AN ASSESSMENT OF THE PERFORMANCE APPRAISAL SYSTEM APPLIED FOR THE JUNIOR MANAGEMENT LEVEL AT THE COLD CHAIN.

BOTHA, J.J.
Student No. 20306244

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RESEARCH SUPERVISOR: PROFESSOR N.D. KEMP

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TO WHOM IT MAY CONCERN

RE: CONFIDENTIALITY CLAUSE

This work is of strategic importance.

It would be appreciated if the contents of this research paper remain confidential and not be circulated for a period of five years.

Sincerely,

J.J. BOTHA
SUMMARY/ABSTRACT

The study aims to identify which performance appraisal system is currently used in The Cold Chain, how this system compare with the fundamental requirements of a successful appraisal system and what requirements can be adopted to make the way in which Team Leaders are appraised more effective.

An introduction into The Cold Chain, the identification of the problem and the relevance of the study is followed by a literature overview of performance management, the role of performance appraisals and the requirements for a successful performance appraisal system. Various appraisal systems, problems associated with performance appraisals and a framework for the development of an efficient system is discussed.

Research conducted using a questionnaire sent to Team Leaders in The Cold Chain, delivered results which were analysed and discussed in Chapter four. In addition to biographical information, the function, effectiveness, evaluator involvement, objectives and criteria, requirements for performance appraisals, organisational alignment and evaluator faults were discussed.

It was found that the current performance appraisal system in use at Mercor is a trait scale system. A trait scale method of performance appraisals does not reflect measurement against clearly defined job criteria and is difficult to legally
defend. The essential elements for successful appraisal systems such as reliability, relevance, sensitivity, uncontaminated information, acceptability, practicality and legality will be present in a 360-degree approach and the implementation of such a system in Mecor was recommended.
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CHAPTER 1  INTRODUCTION

1.1  MAIN PROBLEM

Mercor is the sales and merchandising division of The Cold Chain (TCC). The Cape Town sales department organogram is displayed in figure 1. Mercor was introduced in October 2004 as the sales and merchandising division of The Cold Chain.

FIGURE 1 SALES DEPARTMENT ORGANOGRAM
The merchandisers report to the Team Leaders and internally the merchandisers can apply for positions in the Mid Trade, Food Services or Spar Specialist market. Mid Trade Representatives and Spar Specialists can then gradually acquire the necessary skills and experience to become Team Leaders or they may be sourced externally.

Erasmus, Schenk, Swanepoel & Van Wyk (2003:376) states that appraisal systems should be maintained and updated in conjunction with job descriptions and performance standards. Since the inception of Mercor there has been no adaptation of the performance appraisal system used to measure sales employees.

As a result the main problem that is identified in the present Mercor appraisal structure is:

In what manner is the junior management currently measured and appraised within Mercor?

1.2 SUB-PROBLEMS

During the research process the following sub-problems were identified:

1. How does the present appraisal system compare with fundamental requirements for a successful performance appraisal system?
2. What requirements can be adopted to make the system more efficient?

1.3 DEMARCATION OF THE RESEARCH

Limits must be imposed on the field of study to make the research significant and manageable. Only the issues related directly to this field of study will be researched and any issues omitted may be researched at a later stage.

1.3.1 LEVEL OF THE ORGANISATION

The research study will be limited to the business level of the company. The operational and Human Resources (HR) functions and its managers will be targeted as audience. The corporate and other functional levels of the company are excluded.

1.3.2 WHICH ORGANISATION?

This study will be focused on the operations of The Cold Chain (TCC). The Cold Chain is a member of Imperial Group Holdings. Mercor is the sales and merchandising division of TCC. The research will be limited to Mercor, The Cold Chain.
1.3.3 GEOGRAPHICAL DEMARCATION

TCC have twelve Regional Distribution Centers (RDC’s) throughout South Africa, namely:

1. Midrand.
2. City Deep.
4. Polokwane.
5. Klerksdorp.
7. Durban.
8. Dundee.
10. Port Elizabeth.
11. George.
12. Cape Town.

This study will concentrate on the sales employees of the non-bargaining unit at TCC. The bargaining unit consists of employees that are members of an official South African Union. The Food and Allied Workers Union (FAWU) is the largest union represented at TCC. The employees included in the study will be referred to as Team Leaders.
1.3.4 PERFORMANCE APPRAISAL

The research will be limited to the identification of information needed to describe in which way the performance appraisal is currently applied. The existing performance appraisal will be analysed to ascertain its effectiveness.

1.3.5 SUBJECT OF EVALUATION

The research will focus on the assessment of the performance appraisal procedure that is presently used to measure Team Leaders and compare it to the available literature content.

1.3.6 BASIS FOR THE ASSESSMENT

The aim of the research is to identify areas of improvement and evaluating the current appraisal system in Mercor. Various parts of the business and especially other regions must be able to use the techniques identified and be able to implement it with success.

1.4 DEFINITION OF KEY CONCEPTS

1.4.1 PERFORMANCE APPRAISAL

Erasmus, Schenk, Swanepoel & Van Wyk (2003:372) refer to a performance appraisal as a formal and orderly process where specific work related strengths
and weaknesses of workers are distinguished, ascertained, assessed, recorded and developed.

The most important aspects of the performance appraisal should ideally include:

- Performance dimensions that are lawfully and rationally defensible must be identified;
- All work related facets must be ascertained accurately and just assessments must be made;
- The assessor’s interpretation of the observations must relate to the effectiveness of the employee’s performance;
- The process must be duly recorded and documented; and
- The employee should be developed after the appraisal measured the job effectiveness.

1.4.2 TRAINING AND DEVELOPMENT

Erasmus et al (2003:451) describes Human Resources Development (HRD) as a learning activity, in a specific time period, normally initiated by the organisation to enhance performance and personal growth. Employee training is aimed to improve the person’s skills, knowledge and attitude in a work related environment in order to have the incumbent perform certain tasks according to set standards. Employee education refers to the preparation of an individual for work different from the work he/she performs currently (Erasmus et al, 2003:452).
1.4.3 CRITICAL SUCCESS FACTORS

Critical success factors are characteristics of a firm that are specially prised by customers and used to distinguish between potential suppliers (Johnson and Scholes, 2002:148).

1.4.4 CORE COMPETENCIES

Johnson and Scholes (2002:156) refer to core competencies as the activities or processes that critically support an organisation’s competitive advantage. A competency can be described as the integration of knowledge, skills and attitude to achieve a defined standard in a specific context (Meyer, 1996).

1.4.5 PERFORMANCE MANAGEMENT

Bagraim, Potgieter, Schultz, Viedge and Werner (2003:74) states that the aim of performance management is to improve the outputs, efficiencies and productivity at the level of the employee, the team and the business. The leaders and managers of the organisation should drive performance management. The process is ongoing and involves maintenance, feedback and counselling.
1.5 THE SIGNIFICANCE OF THE RESEARCH

Fitz-enz and Davison (2002:8) describes the HR function to be a business function that helps improve quality, productivity, service and adds to the bottom line of the organisation. This function must help to identify opportunities within the current compliment of employees. These individuals can be assessed, trained and developed to help build a succession plan and add value to the sector of the business where the employee is working.

The current system and content of performance appraisals must be researched to ascertain if this format compare with fundamental requirements for a successful performance appraisal system. The implementation of training for such needs and the proper utilisation of the individual after the completion of said development could also be measured in a later study.

Goldstein (1993:31) describes that the assessment of training needs comprises of various phases, including:

- The need for organisational support and the support of top management;
- An organisational analysis to determine goals, climate and constraints;
- A requirements analysis will define the work, methods, participants and protocol for training;
- A needs assessment to clearly formulate Key Performance Areas (KPA’s);
• An analysis of the employees and
• The design and evaluation of training programs.

The proper development of human capital will help the company to attain the competitive advantage and retain this advantage through continuous learning by its employees. The system and structures that are developed through the assessment of training and development needs in the performance appraisal can be implemented nationally.

1.6 AN OVERVIEW OF RELATED LITERATURE

The literature regarding performance appraisal purposes, methods, requirements and frameworks for successful implementation will be discussed.

1.6.1 PERFORMANCE APPRAISAL

Erasmus, Schenk, Swanepoel & Van Wyk (2003:372) refer to a performance appraisal as a formal and orderly process where specific work related strengths and weaknesses of workers are distinguished, ascertained, assessed, recorded and developed.

The main reason for using a performance appraisal system is to ascertain data in connection with an individual’s work related performance. The data may be used to identify a variety of work related issues, namely:
• To identify training and development needs;
• To aid in establishing information on remuneration packages;
• To ascertain overall work performance;
• To use as a motivational tool;
• To aid in succession planning;
• To determine the potential for advancement;
• To help in planning organisational needs and
• To aid in planning Human Resources strategic goals.

The essential elements for successful appraisal systems such as reliability, relevance, sensitivity, uncontaminated information, acceptability, practicality and legality will be discussed to help build a base to measure the current performance appraisal system at Mercor.

Proper design, layout and the problems associated with performance appraisal systems will be discussed.

1.6.2 TRAINING AND DEVELOPMENT

Human Resource Development (HRD) is defined as learning to achieve the employee’s and the business’s goal, Erasmus et al (2003:451). Training and development is important to build and maintain a company’s core competencies. Training needs, the training program and evaluation of the learned material will be presented.
Competency development needs is identified through the difference in current and desired performance. Methods to train the individual to close the gap between current and desired levels include formal training, on the job training, mentorship, assignments, team learning's and business management programs Bagraim et al (2003:81).

1.6.3 PERFORMANCE MANAGEMENT

Bagraim et al (2003:74) states that the objective of performance management is to improve the output results of the individual, the team and the business. This process must be driven by top management and it should be owned and implemented by other levels of management. Performance relates to the physical and verbal output of the individual and the organisation aims to align and develop these outputs with the needs of the business.

1.7 RESEARCH DESIGN

The research methodology that will be followed in this study will be described.

1.7.1 RESEARCH METHODOLOGY

The following process will be followed to answer the main problem and the sub-problems:
1.7.1.1 LITERATURE SURVEY

Performance appraisals and the business function thereof will be identified from the literature.

1.7.1.2 EMPIRICAL STUDY

The empirical study will comprise of:

(a) Measuring instrument

A questionnaire will be created with semantic differentials to identify which factors are critical to the fundamental requirements of an efficient performance appraisal system for Mercor.

(b) Sample

Team Leaders in all twelve Regional Distribution Centers will be involved in the questionnaire.
(c) Statistical analysis of the data

The appropriate statistical processes will be decided upon after consultation with a statistician when the questionnaires are drawn up. These statistical processes will be used to interpret and analyse the outcome of the answers.

1.7.1.3 ASSESSMENT OF THE CURRENT SYSTEM AND RECOMMENDATIONS

The current system will be analysed and recommendations in accordance to the literature content will be made to improve the efficiency and relevance of the measurement tool.

1.8 CLOSING COMMENTS

Chapter one served as introduction and the problem was stated. The definition of key concepts and the research design method were introduced.

Chapter two will discuss the literature review and theoretical framework related to performance appraisals. The basic requirements of a successful appraisal
system such as reliability, relevance, sensitivity, uncontaminated information, acceptability, practicality and legality will be discussed.

CHAPTER 2: LITERATURE REVIEW/THEORETICAL FRAMEWORK

2.1 INTRODUCTION

The purpose of chapter one was to identify the objective of the research. Chapter two will provide a literature review and a theoretical framework on performance management systems and performance appraisal systems.

2.2 PERFORMANCE MANAGEMENT

Swan (1991:11) states that the performance appraisal system should fit into the larger performance management process. This indicates that performance management consists of various tasks or components of which the performance appraisal is one.

Bagraim et al (2003:76) implies that a system that formally documents the purposes and aims of each employee with a measurement tool included, can be described as a performance management system. Each individual should have clear goals and objectives that are directly aligned to the overall strategy of the company.
Performance management is an ongoing process and the following criteria will aid in developing the basis for a successful performance management system. Figure 2 illustrates the cycle of performance management that can be used to summarise the process. Employees should know exactly what is expected from them. A clear and well defined job description and communication from management must aid in clarifying all aspects of the work. The current job description of a Team Leader in the Mercor structure is attached as Annexure 2. High performance outputs should be supported and the process made easier by all participants in the business, especially management. The measurement of the objectives must follow and feedback must be provided on areas that are good or unsatisfactory. Training and development should be implemented to help achieve the objectives that were made clear initially and unsatisfactory performance after this step should be disciplined.
The performance appraisal form part of the performance management system and it fits as a measuring tool to identify performance measures, training and development needs, unsatisfactory performance and good performance.

2.3 PURPOSES OF PERFORMANCE APPRAISALS

Performance appraisals are used to provide information on job related subjects in various departments and decision making processes, Erasmus et al (2003:373). Administrative objectives may include HRM planning, remuneration decisions, promotional implications and employee research.
Dobbins (1994:8) states that performance appraisals mainly revolve around the topics of performance and judgments on performance. Figure 3 shows that ratings are a function of performance measures and that the appraisal effectiveness is an outcome of the performance ratings. The basis refers to the reason for performance appraisal to be performed while the performance indicators should be identified in order to rate an employee. Dobbins (1994:23) argue that including uncontrolled factors at unknown levels in the context part of the model does not necessarily make the study more internally valid.
Coming back to administrative purposes for appraisals Erasmus et al (2003:373) explains that HRM planning including the compiling of skills inventories, gaining data regarding new positions to be created and developing succession plans are important factors to consider. He further states that reward decisions such as salary and wage increases and merit bonuses as well as placement decisions including promotions, transfers, dismissals and retrenchments are administrative purposes for performance appraisals. Lastly employee research such as validating selection procedures by using appraisals as criteria or evaluating the effectiveness of training courses are key objectives of appraisal systems, Erasmus et al, (2003:373).

The system also delivers information on developmental purposes such as individual strengths and weaknesses and information on how to better future performance. Developmental objectives also include career planning and training and development needs, Erasmus et al (2003:373). Remedial interventions, overall training needs for the company, affirmative action programs and multiskilling programs can also be identified through the use of a performance appraisal system. Lastly Erasmus et al (2003:373) argues that effective communication throughout the organisation through interaction between managers and employees is an important objective of an appraisal system.
2.4 BASIC REQUIREMENTS OF A SUCCESSFUL APPRAISAL SYSTEM

The performance appraisal system has been identified in chapter one as a systematic process in which work related strengths and weaknesses of individual employees are identified, observed, measured, recorded and developed, Erasmus et al (2003:372).

The performance dimensions that are to be measured should be rationally and legally defendable. The appraisal issues should all be observed sufficiently to make accurate and fair assessments. The measurement is the translation of the outcomes of the ratings on the performance dimensions. The process should be properly administrated and recorded and development needs identified should be followed up and training must be implemented, Erasmus et al (2003:372).

Performance appraisals may be disliked by employee and manager alike and care should be taken that it must not fail and only become an annual administrative exercise. Data collected and information learned during the appraisal process is of strategic importance and the system should be an integral part of the company’s performance management system.

The essential elements for a successful appraisal system are identified as relevance, reliability, sensitivity, uncontaminated information, acceptability, practicality and legality by Erasmus et al (2003: 376). These elements are discussed below.
RELEVANCE

Erasmus et al, 2003:376 states that this element refers to the identification of what is really important for the work and for the objectives of the company. Three processes that will ensure that the appraisal system is aligned with the goals of the job and the purpose of the company is suggested by Cascio (Erasmus et al, 2003:376):

- Installing clear connections between the performance standards of all jobs and the company’s goal;
- Establishing clear connections between the critical work elements of each job and the performance dimensions to be rated on the appraisal document and
- Ensuring the regular maintenance and updating of job descriptions, performance standards and appraisal systems.

RELIABILITY

Erasmus et al, (2003:376) implies that the appraisal system must produce ratings that are consistent and that can be repeated. The reliability requirement does not only refer to the psychometric properties of the measuring instrument itself, but also to the need for the evaluators who carry out the measuring
process both competently and systematically and who have the opportunity to observe the behaviour that is to be measured.

- DISCRIMINABILITY OR SENSITIVITY OF THE SYSTEM

The appraisal system should be able to distinguish between good and poor performers. There should be adequate performance categories to ensure good design efficiencies and little or no rating errors, Erasmus et al, (2003:376).

- UNCONTAMINATED SYSTEM

Erasmus et al (2003:377) states that the appraisal system should be able to measure individual employee performance without being affected by factors that are outside the employee’s control such as out of stock situations, late deliveries and inadequate purchase order quantities.

- ACCEPTABILITY

The perceived legitimacy by employees and managers of the appraisal system may be more important than the technical functionality of the process. It would be recommended to involve all parties taking part in the system’s use to be consulted in the development, implementation and maintenance of the performance appraisal system, Erasmus et al (2003:377).
- **PRACTICALITY**

The appraisal system should be user friendly and should be easy to understand by managers and employees, Erasmus et al (2003:377). The appraisal system should be manageable in terms of administration functions and cost effectiveness.

- **LEGALITY**

The appraisal system should be tested for compliance with the requirements of relevant labour legislation. This is important as work performance information is used for management decisions relating to promotions, dismissals and rewards, Erasmus et al (2003:377).

The basics requirements of a performance appraisal were discussed in the previous section. In the following section various appraisal methods will be discussed.

### 2.5 PERFORMANCE APPRAISAL METHODS

According to Erasmus et al (2003:385) the techniques to conduct a performance appraisal may be categorised to the type of criteria used. Trait-oriented methods including trait scales, behaviour-oriented methods such as BARS or critical incidents and results-oriented methods including the MBO method can be used.
The techniques can secondly be classified according to the main objective that the appraisal serves such as comparative objectives including relative standards or developmental objective including absolute standards.

Various methods of performance appraisal systems will be discussed, starting with absolute rating techniques where ratings are measured against performance standards which include the following:

2.5.1 BEHAVIOURALLY BASED SCALES AND BEHAVIOURALLY ANCHORED RATING SCALES (BARS)

According to Swan (1991:27) this is one of the most systematic and elaborate rating techniques. The system is usually costly as it involves in depth analysis of each job to which the system will be applied. The BARS scale used for a certain job is reached through a five step process.

- Critical incidents refers to experts in the job listing specific examples of effective and ineffective behaviour;
- Performance dimensions are developed from the incidents arrived at in the critical incidents phase;
- Retranslation occurs when a second group of knowledgeable individuals on the specific job validate and refine the performance dimensions;
- Scaling incidents relates to the rating of the dimensions by the second group of individuals and
- The final instrument is the behavioral anchor in the BARS instrument.
The BARS instrument consists of a series of vertical scales that are anchored by the included incidents. Each incident is placed on the scales based on the rating determined in step four, Swan (1991:28). The system is accurate in that it creates measures that are closely job-relevant and is highly legally defensible.

2.5.2 TRAIT SCALES

The appraisal system contains a list of personality traits or qualities such as motivation, innovativeness and adaptability. The judge or manager performing the appraisal assigns a value or number to each trait, indicating the degree to which the employee owns the quality, Swan (1991:21). A variation of this system requires the manager to evaluate the employee on each of several trait labels, with short definitions, along a line containing a variety of adjectives.

In most cases the trait-rating scales are initially informally analysed to ascertain which personality traits should be included in the system. The trait-rating scales may be broadly defined and the criteria such as meet requirements or exceed requirements are also not clearly defined. This makes the trait scales very difficult to legally defend, because it is difficult to prove the job relevance. Without specific job related criteria the system is vulnerable to rater error such as halo effect, positive or negative leniency and central tendency. The scales also make it difficult for a manager to identify training and development needs. The
manager essentially asks the employee what he/she are and not what they do, Swan (1991:22).

A variation of this method is currently used in the performance appraisal system at The Cold Chain as seen in Annexure 1.

2.5.3 MANAGEMENT BY OBJECTIVES (MBO)

Erasmus et al (2003:389) argues that this system concentrates on setting and aligning individual and organisational goals, but it can also be used for evaluating performance. Participation in the setting of objectives allow managers to control and monitor performance by measuring outcomes against the goals that the employees helped to set.

Bagraim et al (2003:76) states that the MBO system should keep employees focused on the deliverables of their job and in this way, the organisation would have delivered on a strategic promise.

2.5.4 ESSAY METHOD

Erasmus et al (2003:386) implies that the manager is required to write a report on each employee, describing the person’s strengths and weaknesses. The format is not fixed and the results depend on the writing skills of the manager.
**Relative rating techniques** where managers compare an employee’s performance to that of another person doing the same work include the following:

2.5.5 RANKING

The system rank individuals from the best to the poorest performer according to performance factors. The technique can only be used with a limited number of employees in the exercise, no comparison between teams and the feedback is not aimed at the employees, Erasmus et al (2003:385).

2.5.6 PAIRED COMPARISONS

The system allows the manager to compare each employee separately with each other employee, Erasmus et al (2003:385). The ranking of the employee is determined by the number of times he/she was rated better than the other workers. Limitations to the number of employees that can be rated in this technique are a drawback.

2.5.7 FORCED DISTRIBUTION

Erasmus et al (2003:385) states that when using this system, the manager should assign some portion of the employees to each number of specified categories on each performance factor.
The forced distribution decided upon can specify any percentage per category and need not necessarily comply with the requirements of a normal curve. This system controls rating errors such as leniency and central tendency, but the forced distribution decided upon may differ considerably from the performance characteristics of the employees as a team, Erasmus et al (2003:385).

2.5.8 360-DEGREE APPRAISAL METHOD

Essentially performance assessment on individual employees involving a wide spectrum of people including internal and external customers, suppliers, peers, team members, superiors and subordinates are assessed, Erasmus et al (2003:391). The information can be gathered by using formal and structured interviews, informal discussions, surveys and observations.

The appraisal information is used in feedback to the employee and it serves as important inputs for career development and training. The broad spectrum ensures a good evaluation of the workers strengths and weaknesses and it enhances self-insight to develop to one’s full potential. According to Erasmus et al (2003:391) this approach fits with current trends in leadership thinking.
Tornow and London (1997:11) states that performance standards should first be developed as seen in Figure 4. The second process should focus on the quality of the ratings received. The third section refers to the way recipients perceive, integrate and use the 360-degree feedback. The last section considers the outcomes of the 360-degree feedback for performance improvement and development.
2.6 PROBLEMS ASSOCIATED WITH PERFORMANCE APPRAISALS

Erasmus et al (2003:378) concludes that problems in performance appraisal in South Africa may originate from two issues, namely:

- Technical matters from the system including the format, administrative procedures, purpose for which it was designed and the ability to link it to other systems and
- Human related matters with regards to perceptions and the interaction process between the manager and the employee, Erasmus et al (2003:378). There may be distrust from the side of the employee, the feedback can be irregular or managers can be prejudice.

In addition to this Bagraim et al (2003:77) states that it may happen that the performance appraisal is seen as a process owned and driven by the HR department in which a manager appraises a subordinate in order for salary increases to be allocated. The notion of evaluation and the appraisal process might make raters feel uncomfortable about any confrontation with subordinates, Erasmus et al (2003:382). Situational factors such as stress, sexual and racial bias and leadership style can also contaminate accurate and valid ratings.
Dobbins (1994:27) describe rater errors as psychometric features of the ratings that are assumed to indicate errors in rating. Erasmus et al (2003:380) states that performance appraisals require managers to observe and judge behaviour as objectively as possible. Both the processes are however, conducted by humans and they may not be experts in all the operational fields in their department, thus the appraisal process is prone to distortions and preconceptions.

The following errors can be regularly identified in performance appraisals:

- **The recency effect**
  Erasmus et al (2003:380) states that the recency effect refers to the tendency to emphasise recent behaviours rather than an employee’s performance over the entire review period.

Swan (1991:121) states that this is especially likely when the manager has not been keeping records during the year.

- **Infrequent observations**
  Infrequent observations are usually associated to ratings based on non-representative samples of behaviour and uncorroborated illations, Erasmus et al (2003:380).
• **Leniency and strictness error**
This error refers to the tendency of some managers to assign mostly favourable evaluations or mostly very harsh ratings to all employees, Erasmus et al (2003:380).

Swan (1991:121) adds that managers may set goals and objectives that are unobtainable to start with, thus high ratings are never possible. Certain managers are strict raters and refuse to ever give a rating at the top of the scale.

• **Central tendency**
The inclination to assign all evaluations towards the centre or average of all scales, are referred to as central tendency, Erasmus et al (2003:380).

Swan (1991:122) also warns that organisations may force managers to make this error by expecting a forced distribution or rating across employees to resolve a clustering of scores at the top of the scale.

• **Halo error**
According to Erasmus et al (2003:380) this is the inclination to allow the rating assigned to one performance dimension to overly influence, either good or bad, the evaluations on all following dimensions.
• **Same-as-me and different-than-me error**

In this case the manager is inclined to apply a favourable rating to workers that are perceived to behave in a similar way to the manager, or alternatively, to apply less favourable scores to those employees who demonstrate attributes different from those of the manager, Erasmus et al (2003:381).

• **Contrast error**

This error refers to the tendency to allow the scoring of an employee to be influenced good or bad by the relative evaluation of the preceding worker, Erasmus et al (2003:381).

Various methods can be applied to overcome rating errors and some of the techniques will be discussed in the next section.

### 2.7 MASTERING RATING ERRORS

Swan (1991:123) states that a manager that have a large amount of facts to consider at the appraisal will be more successful than the manager who only has a few. Swan also adds that good documentation and a systematic approach can make the manager achieve a higher degree of accuracy.

Jourden and Heath, Erasmus et al (2003:381) states three approaches in trying to master the rating errors.
a) The first strategy focuses on the statistical correction of ratings by, for instance, converting all ratings to some type of standard score or by using a forced distribution of ratings in terms of the requirements of a normal curve.

b) The development of a new, more sophisticated technique and format for a performance appraisal system that minimizes the risk of subjectivity can be considered.

c) The third approach comprises of the training of raters in three important areas namely,

- Training to eliminate or reduce rating errors and bias;
- Training to promote better observational skills amongst raters and
- Training to improve interpersonal and communication skills during performance appraisal interviews.

Erasmus et al (2003:382) states that fostering effective supervisor-employee relations in the daily performance management process is vitally important. Bagraim et al (2003:80) adds that regular performance management meetings should be held. The meeting should include agenda points such as the review of priorities in terms of objectives, standards and tasks. Feedback on performance, the recognition of good performance and offering to help must be included. Finally set a date for the next performance meeting.
The following section will discuss the steps in the development of a successful performance appraisal and management system.

2.8 A BASIC FRAMEWORK FOR THE DEVELOPMENT OF AN EFFICIENT PERFORMANCE APPRAISAL SYSTEM

Swan (1991:43) explains the view that every job has a behaviour component and an objective component. A successful performance appraisal system should include both components. Erasmus et al (2003:382) states that the appropriate organisational structure should take place at each step to ensure the unique fit to the relevant company. Certain views and guidelines will be discussed to aid in the development of an effective performance appraisal system.

Erasmus et al (2003:382) suggest a four step approach to developing a performance appraisal and management system.

2.8.1 PLANNING THE SYSTEM

A successful performance management system should enable and empower managers to implement the strategy and goals of the company effectively. The relevant questions of the first stage relates directly to the obstacles and basic system requirements for a performance management and appraisal system, Erasmus et al (2003:383).
The decision of who will be involved in the process must be taken. Top management should drive the process and supervisors, peers and even subordinates and customers in the case of a 360-degree approach may be involved. The main objective of either developmental or evaluative must be decided. The way in which the results will be used as well as in which departments, should be considered. Organisational factors such as management style, organisational culture, company size, location of branch offices and the sector in which the company is doing business in should be factors that must be answered, Erasmus et al (2003:383).

2.8.2 DEVELOPING THE SYSTEM

Erasmus et al (2003:383) argues that during this step the relevant solutions to design questions must be found, such as:

- What will be appraised; can this include quantitative outputs, traits or other outputs?
- In which format will it be appraised?
- Which person in the company will appraise which employee?
- What will the regularity of the appraisal be?
- How will outcomes be used to influence training and development, rewarding performance and planning career changes?

During this process thorough job analysis and job descriptions should be included in the process, Erasmus et al (2003:383). The content of the job
description should be agreed between the supervisor and the employee and the
HR department can provide advice and training in writing job descriptions in the
style and format used by the company, Erasmus et al (2003:383).

According to Erasmus et al (2003:383) performance standards depict the
conditions for performance that is flawless. Performance standards should be
agreed by the manager and the employee and descriptions on the employee’s
day to day functions and outputs should be discussed. The criteria used to
measure and the technique for measurement must also be agreed upon.

Placing the correct criteria that meets the requirements is an important part of the
performance appraisal system and it is a key factor in determining the system’s
success. The criteria refer to the actual duties or actions an employee should
perform to be successful at carrying out a specific job, Erasmus et al (2003:383).

The format of the appraisal system and the various people that will give input on
the ratings must be decided upon carefully. The overall goals, potential
advantages and disadvantages, and the specific circumstances of the company
are some factors that will play an important part in deciding the format of the

The final step will be for the actual documentation on the system to be drawn up
and a user’s manual to be developed for using the system.
2.8.3 IMPLEMENTING THE SYSTEM

This part of the development cycle will include the introduction and training on the system to all parties involved with the use of the system. Erasmus et al (2003:384) states that the content of the training will be influenced by the level of involvement by the users during the development stage. The complexity of the performance appraisal system and the current competence of supervisors in performance management will also be factors influencing the content of the training.

Erasmus et al suggest the following basic steps to conduct effective training on the system:

- The training should include role play and active involvement by the raters;
- Each individual should be comfortable in the use of the system;
- Case studies or exercises to test the use of the system;
- The encouragement for the recording of particular examples of conduct;
- Consensus among the raters with relation to the interpretation of the performance standards;
- Conducting follow-up training and
- Providing the raters feedback with regards to their rating conduct.
2.8.4 MAINTAINING THE SYSTEM

Erasmus et al (2003:384) states that monitoring the consistent application of the system and reviewing decisions made under the system such as reward and disciplinary outcomes are some factors that should be effected to maintain the performance appraisal system. Ongoing training and development on review results and adjusting to internal and external factors must be included in the upkeep of an effective system. Lastly the system should be audited and evaluated for effectiveness annually, Erasmus et al (2003:384).

Chapter two provided an overview of how a performance appraisal system can be developed. The purposes, requirements and methods were also discussed. The alignment of performance appraisals to the company’s objectives and errors in conducting a performance appraisal are also factors that will be taken into account when the questionnaire in chapter three is developed.
CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

Chapter two provided a theoretical framework and literature review on the various methods, requirements and purposes of performance appraisals and performance management systems.

Chapter three will discuss the research methodology that was used to research the problems identified in chapter one.

3.2 RESEARCH METHODOLOGY

Research is a systematic process of collecting, analysing, and interpreting information or data in order to increase the understanding of the phenomenon which the researcher is interested in, or concerned with, Leedy and Ormrod (2005:2). According to Welman and Kruger (1999:3) research refers to the process in which scientific methods are used to expand knowledge in a particular field of study. A researcher using a scientific approach must check the way in which findings are acquired and the evidence on which a claim is based, Welman and Kruger (1999:3).

The aim of the research is to identify areas of improvement and evaluating the current appraisal system in Mercor. The current system is a basic trait scale
variation and specific job related criteria are not evident in the appraisal. Various parts of the business and especially other regions must be able to use the techniques identified and be able to implement it with success.

Research originates with a problem or question being asked by an enquiring mind, Leedy & Ormrod (2005:3). A research problem refers to some difficulty that the researcher experiences in the context of either a theoretical or practical situation and to which a solution is desired, Welman and Kruger (1999:12). Research problems can originate from practical problems, theories and previous research, Welman and Kruger (1999:15). By posing a question, the research process is ignited.

Research requires clear articulation of a goal, Leedy and Ormrod (2005:3). A clear, unambiguous statement of a problem is critical in any research process. Welman and Kruger (1999:11) maintain that the first concrete step in the research process is to clearly formulate the specific problem that is to be examined, which entails the delineation of a problem area. The ultimate goal of the research must be expressed clearly and precisely in a grammatically complete sentence, Leedy and Ormrod (2005:3).

A specific plan for proceeding is required by the research process. The overall research design and clear-cut research methods are planned in a purposeful way, in order to acquire relevant data to the research problem, Leedy and
Ormrod (2005:3). By inspecting the principal problem, the researcher often uncovers important sub-problems. It is helpful, from a research design standpoint, to break the principal problem into several sub-problems that, when solved, will resolve the main problem, Leedy and Ormrod (2005:3).

Erasmus, Schenk, Swanepoel & Van Wyk (2003:372) refer to a performance appraisal as a formal and orderly process where specific work related strengths and weaknesses of workers are distinguished, ascertained, assessed, recorded and developed. The performance appraisal system must include job related criteria in order for the employee to be accurately measured.

Research is guided by the specific research problem, question or hypothesis, Leedy and Ormrod (2005:4). The researcher rephrases the research problem to word it in as exact terms as possible, yet still make it operationally viable and useful in developing hypotheses, Welman and Kruger (1999:12). After stating the main problem and its sub-problems, the researcher usually provides an explanation for a phenomenon under investigation by offering one or more hypotheses about what is to be discovered. The hypothesis directs the procedure to acquire information that may resolve the research problem, Leedy and Ormrod (2005:4).

Academic researchers state their assumptions of research as self-evident truths that will form the basis upon which their study must rest, Leedy and Ormrod
An assumption is a condition that is taken for granted, without which the research project would be pointless. It is important to state the assumptions so that others inspecting the research project may evaluate it in accordance to their own theory, Leedy and Ormrod (2005:5).

In an attempt to resolve the research problem, data is collected and interpreted by the analyst, Leedy and Ormrod (2005:5). The significance of data depends on how the researcher uses the data to extract meaning, Leedy and Ormrod (2005:3). The researcher uses research methodology that directs the research project, dictates how data are collected, arranges data in logical relationships, sets up an approach to refining data, applies meaning to them, and finally leads to conclusions that expand human knowledge, Leedy and Ormrod (2005:3). Leedy and Ormrod (2005:6) contend that the interpretation of data depends entirely on the researcher’s hypotheses, assumptions and logical reasoning processes.

Research is cyclical: the resolution of the research problem completes the cycle that was started with the statement of the research problem. The research process follows logical, developmental steps and has a dynamic quality since true research often unearths many other problems, Leedy and Ormrod (2005:7).

In qualitative studies, observations are usually recorded in great detail, perhaps with field notes or videotapes that capture the wide variety of ways in which
people act and interact. From these data, the researcher constructs a complex yet integrated picture of how people spend their time, Leedy and Ormrod, (2005:179).

In quantitative research, an observation study is quite different. Typically, the focus is on a particular aspect of behaviour. Furthermore, the behaviour is quantified in some way. In some situations, each occurrence of the behaviour is counted to determine its overall frequency. In other situations, the behaviour is rated for accuracy, intensity, maturity, or some other dimension, Leedy and Ormrod, (2005:180).

3.3 QUESTIONNAIRES AS A SURVEY RESEARCH TOOL

Leedy and Ormrod (2005:183) refer to survey research as the acquiring of information about groups of people by asking them questions and tabulating the answers. The objective is to gain information on a large population by surveying a sample of that population. For the purposes of this research proposal a quantitative approach in the form of a survey research method was used.

Questionnaires can be sent to a large number of people at a relatively low cost. Leedy and Ormrod (2005:185) also states that the participants can usually respond to questions knowing that they will be anonymous and thus the
responses may be more truthful. Questionnaires normally have a low return rate and the responses will reflect the reading and writing skills of the participant. Rating scales or Linkert scales are useful when behaviour or development of interest needs to be evaluated on a continuum such as never to always, Leedy and Ormrod (2005:185).

The questionnaire developed for this study was sent to 31 employees currently employed as Team Leaders in The Cold Chain.

### 3.4 DEVELOPING A QUESTIONNAIRE

Leedy and Ormrod (2005:190) proposes a twelve point guideline to aid in constructing an effective questionnaire with a high response rate.

- **MINIMISE THE LENGTH**

The questionnaire should be as short as possible and it must contain only the essential questions pertaining to the study. It is important to ascertain what will be done with the information on each question and to ensure that it is essential to have this information to solve the problem, Leedy and Ormrod (2005:190).
**LANGUAGE USE**

The questions should be asked in a manner to convey the information needed clearly. The use of simple, precise language with no uncertain terms is necessary, Leedy and Ormrod (2005:190).

**GUARD AGAINST ASSUMPTIONS**

The questions should be phrased one step at a time with no presumptions towards the behaviour of the respondents, Leedy and Ormrod (2005:190).

**DO NOT LEAD THE RESPONSES**

Leedy and Ormrod (2005:191) states that questions should not be phrased in such a way as to give indications about the desired responses.

**ENSURE CONSISTENT RESPONSES**

In the event of a question relating to an issue where the answer may be socially acceptable rather that true, a countercheck question should be asked to verify the first response, Leedy and Ormrod (2005:191).
• **PLAN CODING THE RESPONSES IN ADVANCE**

The planning of responses into data that can be analysed for statistical purposes should occur before or while the questions are written down, Leedy and Ormrod (2005:191). The procedure such as tabulating or computer scanning will also influence the format.

• **PARTICIPANTS SHOULD HAVE AN EASY TASK**

The measuring instrument should be as easy and uncomplicated as possible, according to Leedy and Ormrod (2005:191). Time is valuable and short answers, limited questions and clear aims should be presented to the respondents.

• **PROVIDE CLEAR INSTRUCTIONS**

The response methods must be clearly communicated and explained to the participants as certain people might not have participated in such an event before, Ledy and Ormrod (2005:191).

• **GIVE PURPOSE TO THE QUESTIONS**

The participants should feel comfortable that each question have a purpose, Leey and Ormrod (2005:191).


- **PRESENT A PROFESSIONAL QUESTIONNAIRE**

The measuring instrument should have no spelling errors, clear lines and readable typing, Leedy and Ormrod (2005:191).

- **CONDUCT A PILOT TEST**

Hand the questionnaire to peers and friend and ask them to complete the measurement tool. Any problems can be identified and an indication to the manner of response might be ascertained, Leedy and Ormrod (2005:191).

- **INSPECT THE COMPLETED QUESTIONNAIRE**

By intensely reading and inspecting the document the precision of expression, objectivity, relevance and the probability of a high response rate can be ensured, Leedy and Ormrod (2005:191).

These guidelines were considered during this research project and a cover letter as seen in Annexure 4 accompanied all questionnaires. The questionnaire consisted of 4 questions relating to biographical information and eight questions with a four point scale.
3.5 THE QUESTIONNAIRE

The questionnaire consists of two sections:

Part 1 consists of biographical questions to ascertain the profile of the Team Leaders that responded. Part 2 consists of eight questions pertaining to the features of a successful performance appraisal system.

3.5.1 RESPONSE RATE

The questionnaire was sent to 31 Team Leaders nationally. The questionnaire was sent via fax, e-mail and scanned. Twenty five employees responded to the letter of motivation and replied with completed questionnaires. This indicates a response rate of 81%. The reaction to the questionnaire was a high reaction rate and thus the results can be pronounced as significant.

The current chapter provided a summary of the research methodology used in the study and chapter four will discuss the results of the questionnaires received from the respondents.
CHAPTER 4: RESULTS: PRESENTATION AND DISCUSSION

4.1 INTRODUCTION

The previous chapter discussed the research methodology utilised and the development of the questionnaire applied in the study. The aim of the research was to ascertain what current performance appraisal system is used by The Cold Chain and how the current system compares to the requirements for a successful system and what requirements can be adopted to make the current system more efficient or appropriate.

The responses are tabulated and analysed in the same order as the questions of the original questionnaire. The findings and analysis are discussed by question according to the following main sections:

Section 1: Biographical information and
Section 2: Requirements of an effective performance appraisal system.

4.2 PRESENTATION AND DISCUSSION OF THE RESULTS TO SECTION 1

Section 1 provides information relating to the employee’s gender, length of employment, previous position and age and the influence of the biographical information on the responses to the questionnaire.
4.2.1 INDICATION OF GENDER

A total of 76% of the respondents were male and 24% were female. This clearly indicates that the majority of Team Leaders currently employed at The Cold Chain are male and six of the respondents were female. This is evidence that the results were obtained from both gender groups.
4.2.2 LENGTH OF EMPLOYMENT IN CURRENT POSITION

The majority of employees are employed in their current positions for a period between one to five years. The respondents employed for a period between 10 and fifteen years make up 16% of the analysis and employees employed for longer than fifteen years in their current position also consist of 16% of the respondents. Only 8% of the employees are employed between 5 to 10 years in their current position.

The results indicate that 60% of the employees have had one to five sets of performance appraisals concluded during their employment as Team Leaders. The remaining 10 employees who responded to the study had been exposed to between five and 15 sets of performance appraisals. The result indicates that the employees do have sufficient exposure to the current performance appraisal system to accurately respond to the questionnaire.
4.2.3 PREVIOUS POSITION

A total 32% of the employees currently employed as Team Leaders were employed as merchandisers before. Five employees or 20% of the respondents were employed outside the company before being appointed as Team Leaders. 16% of the Team Leaders were Mid Trade Representatives previously, 12% of the employees were tele-sellers, 8% were Spar Specialists, 8% were employed in the transport department and one employee was a Food Services Representative before being employed as a Team Leader.

The results indicate that 80% of the employees were appraised on the current performance appraisal system in The Cold Chain while being employed at another department or in another position prior to being a Team Leader.
4.2.4 AGE OF RESPONDENTS

48% of the respondents are older than forty, 28% of the employees are between 35 and 40, 20% Team Leaders are between 30 and 35 and 4% Team Leader’s age is between 20 and 30 years old.

The results indicate that the respondents are mature, experienced workers that will be able to answer the questionnaire objectively and comprehensively.
4.3 PRESENTATION AND DISCUSSION OF THE RESULTS TO SECTION 2

The content of section 2 of the questionnaire relates to the functions of a performance appraisal, the effectiveness of the current system, evaluators involved in performance appraisals, criteria for effective performance appraisals, techniques to implement systems, requirements for an effective system, the synergy between the company’s objectives and the performance appraisal system and evaluator errors.

The results are presented in a tabulated format and discussion and analysis will follow the presentation of each of the eight categories. The results are captured using the number of responses and the index of each result as a percentage of the twenty five respondents under each of the four point scales.

4.3.1 FUNCTION AND AIMS OF A PERFORMANCE APPRAISAL

![Four point scale chart]

- The current system is developmental.
- The current system is evaluative
- The current system is developmental and evaluative
- The current system is neither of the above
56% of the respondents reacted to the statement that the current system is developmental. As an index of the twenty five Team Leaders 44% of the respondents disagree that the current system is developmental. 8% strongly disapproved and 36% disapproved while 8% respondents approved and 4% strongly approved of the statement.

To the question if the current system is evaluative, 76% of the respondents agreed. 64% Team Leaders agreed and 12% strongly agreed. 16% respondents disapproved of the current system being evaluative. A total of 23 responses were received on the question.

To the question if the current system is both developmental and evaluative, 15 responses were received. 40% approved that the system is both developmental and evaluative of which 32% Team Leaders approved and 8% strongly approved. 20% of the respondents disapproved that the system is both developmental and evaluative.

To the question that the current system is neither developmental nor evaluative 21 responses were received. A total of 64 % of the Team Leaders disapproved of which 16% strongly disapproved and 48% disapproved. 16% of the responses were approving and 4% strongly approving that the current system is neither developmental nor evaluative.
The responses indicate that the majority of the Team Leaders agree that the current system is evaluative, but only 12% think that the system is developmental.

4.3.2 HOW EFFECTIVE IS THE CURRENT APPRAISAL SYSTEM

A total of 68% of the respondents indicated that the current appraisal system is fair and unbiased. 52% approved and 16% strongly approved of the question. A total of 32% of the Team Leaders indicated that they disapprove of the current system being fair and unbiased. A total of twenty five responses were received on the question.
64% of the responses that were received indicate that the Team Leaders approve of the current system being suitable for a sales force. Twenty five responses were received for the question. 4% of the respondents strongly approved that the current system is adequate for a sales team. A total of 32% of the Team Leaders indicated that they disapprove of the view that the current performance appraisal system is suitable for a sales force.

The majority of the respondents indicate that the current system is fair and suitable to a sales force, but it must be noted that 32% of the Team Leaders do not concur.

4.3.3 EVALUATORS INVOLVED IN THE PERFORMANCE APPRAISAL
Twenty five responses were received to the question if the immediate supervisor of the Team Leader should be involved as evaluator in the performance appraisal. 96% agreed to the involvement of their immediate supervisor as evaluator in the performance appraisal. 52% of the Team Leaders strongly approved and 44% approved the view. 4% strongly disapproved that the immediate supervisor should be involved in the evaluation of the performance appraisal.

52% of respondents agreed that their peers should be involved as evaluator in the performance appraisal and 48% disagreed. 48% of the Team Leaders approved, 4% strongly approve, 40% disapproved and 8% strongly disapproved.

44% of the Team Leaders agreed that subordinates can be involved in the evaluation of their performance appraisal and 56% disagreed. 4% of the respondents strongly approved, 40% approve, 44% disapproved and 12% strongly disapproved.

A total of 64% of the respondents disagreed that their supervisor, peers and subordinates must be involved in the evaluation of their performance appraisal and 36% agreed. 8% of the respondents strongly approved, 28% approved, 48% disapproved and 16% strongly disapproved.
The results indicate that the majority of the Team Leaders believe that their immediate supervisor must be involved in their performance appraisal. The decision that their peers should be involved is a near balanced affair, but most of the respondents do not feel that their subordinates should be involved in their performance appraisals.

4.3.4 OBJECTIVES AND CRITERIA USED FOR PERFORMANCE APPRAISALS
68% or seventeen of the respondents indicated that the criteria for their job are well defined. 20% disagreed that the job criteria were clear. 4% strongly disapproved and 8% strongly approved the notion that their job criteria are well defined.

64% approved of the fact that their job criteria are always realistic. 28% disapproved that their job criteria are always realistic. 4% of the respondents strongly disapproved and 4% of the Team Leaders strongly approved the statement that their job criteria are always realistic.

56% of the Team Leaders strongly approved the statement that their work criteria are always measurable and 8% of the respondents strongly approved of the statement. 32% of the Team Leaders disapproved of the statement that their work criteria are always measurable and 4% strongly disapproved.

60% of the respondents approved that the job criteria required from them are mutually agreed. 32% of the Team Leaders disapproved and 8% of the Team Leaders strongly disapproved the statement that the job criteria required from them are mutually agreed.

56% of the respondents approved and 32% disapproved that the work performance required from them are clearly quantified. 4% of the Team Leaders
strongly approves and 8% of the Team Leaders strongly disapproved that the work performance required from them are clearly quantified.

60% of the Team Leaders approve of the statement that the quality of work performance required from them are clear. 12% of the Team Leaders strongly approve that the quality of work performance required from them are clearly stated. 20% of the respondents disapprove and 8% strongly disapprove of the statement that the quality of work performance required from them are clear.

52% of the respondents approve of the statement that the current job criteria is reviewed, adapted and discussed with them. 4% of the Team Leaders strongly approve of the statement and 4% of the Team Leaders strongly disapprove, while 40% of the respondents disapproved of the statement that the current job description is reviewed, adapted and discussed with them.

An average of 59% of the respondents approve that their job criteria is well defined, realistic, measurable, agreed upon, quantified, qualified and constantly reviewed and discussed. This indicates that there is room for improvement in the criteria currently used for job description at The Cold Chain.
56% of Team Leaders approved of the essay writing technique, while 28% of the respondents disapproved and 12% strongly disapproved of the technique. Only 4% of the respondent strongly approved.

64% of the employees approved of a technique of comparing their performance to other employees with the same job. 12% strongly approved of the technique while 20% disapproves and 4% of the respondents strongly disapproves.

72% of Team Leaders approved of the BARS method to appraise performance and 8% strongly approved of the method. Only 20% of the employees disapproved of the BARS method and none strongly disapproved of the idea.
88% of respondents approved of a method of being appraised on mutually agreed criteria between the supervisor and employee. 4% of the Team Leaders strongly agrees with this method. Only 8% of the respondents disapproved of being appraised on mutually agreed criteria.

48% of the respondents approved of the 360° approach as appraisal system, while 8% of the Team Leaders strongly approved of the method. 32% of the employees disapproved of the 360 degree approach and a further 12% strongly disapproved.

56% of the Team Leaders disapproved of continuing with the current method of using trait scales as appraisal system and 8% strongly disapproved of continuing. Only 36% of the respondents approved the method of continuing with trait scales and no one strongly approved of the method.

The results show that the Team Leaders do not prefer to continue with the current system, but would be likely to adopt a method where criteria are mutually agreed upon by the supervisor and the employee.
4.3.6 REQUIREMENTS FOR AN EFFECTIVE PERFORMANCE APPRAISAL SYSTEM

![Four Point Scale Bar Chart]

48% of respondents approve of the statement that their performance appraisal will be the same if it is repeated within a short period. 40% of the Team Leaders disapprove of the statement, while 8% strongly disapproves, but 4% of the employees strongly agrees that the performance appraisal will be the same if it is repeated within a short period.

60% of the Team Leaders approve of the statement that the current performance appraisal differentiates between good and poor performers, but not one strongly approves. 36% disapproves and 4% strongly disapproves that the current system differentiates between good and poor performers.
44% of the employees approve that their appraisal will not be influenced by extraneous factors, while 20% strongly agrees. 28% of the Team Leaders disapprove and state that their appraisal will be influenced by extraneous factors, while 8% strongly disapproves.

72% of respondents approve that the current performance appraisal system is directly related to the goals of their work and to the objectives of the Company. 8% of the Team Leaders strongly approve of the relation, while 20% of the Team Leaders disapprove.

76% of the Team Leaders approved that the current system is easy to understand and use by employees and managers and one employee strongly approves. 16% of the respondents disapproved and 4% strongly disapproved of the statement that the current system is easy to understand and use.

48% of the respondents approved that they trust and believe in the current system, while 52% either disapproved or strongly disapproved that they trust and believe in the current system.

64% of the Team Leaders approved that the current system’s outcomes can be legally defended with relation to the current labour legislation. 4% of the employees strongly approved and 28% disapproved while 4% strongly disapproved that the current system’s outcomes can be legally defended.
The most significant aspect of the results on the requirements for an effective appraisal system is that 52% of the respondents do not trust or belief in the current performance appraisal system.

4.3.7 ALLIGNING THE COMPANY’S OBJECTIVES WITH THE PERFORMANCE MANAGEMENT PROCESS

60% of respondents approve that their work is constantly monitored and inefficiencies are promptly described. 16% of the respondents strongly approve and 24% disapprove of the question.
44% approve that they receive regular feedback on their performance and 20% strongly approves. 28% of the employees disapprove and 8% strongly disapprove that they receive regular feedback.

72% of the Team Leaders approve that if their work suffers because of personal problems, guidance and coaching as well as support is provided. 12% of the Team Leaders strongly approve, 12% disapprove and 4% strongly disapproves that guidance and support is provided if their work suffer due to personal problems.

72% of respondents approve that their objectives are clearly defined. 16% of employees strongly approve, while 8% disapprove and 4% strongly disapprove.

80% of the Team Leaders approve that the company plans for the ability to evaluate performance and 8% strongly approves. 8% of the employees disapprove and 4% strongly disapproves that the company plans for the ability to evaluate performance.

48% of the Team Leaders disapprove that rewards are bestowed on good performers and 8% strongly disapproves. 28% of the employees approve that good performers are rewarded and 16% strongly approves.
80% of respondents approve that poor performers are met with disciplinary action, while 8% strongly approves. Only 8% of the employees disapprove and 4% strongly disapprove that poor performers are disciplined.

The results indicate that the respondents feel there is place for improvement in terms of performance feedback and rewards for good performers. The majority of the Team Leaders agree that there is support from the Company, that their objectives are well defined and that the company plans for and monitor performance.

4.3.8 EVALUATOR FAULTS
48% of the respondents disapproved that the evaluator is too strict and 16% strongly disapproved. 28% of the employees approved and 8% strongly approved that the evaluator is too strict.

64% of the Team Leaders disapprove that the evaluator is too lenient and 20% strongly disapproves. Only 12% approves that the evaluator is too lenient and 4% strongly approves.

44% of employees approve that they are always evaluated as average, while 8% strongly approves. 28% of the respondents disapprove and 20% strongly disapproves that they are always evaluated as average.

56% of the respondent disapprove that the evaluator is influenced by factors like race, gender or age. 28% strongly disapproves, while 4% approves and 12% strongly approves that the evaluator is influenced by biographical factors.

72% of the employees disapprove that their assessments are influenced by the evaluator’s like or dislike in them. 16% of the Team Leaders strongly disapproves, while 4% approves and 8% strongly approves of the question.

64% of the respondents approve that the evaluator is well educated to conduct the performance appraisal. 20% of the employees strongly approve, while 8%
disapproves and 8% strongly disapproves that the evaluator is well educated to conduct a performance appraisal.

According to the results evaluator faults are not the concern of the majority of Team Leaders, although average evaluation and evaluation that is too strict can be improved.

Chapter four covered the results from the questionnaire. The results were discussed and already certain aspects can be identified to replace or improve the current appraisal system at The Cold Chain.

Chapter five will contain the recommendations derived from the theory and the results of the questionnaire.
CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

Chapter five will address the main question and sub questions.

- In what manner is the junior management currently measured and appraised within Mercor?
- How does the present appraisal system compare with fundamental requirements for a successful performance appraisal system?
- What requirements can be adopted to make the system more efficient?

The theory reviewed and the results from the questionnaire will be used as a base to answer the questions and make recommendations with the conclusion to follow.
5.2 ADDRESSING THE QUESTIONS

The questions will be addressed in the order it was stated in Chapter one.

5.2.1 IN WHAT MANNER IS THE JUNIOR MANAGEMENT CURRENTLY MEASURED AND APPRAISED WITHIN MERCOR?

The current performance appraisal system in use at Mercor is a trait scale system. Annexure one, the current performance appraisal at Mercor, indicates personality traits which is measured by rating the employee from below requirements to exceed requirements.

As mentioned in Chapter two the appraisal system contains a list of personality traits or qualities such as motivation, innovativeness and adaptability. The judge or manager performing the appraisal assigns a value or number to each trait, indicating the degree to which the employee owns the quality, Swan (1991:21). A variation of this system requires the manager to evaluate the employee on each of several trait labels, with short definitions, along a line containing a variety of adjectives.

The theory clearly indicates that trait scales have shortcomings including a difficulty to legally defend, no specific job criteria, rater error may occur and no
clear definition as to the job description of the employee being appraised can be quantified.

5.2.2 HOW DOES THE PRESENT APPRAISAL SYSTEM COMPARE WITH FUNDAMENTAL REQUIREMENTS FOR A SUCCESSFUL PERFORMANCE APPRAISAL SYSTEM?

Although seventy two percent of the respondents indicated that the current system is directly related to the goals of their work and the objectives of the company, it is difficult to identify the relevance of trait scales to critical work elements and well defined job descriptions.

The respondents were balanced in their reaction to the question if the performance appraisal will be the same if it is repeated in a short period. This indicates that the trait scales method is not very reliable as a measuring instrument.

The indication from the employees was that the system allowed poor performers to be met with disciplinary action, but good performers are not rewarded. This questions the discriminability or sensitivity of the system.
The current system is relatively uncontaminated and a total of sixty four percent of respondents agreed. The employee can be measured without being affected by factors that are outside the employee’s control.

The current system was not recently developed with consultation with the employees and thus the acceptability of the system is in question.

The present performance appraisal system is practical, easy to understand by managers and employees. The system is also manageable in terms of administration functions and cost.

Trait scales are difficult to legally defend due to the lack of specific job related criteria against which the employee is measured.

5.2.3 WHAT REQUIREMENTS CAN BE ADOPTED TO MAKE THE SYSTEM MORE EFFICIENT?

The current performance appraisal system should be revisited and the implementation of a new system for the sales department can be considered.

A system that measures well defined job descriptions, which is reliable, has a high degree of sensitivity, that is acceptable and which is legally defendable must be considered.
5.3 RECOMMENDATIONS

A new performance appraisal system for junior management in Mercor must be considered. The performance appraisal system that is recommended is a 360-degree appraisal. Fifty six of the respondents also agreed that the 360-degree approach to performance appraisals is acceptable and only three respondents strongly disagreed.

Performance standards must be developed, quality ratings sourced, the feedback must be positively perceived and integrated and finally the outcomes must be used for career development, training and performance improvement.

The performance standards must be developed using the job descriptions and well defined criteria for the work. Customers (retailers), suppliers, the team leader’s peers, merchandisers and managers can provide performance assessments through interviews and structured surveys.

The appraisal information is used in feedback to the employee and it serves as important inputs for career development and training. The broad spectrum ensures a good evaluation of the workers strengths and weaknesses and it enhances self-insight to develop to one’s full potential. According to Erasmus et al (2003:391) this approach fits with current trends in leadership thinking.
The process is fairer, because elements of subjectivity are lessened and a more objective view of the employee’s actual performance can be formed.

5.4 CONCLUSION

The study aimed to identify which performance appraisal system is currently used in The Cold Chain, how this system compare with the fundamental requirements of a successful appraisal system and what requirements can be adopted to make the way in which Team Leaders are appraised more effective. The performance appraisal form part of the performance management system and it fits as a measuring tool to identify performance measures, training and development needs, unsatisfactory performance and good performance.

The current performance appraisal system in use at Mercor is a trait scale system. A trait scale method of performance appraisals does not reflect measurement against clearly defined job criteria and is difficult to legally defend. The essential elements for successful appraisal systems such as reliability, relevance, sensitivity, uncontaminated information, acceptability, practicality and legality will be present in a 360-degree approach.

The implementation of an effective performance appraisal system will aid in the organisation’s competitive edge, its sustainability and profitability.
ANNEXURE 1

PRIVATE AND CONFIDENTIAL

PERFORMANCE APPRAISAL AND
MANAGEMENT DEVELOPMENT REVIEW

Surname:
...........................................................................................................................
............

First Names:
...........................................................................................................................
............

Department: Distribution Centre:
...........................................................................................................................
...........................................................................................................................
1. PERSONAL DETAILS

Name:…………………………………………..Position:…………………………………………
Peromnes Grade:…………Department:………………DC:…………………………………
Date of Birth:……………………………………  Date of Engagement:……………………

2. EDUCATIONAL QUALIFICATIONS

Highest Qualification
Obtained:…………………………………………………………………………………………

Other Qualifications/Training
Courses:…………………………………………………………………………………………

3. OCCUPATIONAL HISTORY

Current Position:………………………………………………………………………………
Length of time in this position:……………………………………………………………
Previous Position:……………………………………………………………………………
Length of time in this position:……………………………………………………………

Comments:
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………

4. KEY PERFORMANCE AREA (KPA’s)

List the KPA’s for your position in order of priority.

<table>
<thead>
<tr>
<th>KEY PERFORMANCE AREAS (KPA’s)</th>
<th>RATING</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
</tr>
</tbody>
</table>
4. 

5. 

Kindly rate the employee in respect of his/her KPA’s on the basis on , Exceeds Requirements (ER), Meets Requirements - (MR-), Meet Requirements (MR), Meet Requirements + (MR+)
Below Requirements (BR).

Remarks:……………………………………………………………………………………………………………
…………………………………………………………………………………………………………………………
……………………….

5. MANAGEMENT COMPETENCIES

Rate the employee in terms of his/her performance and behavior by ticking the appropriate box in the areas below:

5.1 TECHNICAL COMPETENCIES

<table>
<thead>
<tr>
<th></th>
<th>Exceeds Requirements</th>
<th>Meets Requirements +</th>
<th>Meets Requirements</th>
<th>Meets Requirements -</th>
<th>Below Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This issue measures the employee’s technical knowledge, skills and ability in performing the job. It covers the ability to plan and organise work, analyse problems and separate the important from the unimportant.

Remarks:……………………………………………………………………………………………………………
…………………………………………………………………………………………………………………………
……………………….

5.2 INITIATIVE

<table>
<thead>
<tr>
<th></th>
<th>Exceeds Requirements</th>
<th>Meets Requirements +</th>
<th>Meets Requirements</th>
<th>Meets Requirements -</th>
<th>Below Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This issue measures the “extra something” that the employee gives to his/her work. It includes personality traits such as energy, enthusiasm, creativity, and the willingness to accept responsibility and leadership.

Remarks:……………………………………………………………………………………………………………
…………………………………………………………………………………………………………………………
……………………….

5.3 RELIABILITY AND STABILITY

<table>
<thead>
<tr>
<th></th>
<th>Exceeds Requirements</th>
<th>Meets Requirements +</th>
<th>Meets Requirements</th>
<th>Meets Requirements -</th>
<th>Below Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
This issue measures the ability of the employee to complete a task accurately and on time with a minimum of supervision and follow-up. It also covers emotional stability, particularly when under pressure.

Remarks:……………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………….

5.4 INTERPERSONAL COMPETENCE

<table>
<thead>
<tr>
<th>Rating</th>
<th>Exceeds Requirements</th>
<th>Meets Requirements +</th>
<th>Meets Requirements</th>
<th>Meets Requirements -</th>
<th>Below Requirements</th>
</tr>
</thead>
</table>

This issue measures the ability to maintain effective working relationships with others, including seniors, co-workers, subordinates, suppliers and customers.

Remarks:……………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………….

5.5 ATTITUDE

<table>
<thead>
<tr>
<th>Rating</th>
<th>Exceeds Requirements</th>
<th>Meets Requirements +</th>
<th>Meets Requirements</th>
<th>Meets Requirements -</th>
<th>Below Requirements</th>
</tr>
</thead>
</table>

Does the employee demonstrate a positive and professional approach to his/her assignments? Is he/she a helpful member of the team?

Remarks:……………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………….

5.6 MANAGEMENT STYLE

<table>
<thead>
<tr>
<th>Rating</th>
<th>Exceeds Requirements</th>
<th>Meets Requirements +</th>
<th>Meets Requirements</th>
<th>Meets Requirements -</th>
<th>Below Requirements</th>
</tr>
</thead>
</table>

Does the employee demonstrate a management style conducive to creating a participative climate in the organisation?

Remarks:……………………………………………………………………………………………………
………………………………………………………………………………………………………………
………………………….

5.7 OVERALL RATING (ITEMS 5.1 TO 5.6)

<table>
<thead>
<tr>
<th>Rating</th>
<th>Exceeds Requirements</th>
<th>Meets Requirements +</th>
<th>Meets Requirements</th>
<th>Meets Requirements -</th>
<th>Below Requirements</th>
</tr>
</thead>
</table>
5.8 POTENTIAL FOR MANAGEMENT ENHANCEMENT

<table>
<thead>
<tr>
<th>Rating</th>
<th>Exceeds Requirements</th>
<th>Meets Requirements</th>
<th>Meets Requirements +</th>
<th>Meets Requirements -</th>
<th>Below Requirements</th>
</tr>
</thead>
</table>

What is the scope for and timing of future promotion?

Remarks:………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………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SIGNATURE OF EMPLOYEE: ..............................  DATE: ........................................

SIGNATURE OF SUPERVISOR: ..............................  DATE: ........................................
ANNEXURE 2

TCC Retail Services

JOB DESCRIPTION

<table>
<thead>
<tr>
<th>Job Title:</th>
<th>Retail Team Leader</th>
<th>Branch:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department:</td>
<td>Retail Services</td>
<td>No. of Incumbents:</td>
</tr>
<tr>
<td>Job Summary:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Organisational Structure (Titles) | Minimum Requirements

<table>
<thead>
<tr>
<th>Superior</th>
<th>Operations Manager</th>
<th>Education</th>
<th>Matric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incumbent</td>
<td>Retail Team Leader</td>
<td>Experience</td>
<td>Management of team especially FMCG</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>IR knowledge</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Computer literacy</td>
</tr>
<tr>
<td>Subordinate</td>
<td>Sales Co-ordinator Merchandisers</td>
<td>Other Requirements</td>
<td>Sales Mangmt Diploma</td>
</tr>
</tbody>
</table>

KEY PERFORMANCE AREAS

<table>
<thead>
<tr>
<th>Achievement of targets</th>
<th>Staff Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>Development and Maintenance</td>
</tr>
<tr>
<td>Control</td>
<td>of Customer Relations</td>
</tr>
<tr>
<td>Administration</td>
<td>Promotions</td>
</tr>
<tr>
<td>Planning</td>
<td></td>
</tr>
</tbody>
</table>
TCC Retail Services

Job Description

<table>
<thead>
<tr>
<th>Description of Task</th>
<th>% Time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Achievement of Targets</strong></td>
<td>10%</td>
</tr>
<tr>
<td>Achieve or exceed budgetted sales targets, relevant to team</td>
<td></td>
</tr>
<tr>
<td>Monitor and control returns ratios, relevant to manufactures targets</td>
<td></td>
</tr>
<tr>
<td><strong>2 Budget</strong></td>
<td>5%</td>
</tr>
<tr>
<td>Assist in the creation of the teams annual operational expenses budget</td>
<td></td>
</tr>
<tr>
<td>Monitor operational expenses, and control within budgetted levels</td>
<td></td>
</tr>
<tr>
<td>Prepare and present monthly variance report/feedback, to team and management including sales vs budget, by store/route/team, and expenses vs budget by team</td>
<td></td>
</tr>
<tr>
<td><strong>3 Staff Development</strong></td>
<td>40%</td>
</tr>
<tr>
<td>Initiate and develop team spirit and moral within team</td>
<td></td>
</tr>
<tr>
<td>Visit each merchandiser/route every week</td>
<td></td>
</tr>
<tr>
<td>Ensure that all team members attend monthly team briefing</td>
<td></td>
</tr>
<tr>
<td>Identify training and development needs, generic to team and specific to individuals</td>
<td></td>
</tr>
<tr>
<td>Implement merchandiser training on product knowledge and technical skills</td>
<td></td>
</tr>
<tr>
<td>Develop merchandisers and sales co-ordinator through individual attention</td>
<td></td>
</tr>
<tr>
<td>Conduct twice yearly appraisals on all team members</td>
<td></td>
</tr>
<tr>
<td><strong>4 Development and Maintainence of Customer Relations</strong></td>
<td>20%</td>
</tr>
<tr>
<td>Review sales performance by store, with relevant store mangmt, quarterly</td>
<td></td>
</tr>
<tr>
<td>Review sales performance by product category, with relevant principals, monthly</td>
<td></td>
</tr>
<tr>
<td>Follow-up customer/store complaints or problems, timeously</td>
<td></td>
</tr>
<tr>
<td>Conduct trade visits with principals, on a regular/scheduled basis</td>
<td></td>
</tr>
<tr>
<td>Review service levels to stores regularly, including extended trading hours</td>
<td></td>
</tr>
<tr>
<td><strong>5 Promotions</strong></td>
<td>10%</td>
</tr>
<tr>
<td>Ensure all promotional activity is implemented, as per suppliers brief, on time</td>
<td></td>
</tr>
</tbody>
</table>
Ensure that manufacturers receive objective feedback on the effectiveness of promos

<table>
<thead>
<tr>
<th>6 Planning</th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attend weekly ops meeting with the Operations Manager</td>
<td></td>
</tr>
<tr>
<td>Plan leave rosta and relief cover, for all team members</td>
<td></td>
</tr>
<tr>
<td>Participate in the development of the retail sales strat-plan</td>
<td></td>
</tr>
<tr>
<td>Plan effective and structured monthly team briefings</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7 Administration</th>
<th>5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete monthly sales report, for Operations Manager</td>
<td></td>
</tr>
<tr>
<td>Ensure that principals are supplied with relevant market intelligence, timeously</td>
<td></td>
</tr>
<tr>
<td>Oversee the administration requirements of the team</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8 General</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adhere to company Industrial Relations policies and procedures</td>
<td></td>
</tr>
<tr>
<td>Works in compliance with TCC employees handbook on safety, which is</td>
<td></td>
</tr>
<tr>
<td>in accordance with the Occupation Health and Safety Act</td>
<td></td>
</tr>
<tr>
<td>In terms of interchangeability of labour, performs any company work not necessarily included in this job description, as directed by Management</td>
<td></td>
</tr>
</tbody>
</table>
ANNEXURE 3

QUESTIONNAIRE: PART 1

THE PERFORMANCE APPRAISAL AND MANAGEMENT DEVELOPMENT REVIEW USED FOR JUNIOR MANAGEMENT TEAM LEADERS IN MERCOR

BIOGRAPHICAL DATA

Please indicate your answer by placing an X in the appropriate block.

1. Please indicate your gender.

<table>
<thead>
<tr>
<th>Male</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td></td>
</tr>
</tbody>
</table>

2. How long have you been in employed in your current position at Mercor?

<table>
<thead>
<tr>
<th>Between 1 and 5 years</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 5 and 10 years</td>
<td></td>
</tr>
<tr>
<td>Between 10 and 15 years</td>
<td></td>
</tr>
<tr>
<td>Longer than 15 years</td>
<td></td>
</tr>
</tbody>
</table>

3. What was your previous position in the company?

<table>
<thead>
<tr>
<th>Mid Trade Representative</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Spar Specialist</td>
<td></td>
</tr>
<tr>
<td>Food Service Representative</td>
<td></td>
</tr>
<tr>
<td>Merchandiser</td>
<td></td>
</tr>
<tr>
<td>Tele Seller</td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td></td>
</tr>
<tr>
<td>Warehouse</td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td></td>
</tr>
<tr>
<td>Outside employer</td>
<td></td>
</tr>
</tbody>
</table>

4. Please indicate your age.

<table>
<thead>
<tr>
<th>Between 20 and 30</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 30 and 35</td>
<td></td>
</tr>
<tr>
<td>Between 35 and 40</td>
<td></td>
</tr>
<tr>
<td>Older than 40</td>
<td></td>
</tr>
</tbody>
</table>
QUESTIONNAIRE: PART 2

PLEASE ANSWER THE FOLLOWING QUESTIONS RELATING TO THE CURRENT PERFORMANCE APPRAISAL AND MANAGEMENT REVIEW SYSTEM USED IN MERCOR

Please indicate your answer by placing an X in the appropriate block.

1. FUNCTION OF THE PERFORMANCE APPRAISAL

The objectives of a performance appraisal system are primarily evaluative and developmental.
Please indicate if you approve or disapprove of the following statements.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disapprove</th>
<th>Disapprove</th>
<th>Approve</th>
<th>Strongly Approve</th>
</tr>
</thead>
<tbody>
<tr>
<td>The current system is developmental.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The current system is evaluative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The current system is developmental and evaluative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The current system is neither of the above</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. THE EFFECTIVENESS OF THE APPRAISAL METHOD USED

The type of appraisal technique that a company uses should serve the appraisal’s main goal for it to be successful.
Please indicate how much you approve or disapprove of each statement.
3. INVOLVEMENT IN THE PERFORMANCE APPRAISAL

Various persons can be involved in the performance appraisal of an employee including immediate supervisor, peers, customers, subordinates or self-appraisals.

Please indicate to what extent you approve or disapprove that each of the following persons should be involved in your performance appraisal.

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disapprove</th>
<th>Disapprove</th>
<th>Approve</th>
<th>Strongly Approve</th>
</tr>
</thead>
<tbody>
<tr>
<td>The appraisal method used is fair and unbiased.</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>The appraisal method is suitable for a sales force.</td>
<td></td>
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</tr>
</tbody>
</table>

4. OBJECTIVES AND CRITERIA USED FOR PERFORMANCE APPRAISALS

Objectives and behaviours should be well defined, realistic, measurable, specific and mutually agreed. The employees should first be trained on the criteria of quantity or quality used for the appraisal.

Please indicate how much you approve or disapprove of the following statements.
The appraisal method that includes the trait-scales (Attitude, Initiative, etc) on the form is vital in performance management. Please indicate to what extent you approve or disapprove that the following appraisal methods could be used in Mercor.

<table>
<thead>
<tr>
<th>The criteria for my job are always well defined.</th>
<th>Strongly Disapprove</th>
<th>Disapprove</th>
<th>Approve</th>
<th>Strongly Approve</th>
</tr>
</thead>
<tbody>
<tr>
<td>The criteria for my job are always realistic.</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>The criteria for my work are always measurable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The criteria required from me are mutually agreed upon</td>
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</tr>
<tr>
<td>The criteria of quantity required in my job performance are clear.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The criteria of quality required in my job performance are clear</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current criteria are constantly reviewed, adapted and discussed with me.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. TECHNIQUES FOR PERFORMANCE APPRAISALS
5. REQUIREMENTS FOR AN EFFECTIVE PERFORMANCE APPRAISAL SYSTEM.

Specific prerequisites for a successful performance appraisal system include reliability, sensitivity or discriminability, uncontaminated ratings, relevance, practicality, acceptability and legality.

Please indicate how much you approve or disapprove of the following affirmations.

<table>
<thead>
<tr>
<th>Affirmation</th>
<th>Strongly Disapprove</th>
<th>Disapprove</th>
<th>Approve</th>
<th>Strongly Approve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essay writing on the strengths and weaknesses of my work performance.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Comparison of my performance to that of other employees with the same job.</td>
<td></td>
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</tr>
<tr>
<td>Being appraised on the BARS method where job criteria and rating for my specific job was researched and analysed by experts.</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Being appraised on mutually agreed criteria between my supervisor and me.</td>
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</tr>
<tr>
<td>A 360-degree approach where subordinates, peers, customers and superiors have influence on the appraisal.</td>
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</tr>
<tr>
<td>Continue with the current appraisal method of trait-scaling.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strongly Disapprove</td>
<td>Disapprove</td>
<td>Approve</td>
<td>Strongly Approve</td>
</tr>
<tr>
<td>----------------------------------------------------------------</td>
<td>---------------------</td>
<td>------------</td>
<td>---------</td>
<td>------------------</td>
</tr>
<tr>
<td>My performance appraisal will be the same if it is repeated within a short period.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The current performance appraisal differentiates between good and poor performers.</td>
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</tr>
<tr>
<td>My performance appraisal will not be influenced by extraneous issues such as out of stock situations.</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>The current system is directly related to the goals of my work and the objectives of the company.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>The current system is easy to understand and can be used with ease by employees and managers.</td>
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<td></td>
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</tr>
<tr>
<td>I trust and believe in the current performance appraisal system</td>
<td></td>
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<tr>
<td>The current system’s outcomes can be legally defended with relation to the current labour legislation.</td>
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</tbody>
</table>

7. ALLIGNING THE COMPANY’S OBJECTIVES WITH THE PERFORMANCE MANAGEMENT PROCESS

The performance appraisal is a segment of the performance management process. In conjunction with other processes it can deliver effective contributions to the company.

Please indicate how much you approve or disapprove that the following processes taking place before the performance appraisal is used.
| The performance in my work is constantly monitored and inefficiencies are described promptly. | Strongly Disapprove | Disapprove | Approve | Strongly Approve |
| Regular feedback on my performance is received. | | | | |
| If my work suffers because of personal problems, guidance and coaching as well as support are provided. | | | | |
| My objectives are clearly defined. | | | | |
| The ability to evaluate performance is planned for by the company. | | | | |
| Rewards are bestowed on good performers. | | | | |
| Poor performance are met with disciplinary action | | | | |

8. EVALUATOR FAULTS

Managers and persons conducting performance appraisals should detect and evaluate conduct as objectively as possible without preconception or bias. Please indicate to what extent you approve or disapprove that the following rater errors occur regularly.
<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Approve</th>
<th>Disapprove</th>
<th>Approve</th>
<th>Strongly Disapprove</th>
</tr>
</thead>
<tbody>
<tr>
<td>The evaluator is too strict.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The evaluator is too lenient.</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>I am always evaluated as average.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The evaluator is influenced by factors like race, gender or age.</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The evaluator is influenced in his/her assessment of me by their like or dislike in me.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The evaluator is well educated to conduct a performance appraisal.</td>
<td></td>
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</tr>
</tbody>
</table>
DEAR TEAM LEADER

The attached questionnaire form part of the dissertation I am preparing for the completion of a Magister in Business Administration (MBA) at the Nelson Mandela Metropolitan University (NMMU) in Port Elizabeth.

The purpose of the questionnaire is to evaluate the current performance appraisal system used for Team Leaders in Mercor and to provide recommendations based on the results of the research.

The research is conducted with all Team Leaders nationally and your contribution will be valuable and influence this study.

You are kindly requested to answer all the questions in the attached questionnaire. The questions relate to how your performance is currently assessed through the performance appraisal and management development review in use at The Cold Chain nationally. The questionnaire does not provide an option for your name and you cannot be identified as a participant in the study.

Yours faithfully

________________________________________
COBUS BOTHA
RESEARCHER

________________________________________
PROF. N.D. KEMP
PROMOTER

Adapted from Terblanche, G.M., 2004.
ACKNOWLEDGEMENT

I would like to take this opportunity to thank the following people for their support, understanding, encouragement and assistance:

1. The Lord for the ability he gave me to complete my studies.
2. My wife Amanda and my two daughters, Chantel and Anja, for their love, patience, understanding and sacrifice.
3. My parents and sister for their love, encouragement, financial assistance and support.
4. The Cold Chain and in particular H. Reyneke, for their support and assistance during the completion of this work.
5. My fellow students who supported and encouraged and motivated me during our studies.
6. Professor N.D. Kemp for his patience and support.

Thank you all.
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