td>
<td>7.41%</td>
<td>40.74%</td>
</tr>
<tr>
<td>Moderate</td>
<td>12.8847</td>
<td>14.81%</td>
<td>55.55%</td>
</tr>
<tr>
<td>Good</td>
<td>32.2248</td>
<td>37.04%</td>
<td>92.59%</td>
</tr>
<tr>
<td>Excellent</td>
<td>6.4467</td>
<td>7.41%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
**Question 3:** “Regular goals review was fair and accurate.” This management aspect was rated as “Good” by 37.04% of respondents, while 33.33% rated it as “Poor.” This indicates that overall a third of reviews are not considered fair and accurate. Further work needs to be done internally to communicate the main aim of the performance management system... Senior staffs need to ensure that they are unanimous in their understanding of what is expected from the system. It is important that there is no role ambiguity in these cases. This response was important for research because it signifies the degree of relevance attached to the importance of communicating key objectives of business to employees.

**Table 5.2.4:** I have meaningful development plan

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>25.7781</td>
<td>29.63%</td>
<td>29.63%</td>
</tr>
<tr>
<td>Fair</td>
<td>9.6657</td>
<td>11.11%</td>
<td>40.74%</td>
</tr>
<tr>
<td>Moderate</td>
<td>12.8847</td>
<td>14.81%</td>
<td>55.55%</td>
</tr>
<tr>
<td>Good</td>
<td>28.9971</td>
<td>33.33%</td>
<td>88.88%</td>
</tr>
<tr>
<td>Excellent</td>
<td>9.6657</td>
<td>11.11%</td>
<td>99.99%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
**Question 4:** “I have a meaningful development plan.” This management aspect was rated as “Good” by 33.33% of respondents, while 29.63% of respondents rated it as “Poor.” From a brief analysis of the results (Table 5.2.4), it is clear that the vast majority of current respondents feel that their employer provides opportunities and support, as well as the clarity provided by the performance management system. Training and development opportunities offered by the respondents’ industries were also seen by most to be sufficient. Whilst Fischer (1997:64) mentions that a performance management system can be used as a developmental tool, only 29.63% of the entire respondents felt that they do not have a meaningful development plan.

**Table 5.2.5:** I get a good performance rating for performing my job well

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>9.6657</td>
<td>11.11%</td>
<td>11.11%</td>
</tr>
<tr>
<td>Fair</td>
<td>9.6657</td>
<td>11.11%</td>
<td>22.22%</td>
</tr>
<tr>
<td>Moderate</td>
<td>12.8847</td>
<td>14.81%</td>
<td>37.03%</td>
</tr>
<tr>
<td>Good</td>
<td>41.8905</td>
<td>48.15%</td>
<td>85.18%</td>
</tr>
<tr>
<td>Excellent</td>
<td>12.8847</td>
<td>14.81%</td>
<td>99.99%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>87</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
**Question 5:** “I get a good performance rating for performing my job well.” This management aspect was rated as “Good” by 48.15% of respondents, “Moderate” by 14.81% of respondents and “Excellent” by 14.81% of respondents. Low percentages were recorded for the two lower ratings categories, indicating that overall it seems as if the perceptions of ratings received and self-judged job performances are similar. All respondents except 11.11% felt that the performance appraisal system was fair and unbiased. It was also noted that there was a tendency to focus on one issue in isolation during the performance appraisal (often a negative issue), rather than assessing performance over the whole period. Only 11.11% respondents felt that the appraisal results did not fairly reflect their actual performance for the period under review.

**General comment:** From the above, it appears as if the two questions of greater concern are having a meaningful development plan and the fairness and accuracy of regular goal reviews. The question of the of least concern is judged to be whether goals and objectives are clear and understandable, followed by getting a good performance rating for performing my job well.

**5.3 People Empowerment**

The study further examined whether or not these corporate objectives are then broken down into manageable departmental or functional objectives. Therefore, the respondents were asked this question and their responses are presented below.
5.3.1: My manager explains what needs to be done and trusts me to figure out how to do it.

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>12.88</td>
<td>14.81%</td>
<td>14.81%</td>
</tr>
<tr>
<td>Fair</td>
<td>9.67</td>
<td>11.11%</td>
<td>25.92%</td>
</tr>
<tr>
<td>Moderate</td>
<td>3.22</td>
<td>3.70%</td>
<td>29.62%</td>
</tr>
<tr>
<td>Good</td>
<td>38.66</td>
<td>44.44%</td>
<td>74.06%</td>
</tr>
<tr>
<td>Excellent</td>
<td>22.56</td>
<td>25.93%</td>
<td>99.99%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Question 1: “My manager explains what needs to be done and trusts me to figure out how to do it.” This management aspect was rated as “Good” by 44.44% of respondents and rated as “Excellent” by 25.93% of respondents. This means that more than two thirds of respondents are allowed some kind of independence in deciding how work should be done.
5.3.2: My job makes good use of my skills and abilities

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>12.88</td>
<td>14.81%</td>
<td>14.81%</td>
</tr>
<tr>
<td>Fair</td>
<td>19.33</td>
<td>22.22%</td>
<td>37.03%</td>
</tr>
<tr>
<td>Moderate</td>
<td>9.67</td>
<td>11.11%</td>
<td>48.14%</td>
</tr>
<tr>
<td>Good</td>
<td>35.44</td>
<td>40.74%</td>
<td>88.88%</td>
</tr>
<tr>
<td>Excellent</td>
<td>9.67</td>
<td>11.11%</td>
<td>99.99%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

**Question 2:** “My job makes good use of my skills and abilities.” This management aspect was rated as “Good” by 40.74% of respondents and rated as “Fair” by 22.22% of respondents. Knowledge management is another area that needs further consideration, even though only 14.81% of respondents rated further work needs to be done in this area, to ensure knowledge-enabled learning organizations.
5.3.3: I feel free to speak my mind without fear of negative consequences.

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>19.33</td>
<td>22.22%</td>
<td>22.22%</td>
</tr>
<tr>
<td>Fair</td>
<td>3.22</td>
<td>3.70%</td>
<td>25.92%</td>
</tr>
<tr>
<td>Moderate</td>
<td>16.11</td>
<td>18.52%</td>
<td>44.44%</td>
</tr>
<tr>
<td>Good</td>
<td>35.44</td>
<td>40.74%</td>
<td>85.18%</td>
</tr>
<tr>
<td>Excellent</td>
<td>12.88</td>
<td>14.81%</td>
<td>99.99%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

**Question 3:** “I feel free to speak my mind without fear of negative consequences.” This management aspect was rated as “Good” by 40.74% of respondents and rated as “Poor” by 22.22% of respondents. It is noteworthy that more than one fifth of respondents did not feel free to speak their mind, without fear of negative consequences.
5.3.4: In my team people are accountable for delivering what they have promised.

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>16.11</td>
<td>18.52%</td>
<td>18.52%</td>
</tr>
<tr>
<td>Fair</td>
<td>9.67</td>
<td>11.11%</td>
<td>29.63%</td>
</tr>
<tr>
<td>Moderate</td>
<td>16.11</td>
<td>18.52%</td>
<td>48.15%</td>
</tr>
<tr>
<td>Good</td>
<td>32.22</td>
<td>37.04%</td>
<td>85.19%</td>
</tr>
<tr>
<td>Excellent</td>
<td>12.88</td>
<td>14.81%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Question 4: “In my team people are accountable for delivering what they have promised.” This management aspect was rated as “Good” by 37.04% of respondents, while 18.52% of respondents rated it as “Moderate” and 18.52% of respondents rated it as “Poor”. Almost a fifth of respondents judged their team’s accountability as poor.
5.4 : Employee Relations

5.4.1 : At my company grievances are handled fairly

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>16.73</td>
<td>19.23%</td>
<td>19.23%</td>
</tr>
<tr>
<td>Fair</td>
<td>6.69</td>
<td>7.69%</td>
<td>26.92%</td>
</tr>
<tr>
<td>Moderate</td>
<td>23.42</td>
<td>26.92%</td>
<td>53.84%</td>
</tr>
<tr>
<td>Good</td>
<td>30.12</td>
<td>34.62%</td>
<td>88.46%</td>
</tr>
<tr>
<td>Excellent</td>
<td>10.04</td>
<td>11.54%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

**Question 1:** “At my company grievances are handled fairly.” This management aspect was rated as “Good” by 34.62% of respondents, while 26.92% of respondents rated it as “Moderate”. It is noted that almost a fifth (19.23%) of respondents rated this aspect as “Poor,” that is, that grievances are probably not handled fairly.
5.4.2: Recruitment is handled fairly

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>16.73</td>
<td>19.23%</td>
<td>19.23%</td>
</tr>
<tr>
<td>Fair</td>
<td>16.73</td>
<td>19.23%</td>
<td>38.46%</td>
</tr>
<tr>
<td>Moderate</td>
<td>20.08</td>
<td>23.08%</td>
<td>61.54%</td>
</tr>
<tr>
<td>Good</td>
<td>30.12</td>
<td>34.62%</td>
<td>96.16%</td>
</tr>
<tr>
<td>Excellent</td>
<td>3.35</td>
<td>3.85%</td>
<td>100.01%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

**Question 2:** “Recruitment is handled fairly.” This management aspect was rated as “Good” by 34.62% of respondents and as “Moderate” by 23.08% of respondents. It is noted that there is a more even spread of respondents among the bottom four ratings categories (that is, “Poor,” “Fair,” “Moderate” and “Good”) than is the case in any other question in this questionnaire.
5.4.3: Promotions are handled fairly

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>23.42</td>
<td>26.92%</td>
<td>26.92%</td>
</tr>
<tr>
<td>Fair</td>
<td>16.73</td>
<td>19.23%</td>
<td>46.15%</td>
</tr>
<tr>
<td>Moderate</td>
<td>13.38</td>
<td>15.38%</td>
<td>61.53%</td>
</tr>
<tr>
<td>Good</td>
<td>30.12</td>
<td>34.62%</td>
<td>96.15%</td>
</tr>
<tr>
<td>Excellent</td>
<td>3.35</td>
<td>3.85%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

**Question 3:** “Promotions are handled fairly.” This management aspect was rated as “Good” by 34.62% of respondents and as “Poor” by 26.92% of respondents. With respect to the fairness of promotions, perceptions seem to vary considerably.
**Table 5.4.4:** Disciplinary processes and procedures are handled fairly

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>16.73</td>
<td>19.23%</td>
<td>19.23%</td>
</tr>
<tr>
<td>Fair</td>
<td>10.04</td>
<td>11.54%</td>
<td>30.77%</td>
</tr>
<tr>
<td>Moderate</td>
<td>20.08</td>
<td>23.08%</td>
<td>53.85%</td>
</tr>
<tr>
<td>Good</td>
<td>36.81</td>
<td>42.31%</td>
<td>96.16%</td>
</tr>
<tr>
<td>Excellent</td>
<td>3.35</td>
<td>3.85%</td>
<td>100.01%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>87</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Question 4:** “Disciplinary processes and procedures are handled fairly.” This management aspect was rated as “Good” by 42.31% of respondents and rated as “Moderate” by 23.08% of respondents. This seems to deliver the most “positive” result (that is, achieving higher rating scores) for the four questions in the subsection.

**General comment:** Performance management encourages the development of consultation, cooperation, trust, openness and work satisfaction. Adversarial approaches to conflict resolution should therefore be avoided and efforts made to contain the issue at the lowest possible level.
Thus, should a difference of opinion arise regarding any aspect of performance management, the staff member and the supervisor should attempt to resolve the matter within the parameters laid out in the policy.

5.5 Dignity and Diversity

5.5.1: People are treated equally regardless of race

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>25.78</td>
<td>29.63%</td>
<td>29.63%</td>
</tr>
<tr>
<td>Fair</td>
<td>6.45</td>
<td>7.41%</td>
<td>37.04%</td>
</tr>
<tr>
<td>Moderate</td>
<td>6.45</td>
<td>7.41%</td>
<td>44.45%</td>
</tr>
<tr>
<td>Good</td>
<td>35.44</td>
<td>40.74%</td>
<td>85.19%</td>
</tr>
<tr>
<td>Excellent</td>
<td>12.88</td>
<td>14.81%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Question 1: “People are treated equally regardless of race.” This management aspect was rated as “Good” by 40.74% of respondents and rated as “Poor” by 29.63%.
Table 5.5.2: I don't hear racist or sexist comments at work

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>22.56</td>
<td>25.93%</td>
<td>25.93%</td>
</tr>
<tr>
<td>Fair</td>
<td>6.45</td>
<td>7.41%</td>
<td>33.34%</td>
</tr>
<tr>
<td>Moderate</td>
<td>9.67</td>
<td>11.11%</td>
<td>44.45%</td>
</tr>
<tr>
<td>Good</td>
<td>38.66</td>
<td>44.44%</td>
<td>88.89%</td>
</tr>
<tr>
<td>Excellent</td>
<td>9.67</td>
<td>11.11%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Question 2: “I don't hear racist or sexist comments at work” this management aspect was rated as “Good” by 44.44% of respondents and as “Poor” by 25.93% of respondents.
Table 5.5.3: People who get promoted deserve it

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>25.78</td>
<td>29.63%</td>
<td>29.63%</td>
</tr>
<tr>
<td>Fair</td>
<td>9.67</td>
<td>11.11%</td>
<td>40.74%</td>
</tr>
<tr>
<td>Moderate</td>
<td>22.56</td>
<td>25.93%</td>
<td>66.67%</td>
</tr>
<tr>
<td>Good</td>
<td>22.56</td>
<td>25.93%</td>
<td>92.60%</td>
</tr>
<tr>
<td>Excellent</td>
<td>6.45</td>
<td>7.41%</td>
<td>100.01%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

**Question 3:** “People who get promoted deserve it” this management aspect was rated as “Poor” by a small majority of respondents (29.63%), while 25.93% rates this aspect as “Moderate” and 25.93% as “Good”. Note the low response rate in category “Fair”: Refer to comments provided later on the response rate for this category, as it is contradictory to expectation when compared to the rest of the response categories of this question.
Table 5.5.4: People are judged on the basis of their performance

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>25.78</td>
<td>29.63%</td>
<td>29.63%</td>
</tr>
<tr>
<td>Fair</td>
<td>6.45</td>
<td>7.41%</td>
<td>37.04%</td>
</tr>
<tr>
<td>Moderate</td>
<td>22.56</td>
<td>25.93%</td>
<td>62.97%</td>
</tr>
<tr>
<td>Good</td>
<td>25.78</td>
<td>29.63%</td>
<td>92.60%</td>
</tr>
<tr>
<td>Excellent</td>
<td>6.45</td>
<td>7.41%</td>
<td>100.01%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Question 4: “People are judged on the basis of their performance” this management aspect was rated as “Good” by 29.63% and as “Poor” by 29.63% of respondents, followed by a rating of “Moderate” by 25.93% of respondents.
**Table 5.5.5:** There is no favouritism

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>32.22</td>
<td>37.04%</td>
<td>37.04%</td>
</tr>
<tr>
<td>Fair</td>
<td>3.22</td>
<td>3.70%</td>
<td>40.74%</td>
</tr>
<tr>
<td>Moderate</td>
<td>16.11</td>
<td>18.52%</td>
<td>59.26%</td>
</tr>
<tr>
<td>Good</td>
<td>29.00</td>
<td>33.33%</td>
<td>92.59%</td>
</tr>
<tr>
<td>Excellent</td>
<td>6.45</td>
<td>7.41%</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>87</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Question 5:** “There is no favouritism” this management aspect was rated as “Poor” by 37.04% and as “Good” by 33.33% of respondents.
Table 5.5.6: People of different races and genders meet comfortably at work functions.

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>16.11</td>
<td>18.52%</td>
<td>18.52%</td>
</tr>
<tr>
<td>Fair</td>
<td>9.67</td>
<td>11.11%</td>
<td>29.63%</td>
</tr>
<tr>
<td>Moderate</td>
<td>16.11</td>
<td>18.52%</td>
<td>48.15%</td>
</tr>
<tr>
<td>Good</td>
<td>32.22</td>
<td>37.04%</td>
<td>85.19%</td>
</tr>
<tr>
<td>Excellent</td>
<td>12.88</td>
<td>14.81%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Question 6: “People of different races and genders meet comfortably at work functions.” this management aspect was rated as “Good” by 37.04% of respondents, while 18.52% of respondents rated this aspect as “Poor” and as “Moderate”.

75
5.6 Reward and Recognition

One of the dimensions of an effective performance management system is to reward performance by linking employees’ pay to performance. Respondents were therefore given questions to find out the scale and scope of the reward system. Their responses are presented in graphics and Tables 5.6.1 through Table 5.6.3.

Table 5.6.1: My remuneration package matches the responsibilities that I have.

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>9.67</td>
<td>11.11%</td>
<td>11.11%</td>
</tr>
<tr>
<td>Fair</td>
<td>19.33</td>
<td>22.22%</td>
<td>33.33%</td>
</tr>
<tr>
<td>Moderate</td>
<td>16.11</td>
<td>18.52%</td>
<td>51.85%</td>
</tr>
<tr>
<td>Good</td>
<td>29.00</td>
<td>33.33%</td>
<td>85.18%</td>
</tr>
<tr>
<td>Excellent</td>
<td>12.88</td>
<td>14.81%</td>
<td>99.99%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
**Question 1:** “My remuneration package matches the responsibilities that I have” this management aspect was rated as “Good” by a third of the respondents and as “Fair” by just more than a fifth of the respondents. The majority of the respondents rated this aspect in one of the middle three response categories.

**Table 5.6.2:** Employees are fairly rewarded for their performance.

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>9.67</td>
<td>11.11%</td>
<td>11.11%</td>
</tr>
<tr>
<td>Fair</td>
<td>21.95</td>
<td>25.23%</td>
<td>36.34%</td>
</tr>
<tr>
<td>Moderate</td>
<td>19.33</td>
<td>22.22%</td>
<td>58.56%</td>
</tr>
<tr>
<td>Good</td>
<td>25.78</td>
<td>29.63%</td>
<td>88.19%</td>
</tr>
<tr>
<td>Excellent</td>
<td>9.67</td>
<td>11.11%</td>
<td>99.30%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>87</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Question 2:** “Employees are fairly rewarded for their performance” this management aspect was rated as “Good” by 29.63% of the respondents and as “Fair” by just more than a quarter of the respondents. The majority of the respondents rated this aspect in one of the middle three response categories.
Table 5.6.3: I am praised when I do a good job.

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>9.67</td>
<td>11.11%</td>
<td>11.11%</td>
</tr>
<tr>
<td>Fair</td>
<td>29.00</td>
<td>33.33%</td>
<td>44.44%</td>
</tr>
<tr>
<td>Moderate</td>
<td>3.22</td>
<td>3.70%</td>
<td>48.14%</td>
</tr>
<tr>
<td>Good</td>
<td>45.11</td>
<td>51.85%</td>
<td>99.99%</td>
</tr>
<tr>
<td>Excellent</td>
<td>0.00</td>
<td>0.00%</td>
<td>99.99%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Question 3: “I am praised when I do a good job” this management aspect was rated as “Good” by the majority of respondents (51.85%), while a third rated it as “Fair”. It is interesting to note that this question is the only one in which more than half the respondents agreed on any one of the selected response categories and it is also the only one in which no responded selected the category excellent.
Comment:
In this subsection no respondent rated any aspect as “Poor”. Based on the above results and the general comments from the respondents, it seems that the respondents feel that the system in their respective work places is based on an ethical framework. Individual performance may be rewarded on the achievements of outputs as agreed between the manager and staff member in the planning phase, and accepted by both. While high levels of performance can and should be recognized in a number of ways such as providing developmental opportunities, or verbal compliments Salary notch increments will be dependent upon the attainment of at least acceptable levels of performance.

5.7 : Propensity to leave
5.7.1: I have a promising future in this organization.

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>25.78</td>
<td>29.63%</td>
<td>29.63%</td>
</tr>
<tr>
<td>Fair</td>
<td>16.11</td>
<td>18.52%</td>
<td>48.15%</td>
</tr>
<tr>
<td>Moderate</td>
<td>6.45</td>
<td>7.41%</td>
<td>55.56%</td>
</tr>
<tr>
<td>Good</td>
<td>32.22</td>
<td>37.04%</td>
<td>92.60%</td>
</tr>
<tr>
<td>Excellent</td>
<td>6.45</td>
<td>7.41%</td>
<td>100.01%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
**Question 1:** “I have a promising future in this organization” this management aspect was rated as “Good” by 37.04% and as “Poor” by 29.63%.

**Table 5.7.2:** The Company develops people for long-term careers.

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>25.78</td>
<td>29.63%</td>
<td>29.63%</td>
</tr>
<tr>
<td>Fair</td>
<td>16.11</td>
<td>18.52%</td>
<td>48.15%</td>
</tr>
<tr>
<td>Moderate</td>
<td>19.33</td>
<td>22.22%</td>
<td>70.37%</td>
</tr>
<tr>
<td>Good</td>
<td>9.67</td>
<td>11.11%</td>
<td>81.48%</td>
</tr>
<tr>
<td>Excellent</td>
<td>16.11</td>
<td>18.52%</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

**Question 2:** “The company develops people for long-term careers” this management aspect was rated as “Poor” by 29.63% and as “Moderate” by 22.22%. This question was rated at lower scores overall when compared to the preceding questions.
Table 5.7.3: I hardly ever think about leaving my company.

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>35.44</td>
<td>40.74%</td>
<td>40.74%</td>
</tr>
<tr>
<td>Fair</td>
<td>16.11</td>
<td>18.52%</td>
<td>59.26%</td>
</tr>
<tr>
<td>Moderate</td>
<td>16.11</td>
<td>18.52%</td>
<td>77.78%</td>
</tr>
<tr>
<td>Good</td>
<td>16.11</td>
<td>18.52%</td>
<td>96.30%</td>
</tr>
<tr>
<td>Excellent</td>
<td>3.22</td>
<td>3.70%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Question 3: “I hardly ever think about leaving my company” this management aspect was rated as “Poor” by 40.74% of the respondents, while each of the categories “Fair”, “Moderate” and “Good” were selected by 18.52% of respondents. This is the question that had been awarded the lowest ratings overall.
Table 5.7.4: I feel positive about my future.

<table>
<thead>
<tr>
<th>Type Of Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Accumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>22.56</td>
<td>25.93%</td>
<td>25.93%</td>
</tr>
<tr>
<td>Fair</td>
<td>9.67</td>
<td>11.11%</td>
<td>37.04%</td>
</tr>
<tr>
<td>Moderate</td>
<td>9.67</td>
<td>11.11%</td>
<td>48.15%</td>
</tr>
<tr>
<td>Good</td>
<td>25.78</td>
<td>29.63%</td>
<td>77.78%</td>
</tr>
<tr>
<td>Excellent</td>
<td>19.33</td>
<td>22.22%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Question 4: “I feel positive about my future” this management aspect was rated as “Good” by 29.63% of respondents and as “Poor” by 25.93% of respondents. It is interesting to note that the second highest proportion (22.22%) of all respondents rated this aspect as excellent.
5.8 Conclusion
The survey has observed that identifying operational problems, which can be solved by adjusting existing processes, and indicating more fundamental problems, which require an adjustment to the strategies of the organization, are further uses of performance measurement. There is also a general consensus that performance measurement promotes accountability.

Generally, the evidence presented in this chapter suggests that circumstances giving rise to pressures for managerial reform were based on mismanagement of the process and poor performance management skills, combined with difficult industrial relations. Despite having most of the conditions and processes in place as the dimensions of capacity to allow, for example, effective implementation of performance management systems, lack of technical know-how and cultural incompatibility have been the main constraints. Overwhelmingly, the evidence has demonstrated that adequate skills and training are needed.
INTRODUCTION

This chapter highlights approaches to developing performance by integrating findings from the survey with literature study in order to develop a model of developing employee performance (using formal and informal means), as well as purposefully developing the processes, systems, and structures within which employees perform.

One of the five key processes of performance management is developing performance (the others are planning, monitoring, rating, and rewarding performance). As with all processes of performance management, developing or increasing the capacity to perform should be solidly integrated and strategically aligned with organizational goals.

6.1 Summary of key research findings and conclusions.

The long-standing debate about the performance management techniques in business and what motivates employees has by no means been resolved through this study as further research is still called for. However, some interesting conclusions and lessons about the subject matter can be drawn. Overall, this research is guided by a multi-theoretical framework of motivation to examine the research problem. The key findings and related conclusions in response to research questions are outlined in six categories as presented below.

6.1.2 Internal management practices

From the above it appears as if the two questions of greater concern are having meaningful development plan and the fairness and accuracy of regular goal reviews. The best performance management systems have been found to put more emphasis on processes and standards that they do on selected performance indicators.
Indicators in any case relate to models, approaches or tools used in the context of performance management. From Stewart (in Edmonestone 1996) the following are some examples:

- The system should identify minimum standards to be achieved.
- The system should start with the basic assumption that people want to do good job and are trustworthy.
- The critical aspect of the performance management system should be the extent to which it helps the organization to deliver better service to the customer.

6.1.3 People empowerment

Employee empowerment is defined as “a state within which an employee connects and identifies with the personal job and organizational dimensions of his or her work resulting in retention and improved performance. Employee empowerment does not refer to states of satisfaction and happiness that are usually attributed to climate-environmental factors. Employee empowerment is partly related to the environment but focuses predominantly on the relationship between the person, the organization and his or her job.
6.1.3.1 Survey Findings

Figure 6.1.3.1. Shows the main findings, namely 45.37% respondents said they were fully empowered, 25% were partially empowered and 29.63% not empowered. Compared to global surveys empowerment in local industries is somewhat lower.

6.1.4 Employee Relations

“Employee Relations involves the body of work concerned with maintaining employer-employee relationships that contribute to satisfactory productivity, motivation, and morale. Essentially, Employee Relations is concerned with preventing and resolving problems involving individuals which arise out of or affect work situations (Heery & Noon, 2001).

Grievances procedures are integral part of the whole way in which the organization is managed. They directly affect line managers at all levels. Line managers had always been the main responsibility for operating the grievance procedure, assisted and advised by the employee relations professional. It is important that the employee relations professional does not take on board line manager’s problems or responsibility for them. The role of the employee relations professional in managing grievance is therefore to:
Identify line management training and development needs with regard to managing grievance.

Ensure that line managers have a clear understanding of the way which grievances procedures are intended to operate.

Devise a grievance procedure which conforms to good practice and spells out what has to happen at each stage and why.

Ensure that employees are aware of their rights under the procedure.

Promote a constructive governance policy.

(Gennard & Judge, 1986:350).

The employee relations professional also has an important role to play in monitoring and reviewing the operation of the grievance procedure and for recommending revisions to its design or operation.

6.1.5 Dignity and Diversity

This subsection had a more negative result than any of the other subsections in the questionnaire. It has never been easy to deal with motivation, productivity and morale but the challenges facing the manager of today diverse work force are monumental the old tried and true techniques don’t seem to work any longer. Dealing with work groups issues and conflicts that are rooted in cultures, values and languages different from those found in the mainstream business requires new skill, knowledge and techniques (Golembiewski, 1996:16).

Performance and its measurement must be tied into basic ways of organizing that also serve diversity. Bureaucratic ideals are awkward when it comes to estimating performance. They poorly serve diversity in that they imply, indeed, require a thoroughgoing assimilation to conventional organizational policies and routines.
Some degree of assimilation always will be necessary, but growing emphasis will be toward structures, policies and routines that facilitate estimating performance while they proactively respond to differences as well as permit them to scope (Golembiewski, 1996:19).

A broad consensus about organizational fairness and equity must exist concerning managerial responses to diversity, and hence some value added standards must be applied consistently. Tuner in the job or seniority may provide useful backup standards, for they commonly are seen as carrying moral weight. This consensus can only emerge out of and will be necessary contributor to what is commonly referred to as an organizational culture. Accumulating evidence and experience reinforce this proposition (Golembiewski, 1996:22).

Agreements embodied in cultures not only serve as the immediate context for specific activities such as performance appraisal, but they can also provide social and behavioral shock absorbers that cushion the pervasive fragmenting tendencies in all organizations.

### 6.1.6 Reward and Recognition

In this subsection no respondent rated any aspect as “Poor”. When you consider employee recognition processes, you need to develop recognition that is equally powerful for both the organization and the employee.

To obtain desired levels of performance, organizations must establish a relationship between demonstrated employee behavior and employer provided rewards that have a high degree of both consistency and certainty.

Work place certainty develops when both the supervisor and incumbent;

- Fully understand job requirements.
- Have a similar perception of the output of the job and the priorities related to specific outputs.
➢ Are satisfied that the standards of performance are well defined.
➢ Are confident that criteria used for measuring performance are accurate, and.
➢ Know that specific levels of performance will result in particular kinds and amounts of rewards.

Consistency develops when employees recognize that an accurate measurement of performance is necessary and possible and that employees performing similarly will receive similar reward treatment (Henderson, 1984:203).

The difficulty with a standardized reward and recognition program is that it is a completely impersonal process. Instead of thinking about the specific people involved, the company provides the same generic rewards to everyone. But when an element of fun and play is added to a financial reward or bonus, the experience becomes personalized and much more memorable for the award recipient (Simon & Schuster, New York, 1997:37).

Employee recognition is not just a nice thing to do for people. Employee recognition is a communication tool that reinforces and rewards the most important outcomes people create for your business. When you recognize people effectively, you reinforce, with your chosen means of recognition, the actions and behaviors you most want to see people repeat. An effective employee recognition system is simple, immediate, and powerfully reinforcing.

6.1.7 Propensity to leave

Propensity to leave is usually driven by some form of grief. Managers especially line managers must understand the process of grief to manage their employees effectively. If grief is left unattended it could lead to a number of social problems such as increased absenteeism from work, lowered productivity, lack of sleep, increased depression, and alcohol abuse.
6.1.7.1 Why do employees stay?
According to Drizin (People Dynamics November & December, 2003:11) there are three main reasons employees stay in a job. These are:

- Employee feels obligated to stay (normative commitment).
- The employee is trapped in the company (continuance commitment).
- The employee feels personally attached and wants to stay (affective commitment).

The third type of commitment is the one companies must strive for.

6.1.7.2 What drives loyalty?
The softer issues play a much bigger role now than before and the top incentives for loyalty worldwide are now:

- Care and concern.
- Fairness at work.
- Communication.
- Accomplishment.
- Trust.

Employees are potentially a company’s best asset. Understanding those employees and what drives their loyalty will make them work harder, and when they work harder and go the extra mile, customers will notice and then they too will behave in ways that are more beneficial.

6.2 THE PERFORMANCE MANAGEMENT MODEL
A performance management system gives business leaders a way to tie project selection and employee assessment to core processes and key metrics. By ensuring that everyone is clear about the company’s goals and that decisions are made based on those goals, managers can create a culture of accountability and optimize business results. Establishing this type of system involves a focus on process management and improvement. A performance appraisal system has considerable front end costs and continuous operational costs.
Defining job requirements that can be linked step-by-step to the organizational mission and objectives is a time consuming and thought provoking process (Henderson; 1984:57).

Figure 6-1 below identifies the major events that must occur to permit the flow of critical performance related information:

Source: (Henderson, 1984:58).

The design, development, and operation of a performance appraisal system that meets organizational demands and is accepted by employees at all levels must be firmly based in the foundation of the organization.

The philosophy, policy and mission form the foundation of the organization and it is within this base that strategic planning develops. Here, long term objectives are defined and established and it is in the long term objectives that the performance appraisal process truly begins and ends (Henderson; 1984:61).
Top executives establish the philosophy and mission of the organization. These broad, general outcomes are then divided into functional unit objectives and eventually are translated into assignments for specific individuals. In this stage of the planning process, the long term strategic plans evolve into the shorter term tactical plans and operations of the organization.

The major components of the strategic or long term plans include:

- Organizational philosophy.
- Organizational mission.
- Organizational policy.
- Organizational objectives.
- Organizational strategic operations and budget.

### 6.2.1 Organizational philosophy

The philosophy of the organization defines the beliefs or value system top management expects all members to follow, in performing their assignments. This expression of approved concepts and attitudes adds stability and consistency to the actions taken in achieving the mission of the organization. An effective philosophy statement clearly informs each employee of the limits of acceptable behavior. It should express the values of those responsible for establishing and directing the organization.

### 6.2.2 Organizational mission

An organizational mission statement describes in writing the long term outcomes the senior managers of the organization expect to achieve. The mission statement is the first in providing orderliness for organizational practices. The statement articulates in fairly general terms the reasons for the existence of the organization; it acts as a guidepost or lighthouse that directs widely diverse organizational activities toward a common goal.
6.2.3 Organizational Policy
Policies provide guidelines for acceptable behavior relative to specific operational areas of the organization. Organizational policies develop because top management recognizes that the various functional and operating work units of the organization require different kinds and amounts of freedom to accomplish their specific objectives and goals.

6.2.4 Organizational Objectives
They permit the description of desired organizational results in more precise and specific terms than those defined in the mission statement. These results may include quantity, quality, and time standards that provide a better definition of expectations. They provide the foundation for the objectives and goals of many work units that comprise the organization.

6.2.5 Organizational strategic operations and budget.
The organizational budget informs all members of the resources available to accomplish its intended objectives. It defines in quantitative terms the priorities set by top management and the support each work unit can expect to receive to accomplish its assignment.

6.3 Strategic Planning
All managers’ plan, but strategic planning remains essentially a top management activity. When one refers to a company strategy, one is talking about the whole pattern of decisions that sets the long term direction of the organization. As one descends the managerial hierarchy, planning becomes conventional rather than strategic, and involves shorter time horizons.
The major advantages of strategic planning include:

- Providing better guidance to the entire organization on the crucial point of what we are trying to do and how to achieve it.
- Making managers more alert to the winds of change, new opportunities and threatening developments.
- Helping to unify the numerous strategy related decisions by managers across the organization.
- Creating a more proactive management posture and counteracting tendencies for decision to be more reactive and defensive.

The advantage of being proactive is that trailblazing activities can be the key to better long term performance (Firer, 2002:17).

6.4 Defining the Objective
It is essential that each business has a clearly defined, focused and articulated business objective, which is understood by all employees, and supported by appropriate strategies and action plans. If the business is to remain dynamic and competitive, such strategies must not only consider the changing external business environment, but also the need for internal change. This may require changes to the organization of work, people skills, manufacturing processes and even the way people are managed and interrelate.

6.5 Measurement Management
What gets measured gets done. Manage the achievement of the results that were expected in the business case, measure the turnaround times, the additional revenue generated, the cost that were eliminated make these visible to demonstrate the success of change. Companies that are truly proficient at measurement weren’t necessary measuring the most things. They realized that knowing what no to measure is just as important as knowing what to measure (Schiemann&Lingle, 1999:74).
Figure 6.5. Below summarizes the four phases involved in establishing a measurement managed culture. Beneath each phase is a series of challenges that must be met or “gates” to successfully complete the phase.

**I. Define**
- 1. Clear process Objectives formulated
- 2. Agreement on strategy secured
- 3. The “theory of the business” defined
- 4. Top leadership commitment secured

**II. Design**
- 1."Theory of the business" tested
- 2. Valid reliable Measures identified
- 3. Performance targets set
- 4. Process leaders developed

**III. Cascade**
- 1."Cascading" structure determined
- 2. Strategy communicated
- 3. “Cascade” leaders trained
- 4. System of measures linked
- 5. Measurement behavior linked

**IV. Embed**
- 1. Management process integrated
- 2. HR systems aligned
- 3. IT system linked
- 4. “Theory of business” refined

(Source : Schiemann & Lingle, 2000:75)

**6.5.1 Phase 1 Defining the Strategy**
Without a solid foundation in strategy, discussions about measurement quickly become unfocused. Worse, a premature discussion of measures can gloss over executive disagreements about the business strategy and underlying differences about what really drives organizational success.
6.5.2 Phase II: Designing the Measures

In phase I an organization defines what exact performance areas it must measure; in Phase II it decides how exactly to measure them. Phase II provides an opportunity to test and validate the “theory of the business,” as well as the opportunity to build increase understanding and commitment to the measurement model (Schiemann & Lingle, 1999:76).

6.5.3 Phase III: Cascading the Measures

The power of a measurement system is fully realized only when measured performance in strategic areas guides day to day decisions. For this to happen, the high level, enterprise wide strategic measures must be communicated throughout the organization. Managers need to extend the measurement system to their own departments, and eventually to each employee.

6.5.4 Phase IV: Embedding the Measurement System

To really take hold other system process and structures must support any major organizational change. Ultimately employees act in ways that are consistent with the rewards they receive their capabilities the information that is accessible to them and the values exhibited by senior leaders. Measurement systems begin with a tenuous hold on an organization (Schiemann & Lingle, 1999:77).

6.6 Tactical Planning

While strategic planning centers on the accomplishment of organizational objectives, tactical planning focuses on the achievement of the goals of the many specialized work units of the organization. Developing a link between the activities performed by each jobholder and the mission and objectives of the organization requires a series and in cases of large diversified organizations a rather lengthy series of work unit and sub work unit’s goals. These work units goals are then translated into work unit’s activities that are bundled together forming jobs.
The major components of shorter term tactical planning are:

- Work unit Objectives and Goals;
- The work unit function statement;
- Work unit budgets;
- Individual job assignments.

(Henderson, 1984:64)

### 6.6.1 Work unit Objectives and Goals

The translation and retranslation of organizational objectives into work units at succeedingly lower levels of the organization require an appreciation of the challenges facing anyone involved in the communication of concepts, programs, and procedures. The reformation of work unit’s goals is part of the total planning process and assists not only in the establishing goals but also in defining the appropriate tactics for each unit.

### 6.6.2 Work unit Function Statement

It describes in general terms the activities to be performed by the work unit to accomplish its established goals.

### 6.6.3 Work Units Budgets

The organizational budget becomes redefined into applicable work unit’s budgets. The budget at what ever level it stops tells each work unit and its members in very specific quantitative terms the funds available for acquiring the resources to assist them in achieving their assigned goals.
6.6.4 Individual Job Assignments
The final step in the planning process is the bundling of work unit activities into sets of responsibilities and duties to be performed by a specific incumbent (Henderson, 1984:65).

6.7 Establishing a Job Content Foundation
To ensure that the measurement of employee performance has a foundation solidly based on job content, an initial step required in the appraisal process is the development of a comprehensive and accurate definition of job requirements. Comprehensive and accurate job definition means identification and description of all activities that are critical to the successful completion of job assignments, elimination of activities that are inconsequential (Henderson, 1984:87).

Figure 6.7 below identifies several key criteria for evaluating how “good” a measure is:

![FIGURE 6.7 KEY CRITERIA FOR GOOD MEASUREMENT (SOURCE: William A Schiemann & John H Lingle, “BULLSEYE” 1999:104)]

- **Validity**
  - Does this measure really measure the intended concept?
- **Reliability**
  - Does the measure exhibit a minimum amount of noise or error, changing only when the underlying concept of interest changes?
- **Responsiveness to change**
  - Does the value of measure change quickly when the underlying concept changes?
- **Ease of understanding**
  - Can the measure be easily explained and understood?
- **Economy of collection**
  - How much additional cost will be required to calculate this measure on a quarterly basis?
- **Balance**
  - Are the measures as a group balanced along important Dimension?
When an organization wishes to measure and rate the performance of an individual, it must know exactly what the person is supposed to be doing, what the person has been told to do and just how he or she has behaved while performing the assignment.

Any doubts or any gaps in the process can quickly lead to the repudiation and demise of any performance appraisal program.

6.8 CONCLUSION
The ingredients essential for building a successful organization are raw materials, capital items, human resources and information. Human resources are generally regarded as the most important factor in an organization. It is people who provide experience, talent, skills and knowledge necessary to achieve the organizational goals. The survival or progress of an organization depends on its ability to identify, recruit, select, train and retain the right people.

The right people being those persons that will satisfy the needs of the organization. The needs of the organization are manifested in its business strategy. Business strategy must therefore have a major influence on the staffing within an organization if it is to develop into a profitable enterprise.
Chapter 7
Conclusions and recommendations

Introduction
This chapter represents the conclusion and recommendations of this case study. Firstly, a summary of the case study is presented. This is followed by recommendations as well as some advice for organizations that are intending to develop and implement performance management systems.

7.1 Summary of the Case Study
This research consisted of a case study on the performance management system at South African organizations. The main purpose of the case study was to describe and analyze the role of performance management in the motivation of employees at any organization. This was done in detail in Chapter 4, which included a thorough review of documentary evidence, interview and questionnaire information and participant observation to provide a detailed description and analysis of the role of performance management in the motivation of employees from its inception.

This was followed by an assessment of potential areas for future development of the performance management system. After much consideration of the case study the researcher concludes that the introduction of the performance management system has been a success. Contrary to envisaged outcomes, the system did not result in an improvement in the achievement of the objectives but instead had a significant positive impact on the overall improved focus and learning of the organizations.

The main findings that came out of this case study are that the development and implementation of a performance management system takes time and commitment from all involved. Effective communication and a culture of trust are vital. Despite the system not having a direct impact on the achievement of results, it has had a great impact on staff, and has certainly highlighted areas that require attention and further improvement.
7.2 Recommendations

This research described the impact that certain assumptions, contained within the organizational culture may have on the implementation of the performance management system. This has raised questions requiring further investigation.

7.2.1 What role does the leadership play in influencing the organizational culture when implementing a performance management system

Leaders adopt a personal and active attitude towards goals. The influence a leader exerts in altering moods, evoking images and expectations, and in establishing specific desires and objectives determines the direction a business takes. The net result of this influence is to change the way people think about what is desirable, possible and necessary (Zaleznik, 1977:71).

According to this view, leadership entails the creation of a vision about a desired future state which seeks to enmesh all members of an organization in its net. As stated earlier by Flapper, Fortuin and Stoop (1996: 27), performance management systems ensure that “all noses are pointing in the same direction.” However, if the direction is undecided, the performance management system is rendered useless as it will merely monitor the disjointed daily activities of the employees and not the performance of an organization as a whole.

Therefore, the success of implementing a performance management system depends upon there being consensus amongst the leadership as to the direction of the institution.
7.2.2. What is the appropriate direction for the implementation of performance Management system?

An effective performance management process sets the foundation for rewarding excellence:

- By linking individual employee work efforts with the organization’s mission and objectives, the employee and the organization understand how that job contributes to the organization.
- By focusing attention on setting clear performance expectations (results, actions and behaviours), it helps the employee know what needs to be done to be successful on the job.
- Through the use of objectives, standards, performance dimensions and other measures, it focuses effort. This helps the department get done what needs to be done and provides a solid rationale for eliminating work that is no longer useful.
- By defining job-mastery and career development goals as part of the process, it makes it very clear how the current position supports employee growth and the additional opportunities the employee needs to explore.
- Through regular check-in discussions, which include status updates, coaching, and feedback, it promotes flexibility, allowing you and the employee to identify problems early and change the course of a project or work assignment.
- By emphasizing that an annual appraisal should simply be a summary of the conversations held between you and the employee during the entire cycle, it shifts the focus away from performance as an “annual event” to performance as an ongoing process.

An effective performance management process, while requiring time to plan and implement, can save you and the employees time and energy. Most importantly, it can be a very effective motivator, since it can help you and the employees achieve the best possible performance.
7.2.3 What are expectations of a good performance system?

To perform well, employees need to know what is expected of them. The starting point is an up-to-date job description that describes the essential functions, tasks and responsibilities of the job. It also outlines the general areas of knowledge and skills required of the employee to be successful in the job.

Performance expectations go beyond the job description. When you think about high quality on-the-job performance, you are really thinking about a range of expected job outcomes, such as:

- What goods and services should the job produce?
- What impact should the work have on the organization?
- How do you expect the employee to act with clients, colleagues, and supervisors?
- What are the organizational values the employee must demonstrate?
- What are the processes, methods, or means the employee is expected to use?

(http://apo.chance.berkeley.edu/policy.html)

7.2.4 Defining Results

Performance objectives and standards are two of the most common methods to define expected results. Both objectives and standards are most useful when, in addition to being written down and verifiable, they are:

- *Specific* - Objectives and standards should let employees know exactly which actions and results they are expected to accomplish.
- *Measurable* – Whenever possible, objectives and standards should be based on quantitative measures such as direct counts, percentages, and ratios.
➢ **Attainable** – The objective or standard should be achievable, but challenging, and attainable using resources available.

➢ **Relevant** – Individual goals, objectives and standards should be in alignment with those of the unit and the department in support of the University’s mission.

➢ **Timely** – Results should be delivered within a time period that meets the department and organization’s needs.

Objectives and standards identify baselines for measuring performance results. From performance objectives and standards, supervisors can provide specific feedback describing the gap between expected and actual performance.
7.3 CONCLUSION

In conclusion, performance management systems can assist an organization to achieve synergistic results. Motivated staff work harder, are more productive, happier, more concerned with customer satisfaction, and ultimately, more profitable for your company. By recognizing and rewarding their achievements, you make staff feel more appreciated and more willing to go that extra mile.
2. REFERENCES


Harvard Business May, June Review


USA: South-Western College Publishing.

www.unisa.ac.za/dept/jepa/whatis.html

www.uct.ac.za/depts/dpa/monpaper/96-no23/paytalk.htm

http://www.resourceman.co.za

http://www.changedynamics.co.za

http://www.knowman.co.za
APPENDIX 1

THE PERFORMANCE MANAGEMENT QUESTIONARE

<table>
<thead>
<tr>
<th>Performance Management Questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date:</strong></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1. Performance Measure</th>
<th>Poor</th>
<th>Fair</th>
<th>Moderate</th>
<th>Good</th>
<th>Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Internal Management Practices</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>1. My goals and objectives are clear and understandable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Last performance review was fair and accurate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Regular goal reviews with my manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. I have meaningful development plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. I get a good performance rating for performing my job well</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. People Empowerment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. My manager explains what needs to be done and trusts me to figure out how to do it</td>
<td></td>
</tr>
<tr>
<td>2. My job makes good use of my skills and abilities</td>
<td></td>
</tr>
<tr>
<td>3. I feel free to speak my mind without fear of negative consequences.</td>
<td></td>
</tr>
<tr>
<td>4. In my team people are accountable for delivering what they have promised.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C. Employee Relations</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. At my company grievances are handled fairly</td>
<td></td>
</tr>
<tr>
<td>2. Recruitment is handled fairly</td>
<td></td>
</tr>
<tr>
<td>3. Promotions are handled fairly</td>
<td></td>
</tr>
<tr>
<td>4. Disciplinary processes &amp; procedures are handled fairly</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>D. Dignity and Diversity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. People are treated equally regardless of race</td>
<td></td>
</tr>
</tbody>
</table>
2. I don't hear racist or sexist comments at work
3. People who get promoted deserve it
4. People are judged on the basis of their performance
5. There is no favouritism
6. People of different races and genders meet comfortably at work functions.

**E. Reward and Recognition**
1. My remuneration package matches the responsibilities that I have
2. Employees are fairly rewarded for their performance
3. I am praised when I do a good job

**F. Propensity to leave**
1. I have a promising future in this organisation
2. The company develops people for long-term careers
3. I hardly ever think about leaving my company
4. I feel positive about my future

Additional Comments:

(Source, Themba Zwane)