

**INVESTIGATING THE EFFECTS OF PERFORMANCE APPRAISAL IN
THE DEPARTMENT OF WATER AND SANITATION: A STUDY OF
SOUTHERN OPERATIONS REGIONAL OFFICE**

by

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DEDICATION

I dedicate this treatise to my late grandmother, Phyllis Nompumelelo Adonis, and my late mother Xoliswa Meridith Adonis. Your absence has left a silent grief indeed.



Phelisa Adonis

2019.03.14

Date:

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To my dearest boys Lindokuhle Rofhiwa and Dowhani, thank you for your understanding , support and patience during this difficult time

Above all I would like to thank God for his grace. upon me.

DECLARATION

I Adonis Phelisa Student number,215330749 hereby declare that this treatise for the degree of Master of Arts Public Administration and Management is my own work and it has not previously been submitted for any postgraduate studies to another university.

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ABSTRACT

This research examined the use of a personnel performance appraisal, a component of performance management system to evaluate employees at the Southern Operation Region Office of the Department of Water and Sanitation, Port Elizabeth and how this affects their performance. Writers in the available literature, contend that the objective of performance appraisal policy is to review work performance and provide feedback to facilitate measures and programmes to improve employee performance. Cascio and Aginis (2011:73) write that performance appraisal is a systematic description of individual or group job-relevant strengths and weaknesses as an important part of a performance management system.

The study *firstly* analyses the effectiveness of performance appraisal in evaluating the management of the utilisation of resources. *Secondly*, the appropriateness of the tool in assessing the capacity of employees and contributing towards facilitating programmes and training to develop employee effectiveness. *Thirdly*, the study also examined the perception of employees on the use of performance appraisal as a management tool in the Department of Water and Sanitation Regional Operation Office.

The study adopted a mainly qualitative methodological approach and purposively selected a sample of 30 employees at the Southern Operation Region Office of the Department of Water and Sanitation in Port Elizabeth who completed the questionnaire for the study. The choice of the qualitative research methodology is due to the fact that the approach is well suited to the collection of in-depth and perceptual information and for discovering underlying motivations and perceptions of the employees as respondents. The general employees at the area chosen for the study is one of a relatively young employee profile. The average age of the employees is about 28.

The findings revealed that competence, assessment and development, communication and the adequate training which employees received based on the performance appraisal all had an impact on employee performance in Department of Water and Sanitation. Furthermore, factors, such as employee training, competence and communication could not be ignored since they were rated to a moderate extent

by the employees and it also contributed to employee performance. The study findings specifically highlight the importance of effective communication between the employer and the employees in order to improve employee performance appraisal processes. The study recommends a set of guidelines which could be used in improving the current performance appraisal policy and further boost employee performance.

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CHAPTER ONE

RESEARCH PROPOSAL

1.1 INTRODUCTION

This study examines the effects of performance appraisal on employees in the Southern Operations Regional Office of the Department of Water and Sanitation. Performance appraisal connotes measuring and rating an employee's performance based on the employee's job description and standards, and comparing with group performance. Cascio and Aginis (2011:73) write that performance appraisal is a systematic description of individual or group job-relevant strengths and weaknesses as an important part of a performance management system. As a management tool, performance appraisal forms part of a performance management system utilised for evaluation of programme performance, for managing personnel performance, for accountability to citizens, and for providing information to facilitate public stakeholder participation in local government (Bernstein, 2000:95). The objectives of performance appraisal as a component of a performance management system includes the setting of measurable targets, evaluating achievement against set indicators and utilising the information to improve decision making and management. Performance appraisal as part of performance management system serve both as strategic and operational purposes and therefore can be conceptualised as enabling and operational functions in public administration theory and practice. Carrel et al (1998) also define performance appraisal as "an ongoing process of evaluating and managing both the behaviour and outcomes in the work place". Some institutions emphasise the technical aspects of rating employees in its appraisal, yet there are social and motivational aspects involved in any form of appraisal. Therefore using the Southern Operations Regional Office as the area of study, this research aims at investigating the effect of performance appraisal on selected employees.

1.1.1 Background

The Southern Operation is a regional office within National Water Resources Infrastructure Branch (NWRIB) that exists to ensure a reliable supply of Water from

Water resources infrastructure. The delivery of the service is expected to meet sustainable national, regional, social, economic and environmental objectives for all South African citizens.

In terms of the National Water Act, 1998 (Act No. 36 of 1998) the Department is responsible for the regulation of Water use in South Africa by ensuring that Water is allocated equitably and used beneficially in the public interest, and it is also required to create a register of all Water users in the country. The Act makes provision for cost recovery on services rendered by DWS to Water users. It is against this background that the Department created the Water Trading Entity within its administration. It has been operating as an integral part of the Department with very limited segregation of functions from the Department's Main Exchequer Account. The management of performance functions, which performance appraisal forms part of, within the Southern Operations Regional Office is vested in the Director-General of the Department of Water Sanitation who acts as its accounting officer. The funding of its activities derives from the Department's equitable share as a transfer and through revenue collection from the various Water schemes operated throughout the country. Its main functions relate to the development, operation and maintenance of specific Water resources infrastructure and managing Water resources in specific Water management areas. The goal of the Southern Operations Regional Office is to achieve management of financial sustainability and quality of performance in the delivery of the services.

The absence of service provision standards in the public sector prior to 1994 led the democratic government to enact legislation and policy guidelines for the establishment and implementation of performance management systems to underline the rules of engagement for providing services by public entities (see Asmah-Andoh, 2012:1). According to Bernstein (2005:95) a performance management system is a management systems which is utilised for the evaluation and appraisal of employee and programme performance, for managing personnel performance. An important aspect of any performance management system is the appraisal process and the utilisation of the appraisal information (performance information) to manage better, for accountability to citizens, and for providing information to facilitate public stakeholder participation in local government. However, the processes of appraisal, through the setting of measurable targets, evaluating achievement against set indicators and utilising the information to improve decision-making and management could have the unintended consequences on employees. The above conceptualisation of

performance management programmes also explains performance management system in public institution as both enabling and operational functions in public administration theory and practice (see Asmah-Andoh, 2012:4).

As in many statutory public institutions in South Africa, a performance management system has been established as part of the Department of Water and Sanitation as a state organ. Performance appraisal is a tool which the Department of Water and Sanitation uses to measure or assess the performance of participants in their work places. Performance appraisals help create a corporate culture that promotes personal success, along with collaboration. Individual employees need the reinforcement of knowing that their contributions are valued by upper management. The appraisal process offers several benefits organizationally, generating an atmosphere of excellence. Performance appraisals allow management personnel to establish guidelines for compensation increases; track employee strengths and weaknesses; identify the best candidates for promotion; offer feedback for improvements; and promote training programs. Therefore each component is subjected to conduct performance appraisal as regulated. The processes of appraisal involve the employees and *raters or appraisers* of performance, which in many instances are their immediate line managers. The process invariably introduces some elements of subjectivity in the appraisal of performance, which could influence the perception of employees who are being appraised. In addition because the evaluation information is also used to award what is termed performance bonuses it is thought necessary to examine how performance appraisal affect employees in the Southern Operations Regional Office of the Department of Water and Sanitation.

1.1.2 Research Problem

Performance appraisal plays a vital role in the identifying the employee's future training needs, motivating employees in performing their duties and enable management to take administrative decisions in the placement , transfer and increase the remunerations of the employee. At the same time the subjectivity associated with performance appraisal could also have unintended consequences and negative perceptions which could influence productivity. The problem for the study is how employees Southern Operations Regional Office within the Department of Water and

Sanitation perceive performance appraisal as part of performance management system and the extent to which this influence the performance of their functions.

1.1.3 Research Question

The proposed study will be guided by the following research questions:

- What are employees' opinion of performance appraisal;
- What are the challenges associated with the performance appraisal in the department of Water and Sanitation in the case of Southern Operations;
- What do employees consider as some of the effects of performance appraisal;
- What have been management's reflection and recommendations to improve the use performance appraisal?

1.1.4 Research Objectives

The proposed study will focus on the following objectives:

- To examine the effect of performance appraisal with the department of Water and Sanitation;
- To identify the challenges associated with performance appraisal;
- To analyse the utilisation of performance appraisal in a performance management system;
- To propose measures for optimising the performance appraisal.

1.2 LEGISLATION AND POLICY ON WATER AND SANITATION SERVICES IN SOUTH AFRICA

This part takes into consideration all relevant legislative frameworks, which governs and mandate the performance appraisal system to be implemented in the work places. The Department of Water and Sanitation is one of the government department, which receives its mandate from the Constitution, 1996 and legislations from parliament from time to time. Its functions includes the protection of the country's Water resources and

effectively utilisation for the benefit of all citizens. Important pieces of legislation on the delivery of Water services include Water Services Act of 1997 and the National Water Act of 1998. These and other related pieces of legislation provide the framework for the delivery of Water services in the whole of the country.

For all the departments to be able to function and operates with the aim of realising their strategic objectives, the performance of their participants need to be unharnessed, natured and managed through the process of the performance management which also encompasses the performance appraisal process. The constitution of the country therefore leads into amalgamation of the countries' different departments governed by integrated legislative framework, which is spearheaded, by the department of public service administration and public service commission. It is clear that since 1994, several changes have taken place especially with regard to functioning of different department , as before 1994 they use to operate independently having their legislative frameworks which only apply and relevant to them. The integration of such framework were influenced by the following white paper acts and bargaining council resolution:

- White paper on transforming service delivery, 1997. It entails the principles of the public service delivery, with slogan that says "People first " .
- White paper on human resources management, which deals with human resource matters.
- White paper on transformation in public service 1995, which also mandates the department of Water and Sanitation.
- The white paper on affirmative action, training and development in 1996, which emphasis the redress of previous imbalances.
- The public service act 1994, which governs the departments.
- Public service regulation 2001, which emphasises the performance management, service conditions and other benefits amongst others.
- Labour relations act 1998, which regulates the relation between the employer and the employee's labour movement.
- Public Service act 111 of 1998, which concerns with the operation and management of the department of Water and Sanitation.

The existence and the functioning of the legislation framework, which authorise the performance appraisal, process to be implemented in the department of Water and

Sanitation is somehow influenced by some of the theories, which will be dealt with in the next part of the study.

1.2.1 The performance appraisal

The performance appraisal is not a new system that is being used but as old as emancipation of work itself. It is commonly practiced in the private and the public organization, as their employee's performance need to be continuously appraised, to enable the organization to realize the set goals as well as keeping the employees motivated. Pieter et al (2011:293) defines performance appraisal as an ongoing process of evaluating and managing both behaviour and the outcomes in the workplace". They also point out that the employee performance common to most jobs includes quantity of output, quality of output, timelines of output, presence at work cooperativeness". Since the performance appraisal in the department of Water and Sanitation environment is conduct biannually, whereby the midterm review entails the employee self-assessment and supervisors assessment with no formal written feedback, whereas the final performance assessment which is conducted annually, is conducted by the moderating committee whereby commit of 3-5 members, who score independently depending on relevancy of critical incidents. After the presentation the supervisor and the employee are required to leave the boardroom and they will be called later to be provided with the feedback of the different presented dimensions. This form of assessment is done formally in the presence of the labour unions representatives whose role is to observe as to whether there is no any form of manipulations taking place and also to ensure that the processes is free and fair.

The role in which the performance appraisal plays in the organization cannot be over emphasized. In the organization where performance appraisal is implemented for the sake of compliance, the service delivery is in tatters, like for example the most public institution as well as municipalities, whereby people are rewarded based on favouritism not based on the performance. In that type of institution, the employee are demoralized, demotivated and the rate of the turnover is extremely low. This implies that the organization, where the performance appraisal is not taken seriously, no real performance is taking place, as set goals are not achieved at all. Take for example the service delivery protest which are we are witnessing day in and day out. Bonfield and Kay (2008: 281) view the performance "as a process that is commonly used

throughout many organization to evaluate or appraise employee performance". This implies that performance appraisal geared towards measuring and bettering the employee's performance as well as unleashing the employee's potential". The performance appraisal is seen by Cascio (2003:334), as serving the following purposes.

- "Appraisal provides legal and formal organization justification for employment decision"
- "To promote outstanding performance"
- "To weed out marginal or low performers"
- "To train transfers or discipline others"
- "To justify merit increase" and
- "One basis for reducing the size of the workforce in terms of the retrenchment"
- "Key input in administering a formal organization reward and punishment system".

It is through the process of performance appraisal whereby the over achievers, average achievers and below average achievers are identified and where necessary the merit rewards pay progression are awarded to the above average performers and the below average performers are therefore referred to the counselling where their behaviour will be modified. The performance appraisal in the department of Water and Sanitation is a formal and highly considered process, whereby the final annual process is conducted by the moderating committee, which allocates scores to individuals employees independently. In most of the cases the moderating committee's decision is final. In some exceptional cases where the employees neglect their duties, formal investigation is instituted and the preparation is brought to the book whereby most of them lost their jobs.

1.2.1.1 Appraisals are used as criteria in test validation

Through the performance appraisal process, the employee is classified as above average performers and below average performers, in the most if not all the public sector and private organization. This classification tends to influence our thinking and believing that the above average performers will do well in the organization in the

nearby future in the organization. This is confirmed by Cascio (2003:334)'s argument that "performance appraisal process are used as criteria in the test validation".

1.2.1.2 *Appraisal provides feedback to employees*

Upon the completion of the performance appraisal presentation and the part of allocating the score, the moderation committee recalls the supervisors and the employees to provide them with verbal feedback which is later to be followed by formal written feedback indicating all short falls or successes and the specific explanation as to where to improve. According to Pieter et al (2011:298) "the employee's they receive the feedback specifies goals, which in turn enhances future career moves".

1.2.1.3 *Appraisal can help establish objectives for the training programs*

It has been re-integrated that performance appraisal enable the organization to identify the average and under achievers. As soon as these categories of performers are identified, they are referred to the employee assistance programme that assist the supervisors to come up with the developmental programme to mature the employee's skills relating to overall work performance. In terms of the department of Southern Operations performance management and development system for DCS employees (level 2-12) (2008:13) "the performance management process requires that corrective measures need to be taken in respect of candidates who were assessed and moderated the category of unsatisfactory performance". It is further emphasized that "interactions with these employees need to be managed at hand of personal assistance plan to guide remedial action which will address existing gaps in the official performance .

1.2.1.4 *Appraisal can help diagnose organizational problems*

The Southern Operations participants in the department of Water and Sanitation are apprised according to the set standards or criteria, which reflects the performance indicators and key performance areas of the respective employee's field of work. Such assessment enables the management to detect whatever problems maybe ensuring

with regard to the overall organization's performance. Take for example in the year 1996 whereby the transformation in terms of getting rid of military ways of doing things. It was discovered that the number of staff members are demoralized and demotivated due to uncertainties with regard to their future in the department, as there was no clear communication as to which direction the department is heading to. As soon as such problems were detected the relevant strategies were put in place as to bring stability and the security which the department always offers to its employees as well as its stakeholders.

1.2.2 Performance appraisal objectives

The performance appraisal in the organization is implemented not out of fun but due to the fact that it has certain objectives to achieve for the organization to prosper. According to Carrel et al (1995: 349) "performance appraisal are the key element in the use and development of the organization most of vital resources which are the employees". In other words, the performance appraisal's main focus is the organization's employees whose empowerment through training and development form the backbone or foundation of the organization's success. Without the performance appraisal in the workplace, the measurement of the organization's existed will be short live.

1.3 RESEARCH DESIGN AND METHODOLOGY

A research design describes and explains the researcher plans and activities of and including data collection, population sampling data analysis and methodological paradigm and the validity of the instruments adopted. Thus, a research design may be described as relating to the appropriate methodology and ensuring the adequacy and validity of the instruments for obtaining answers to the research question.

A methodology is fundamental to every purposeful human action, such as scientific research. Various methodological paradigms exist for social science study and, as Yin (1994) asserts, the purpose of the research design and methodology depends on the nature and context of the research. The choice of the methodology and design also explains processes for data collection and analysis in the research study. This

research intends to examine the whether and how the processes of appraising the performance of employees, as part of performance management system, affect the employees at the Southern Operations Regional Office. The nature of this research is descriptive, explanatory and exploratory. This study adopts the qualitative research methodology for collecting and analysing data with the view to answering the research questions.

1.3.1 Research population and sampling

Various sampling methods may be identified in a qualitative methodological study, including purposive sampling method, quota sampling method and snowballing sampling method. For this study, the method that is used is purposive sampling, which by definition is a form of non-probability sampling. The sampling technique is based on the researcher's decisions concerning the individuals to be included in the sample. Such decision relates to a variety of criteria including specialist knowledge of the research issue, or capacity and willingness to participate in the research (Oliver, 2006: 245-246). Questionnaires or interviews in the survey are then administered to the purposively selected sample of respondents.

The sample and the method of selecting the sample size and characteristics of the respondents required for this study is dependent on the objectives of research study. The study is concentrated at the Regional office of Department of Water and Sanitation Southern Operations. Data was collected from the purposively selected participants within the study population for the study. The study population is the employees of The Southern Regional Office, which has a staff strength of 245 participants in the various components. The researcher adopted the use of purposive sampling to select 30 participants in various sections of the institution for the study. These participants, in the opinion of the researcher, would be able to provide adequate relevant information on the utilisation of performance appraisal as part of performance management system in the Southern Operations Regional Office.

The study utilised both primary data and secondary data. Thus, in addition to the primary data gathered through questionnaires on the purposively selected sample, secondary data was utilised by consulting various existing reports and official documents.

1.3.2 Data analysis

During the data analysis, the questionnaire's perused to check for common findings and use the various relevant theoretical concept necessary to interpret the participants view. According to Bless et al (2006:163) the data analysis process allowed the researcher to generalise the findings from the sample used in a research to a larger population in which the researcher is interested. It was explained that due to the restricted nature of the study, caution needed to be exercised in generalising the findings even to the Department of Water and Sanitation in the Republic of South Africa. However the findings contributes to broader understanding of how employees perceive the use of performance appraisal to evaluate employee performance. The gathered data was analysed in line with the qualitative methodology selected for the study. The data gathered was analysed with the help by the Mathematic and Statistics Department at NMU.

1.3.3 Ethical consideration

In line with exisiting requirements, this study and the ethical requirements were approved by the relevant committees of the of Nelson Mandela University. In this research study the following ethical principles were considered

- **Informed Consent;** the meaning and objectives of the study were fully explained to all participants in this research during data collection. Participants were given the choice to take part or refuse to take part in the study without any coercion or deceitful information.
- **Respect;** of the participant's emotions, freedom were acknowleged and taken into consideration, thus it can be stated that the research was conducted with respect to the dignity of participants.
- **Confidentiality;** the information that was given by the participants was given in confidence and proper care was at all times taken to protect the information from use by any other users. Participants' names and other forms of identification were not used as these were not required. Also and no item of identification was included in the research research report; the participants were informed and they agreed that the findings would be used for academic purposes in the form of journal publication and conference discussions.

1.4 OVERVIEW OF CHAPTERS OF THE RESEARCH REPORT

- **Chapter 1:** This chapter comprises of introduction and background to the research study, outlines the research objectives and aims of the study.
- **Chapter 2:** This chapter is used to analyse existing literature on performance appraisal as a component of a Performance Management System including applicable legislation and policy position of the government.
- **Chapter 3:** consists of the research methodology and research design adopted for the study, instruments used for the collection and analysis of data.
- **Chapter 4:** concentrated on the presentation, analysis and interpretation of data obtained from the questionnaires and interviews.
- **Chapter 5:** This chapter provided a summary of conclusions and some recommendations.

CHAPTER TWO

NATURE OF PERFORMANCE APPRAISAL

2.1 INTRODUCTION

According to Armstrong (2001:475), the issues of accuracy and fairness in performance appraisal is one of the key research interest. In the field of Human Resources management, performance appraisal may be used as a means of measuring employee performance. The purpose of measuring employee performance is not to indicate only where things are not going according to plan but also to identify why things are going well so that steps can be taken to build on success (Levinson, 2005:4). The goal of performance appraisal is to access and summarize employee performance and develop future work, performance goals and expectations. Performance appraisal therefore is an important human resources function, which provides management with a systematic basis for effectively recognizing and evaluating the present and potential capabilities for human resources. The supervisors should continuously determine how effectively their subordinates are performing different tasks. Employees should be appraised at least once in a year, as this will contribute to increase employee efficiency and performance (Rudman, 2003:437).

The Department of Water and Sanitation has performance appraisal system designed to provide documented, constructive feedback regarding employee performance, spur growth and development. Employees are measured by his/her breadth of knowledge, understanding of roles and contributions to the department's strategic plan. The performance appraisal policy therefore offers a valuable opportunity to focus on work activities and goals as well as identify and correct existing problems and to encourage future employee performance. The main objective of performance appraisal is to develop and improve the performance of individual within the organization and to capacitate the managers in the process. This chapter conceptualises performance management and then discusses performance appraisal as a component of the processes. The analysis is intended to assist in creating a framework within which the usefulness of performance appraisal, as perceived by employees of the study are analysed. First, though the concept of performance management.

2.2 CONCEPT OF PERFORMANCE MANAGEMENT

According to Armstrong (2001:474), performance management is a joint process that involves both the supervisor and the employees, who identify common goals, which correlate to the higher goals of the organization. If employees are effectively appraised, then the organization will experience increased performance and improved quality of output (Peiperl, 2005:62). Anderson (2002:197) states that when employees are treated with care, shown trust, listened to and encouraged to do better, then they reciprocate by being responsible and productive. For effective development and utilization of the human talent, performance appraisal policy plays a key role since it enables an organization to identify objectively the employee's strengths and weaknesses. (Rudman, 2003:2) the organization will then be able to counsel the employees to improve on weak areas. This will help all the employees to contribute positively to the attainment of the organization objectives (Bates, 2003:5). Robert Baca (2012:3) also argues that performance management in an ongoing communication process, undertaken in partnership between an employee and his or her immediate supervisor, that involves establishing a clear, shared expectation and understanding about, he further urges that performance management gives us a starting point and we will continue to flesh out things as we go.

According to Armstrong (2009:28) much of the writing on performance management explains it's theoretical basis and how it ought to work in practice. Some authors attempt to provide a framework within which performance process can be developed, operated and evaluated. He also indicates that performance management is a systematic process for improving organisational performance by developing the individual and teams performance processes. Part of the objective is to try and prove that such analysis for also provides the opportunity for getting better results by understanding and managing performance within an agreed framework of planned goals, standards, and competency requirements.

Aguisis (2013:2) defines performance management as a continuous process of identifying, measuring, developing the performance of individuals and teams and aligning performance within the strategic goals of the organization. Nel (2008:493) also indicates that performance can be defined as a holistic approach and process towards the effective Individual and group to ensure that their goals as well as organizational strategic are achieved.

Bratton and Gold (2007:284) write that performance management refers to the set of interconnected practices which are designed to ensure a person's overall capabilities and potential are appraised. The inference include that the utilisation of performance management processes could allow management to set relevant goals and performance targets for employees' work and development and through assessment, data on work behaviour and performance can be collected and reviewed. In line with the objectives and processes of performance management system as a management tool, the information is then used to manage better.

2.3 THE PERFORMANCE MANAGEMENT PROCESS IN PERSPECTIVE

Schultz (2004:476) description of employee performance management systems is that the process comprises of planning, setting performance goals and performance measuring system, measuring performance and using the information to improve management and performance.

2.3.1 Performance Planning

According to Aguinis(2013:46) employee should a thorough knowledge of the performance management system , and at the beginning of each cycle , the supervisor and the employee should meet to discuss what needs to be done and how it should be done. Bussin states that the performance must be aligned with the strategic goal of the organisation, the first step in developing an effective performance management system is determining the organisation's objective. He also indicates that performance takes place by way of the conversation or dialogue between the individual employee and his or her manager where goals are aligned and their achievability and the achievability are addressed. He also indicates these goals need to be linked to the specific desired outputs which become the requisite performance standards.

Nel (2008:494) also argues that there need to be an adequate planning for performance management process to be as effective as possible , this stage entails a process of setting directions and setting expectation.

2.3.2 Performance Execution

According to Aguinis(2013:46) once the cycle begins the employee strives to produce the results and display the behaviour agreed upon earlier as well as to work on development needs. The employee has a primary responsibility and ownership of this process. He also argues that employee participation does not begin at the performance execution stage, however as noted earlier, employee needs to have active inputs in the development of job description, performance standards and creating of the rating form. He also added that at a later stage employees are active participants in the evaluation process, in that they provide a self-assessment and performance review interviews is a two way communication process. He also indicates that on execution stage the following factors must be present:

- Commitment to goal achievement
- Ongoing performance feedback and coaching
- Communication with the supervisor
- Preparing for performance review

Bussin indicates (2013:7) indicates that through the performance management process, managers and their subordinates should continue to discuss progress. He also emphasis the two-way communication is at the heart of the performance management process. Yet Nel promotes that at this stage of the process , the manager conducts interim checks on progress , explore causes of poor performance and provides coaching and mentoring to the employees.

2.3.3 Performance Appraisal /Performance Assessment

According to Aguinis(2013:49) in the assessment phase both employee and the manager are responsible for the evaluation to the extent to which the desired behaviour have been displayed and whether the desired results have been achieved. He also argues that although many sources can be used to collect performance information (e.g. peers, subordinates) in most cases the direct supervisor provides the information, this also includes the evaluation to the extent to which the goals stated in the development have been achieved. He further argues that it is important for both the employee and the manager to take ownership of the assessment process. According to Bussin, this is a supplement to the ongoing process to minimise the

chances of surprises for the manager or the employee, it is important to hold periodic discussions. However Price (2004:498) argues that the performance assessment serves as a key integrating role within an organisation's human resource processes. Yet Werner (2017:139) indicates that good performance appraisal should aim at developing the individual so as to improve his or her performance in the future, it should be an opportunity for employees to discuss their careers in the organisation and any training developments needs with their supervisors.

2.3.4 Performance Review

According to Marchington (2005: 193) indicate that , ideally reviews should be honest and open conversation between colleagues , it should summarise and draw conclusion from what happened since the last review based on the fact rather than opinion , moreover the should be no surprises as the issues should have been dealt with as they arose. They further argue that, learning from mistakes and motivations arising from successes are both more likely if they are commented immediately. Armstrong (2009:122) performance reviewed as it occurs by the individual as the managers, comparing what happened with what should have happened.

2.4 LEVELS OF PERFORMANCE MANAGEMENT

The are different levels in performance management individual levels and organizational. For this study attention will be concentrated on individual and organisational or team levels of performance.

2.4.1 The individual levels

According to Bussin (2013:7) the individual levels covers the arena of individual performance, the evaluation of the value added by people in the organization. He argues that performance need to cascade down from macro strategy, where the organization determines which pitch is required, it first aligns operations, unit, functions and only then aligns the individual contributions at the job or role level at this performance ethic. He also indicates that an employee sense of purpose often comes

knowing and understanding the role he or she plays in the performance of the organization as a whole and not just in his or her area unit or process .

2.4.2 Organizational Level

According to Bussin (2013:4) this encompasses the relation that the organisation has with its market, and also those major functions that comprises the organisation in its interaction with the external world the macro view. Aguinis(2013:6) states that results indicate that although there was a good strategic planning process in place, in most firms there was no clear relationship between firm level and individual levels goals. He also alluded that the organisation's strategic plan includes a mission statement, a vision statement as well as goals and strategies that will allow for fulfilment of the mission and vision.

2.5 MEASURING EMPLOYEE PERFORMANCE

The most difficult part of the performance appraisal policy is to accurately and objectively measure the employee performance (Bond and Fox, 2007:5). Measuring the performance covers the evaluation of the main tasks completed and the accomplishments of the employee in a given time period in comparison with the goals set at the beginning of the period (Rudman, 2003:4). According to Kuvaas (2006:508), measuring also encompasses the quality of the accomplishments, the compliance with the desired standards, the costs involved and the time taken in achieving the results.

Bond and Fox (2007:5) contend that measuring employee performance is the basis of performance appraisal policy and performance management. Accurate and efficient performance measurement not only forms the basis of an accurate performance review but also gives way to judging and measuring employee potential (Fletcher and Bailey, 2003:360).

For the purpose of measuring employee performance, different input forms can be used for taking the feedback from the various sources like the supervisor, peers and the employee (Markle, 2000:7). According to Rudman (2003:4), all the perspectives thus received should be combined in the appropriate manner and to get an overall,

complete view of the employees' performance. Bond and Fox (2007:128) state that some suggestions and tips for measuring employee performance are:

- Organizational outcomes or the achievement of organizational goals should also be kept in mind;
- If possible, collect the feedback about the performance of the employees through multi-point feedback and self-assessments; and
- Also take note of the skills, knowledge and competencies and behaviours of the employees that help the organization to achieve its goals.

According to Anderson (2002:2), for an organization to be effective for its goals, it is very important to monitor or measure its employee performance on a regular basis. Effective monitoring and measuring also includes providing timely feedback and reviews of the employees for their work and performance according to the pre-determined goals and solving the problems faced (Mani, 2002:142). Rudman (2003:12) highlights that timely recognition of the accomplishment also motivates and helps to improve the performance of employees. According to Aguinis (2009:2), measuring the performance of the employees based only on one or some factors can provide with inaccurate results and leave a bad impression on the employees as well as the organization. For example, by measuring only the activities in employee's performance, an organization might rate most of its employees as outstanding, even when the organization as a whole might have failed to meet the goals and objectives. Therefore, a balanced set of measures should be used for measuring the performance of the employees (Kuvaas, 2006:509).

In-depth knowledge of performance appraisal policy design and process (Bond and Fox, 2007:7).

2.6 THE NEED FOR EMPLOYEE PERFORMANCE MEASUREMENT

According to Whitney and Trosten-Bloom (2003:7), the problem of rating inflation also appears to be related to the personality of the rater. In situations where poor supervisor ratings are likely to result in conflict, managers high on the personality dimension agreeableness inflate their ratings much more than those who describe as low on the dimension (Smither and Walker, 2004:253). This appears to be because those high

on agreeableness rating appear to be particularly keen to avoid conflict situations. Therefore, they tend to inflate their ratings more when they know they will have to continue working with the employee in the future and they are aware that the employee sees his/her as a good performer (Anderson, 2002:2). It also suggests that there should be some component in appraiser training that helps raters to develop skills that will help to deal with conflict. Dessler and Gary (2000:322) contend that the issue of rater self-efficacy in terms of whether the employee believes that they can deal with potential conflict effectively. On this basis, developing the rater's belief that they can deal with potential conflict from a disgruntled poor employee performance could reduce the rater's motivation to inflate their ratings. effectively. On this basis, developing the rater's belief that they can deal with potential conflict from a disgruntled poor employee performance could reduce the rater's motivation to inflate their ratings.

2.7 THE PURPOSES OF MEASURING EMPLOYEE PERFORMANCE

According to Rechter (2010:65), the prevailing culture within an organization is often seen as being driven by power of the elite, a clique which controls the organization's norms from above. This is an example of the influence of politics within organizations. Levinson (2005:3) contends that there exists a deliberate manipulation of performance appraisal policy for political purposes, such as getting rid of subordinates and scaring or punishing poor employees. Byron (2007:728) suggests that the impact of political influences is less in the assessment of lower level employees in organizations but has a major impact at higher levels within organizations.

2.8 EMPLOYEE PERFORMANCE MEASUREMENT AND PERFORMANCE APPRAISAL POLICY

The problems with subjective forms of ratings do not seem to be entirely eliminated through rater training or re-design of rating scales (Byron, 2007:709). According to Fletcher and Bailey (2003:397), managers are perfectly capable of forming judgements of employee performance that are accurate. Fandray (2001:35) highlights "that rating inaccuracy was often a reflection of a deliberate conscious process of distortion used to serve the rater's agenda and not unconscious bias or error".

According to Atkins and Wood (2002:879), employee performance ratings are bunched around either moderate or high performance. Negative information is less likely to be conveyed than positive information. Moreover, a consequence of this is the tendency to rate employees as average or above, due to the interpersonal awkwardness of telling employee their performance is below average (Rechter, 2010:63). Byron (2007:728) states that “there is a tendency to mark at the middle of the scale or higher and raters may avoid giving negative news, because they employ empathic buffering”. According to Hunt (2005:268), there is evidence to suggest that in performance appraisal policy, managers are using ratings to achieve goals that are contrary to the goal of providing accurate employee performance ratings. Ratings may be motivated by a fear of conflict with poor performing employee. Moreover, inflation may also be used to improve an employees’ performance by increasing self-efficacy (Mackey and Johnson, 2000:8). Managers might also consistently inflate ratings to protect their employees’ reputation as good managers, if employees are seen to be performing poorly and this may reflect badly on the manager (Rudman, 2003:6).

2.9 STRATEGIC OBJECTIVES IN PERFORMANCE APPRAISAL POLICY

According to Anderson (2002:81), objectives of performance appraisal policies are as diverse as they are numerous. Performance appraisal objectives should be organization specific, as the policy should be aimed at a specific context for a specific purpose. Kuvaas (2006:505) states that an organization designs its performance appraisal policy and involves management and employees to assist in the design. The organization should provide the managers that are not performance appraisal experts with general performance appraisal policy guidelines (Ford, 2004:551). These guidelines act merely as design input and guide the lay person who does not possess.

2.10 COMPONENTS OF AN EFFECTIVE PERFORMANCE APPRAISAL POLICY

According to Markle (2000:2), communication and training are the basic elements of nearly all human resources activities. However, they are especially important for a performance appraisal policy to be effective. Anderson (2002:32) states that the key

components of an effective performance appraisal policy include setting job expectations and employee performance standards, training leadership and employees and developing performance based rewards. An effective performance appraisal policy can impact on job satisfaction and employee performance. Therefore, implementing a training that meets employer and employee needs impact on the overall organization success.

2.11 ELEMENTS OF PERFORMANCE APPRAISAL

According to Tyson and York (2000:384), amongst the many objectives that performance appraisal policies may have, the most obvious is that of human resources administration. Furthermore, it provides a classification for the objectives of performance appraisal policy and underscores the administrative objectives as providing an orderly way of determining employee performance. The administrative objective is closely related to the informative objectives, where performance appraisal policy provides management with data on the employee performance with information of his/her perceived strengths and weaknesses (Hunt, 2005:2). Bond and Fox (2007:6) highlight that performance appraisal policy provides flow of information about performance and developmental needs of employees, to enhance future personnel decisions about job assignments and promotion.

2.12 EMPLOYEE PERFORMANCE MEASUREMENT IN THE CONTEXT OF A PERFORMANCE APPRAISAL POLICY

According to Decenzo, Robbins and Stephen (2002:200), a common feature of performance appraisal policies is the use of a form of rating scale to gather judgements about employee's performance. When evaluating these rating scales, reliability, sensitivity, fairness and validity are key issues. Moreover, in using rating scales, acceptable measurement can only be achieved if the factors are clearly defined, understood and interpreted in the same way by all participants (Grote and Grote, 2002:5).

According to Whitney and Trosten-Bloom (2003:102), the constructs of reliability and validity referred to in respect to a performance appraisal policy are as follows:

- Reliability is the consistency with which something is measured and validity is the extent to which an instrument measures whatever it is intended to measure.

Thus, in performance appraisal policy terms, it may not be conclusive that a performance appraisal policy is consistent across all employees and those doing the appraising. It may also be uncertain what they are measuring is based on employee performance;

- Sensitivity refers to the extent that the measure reacts to and shows the actual difference in employee's performance; and
- Fairness is the extent to which the measure is free from bias against certain groups of employee on non-job related grounds.

According to Armstrong (2001:466), it is important that the criteria for the performance appraisal policies are based upon a good job analysis. Moreover, the content validity of the performance appraisal policy is likely to be adversely affected and the quality of the employee performance data collected is likely to be compromised. Tyson and York (2001:186) state that an accurate job analysis is an essential starting point for the design of a good performance appraisal policy. Levinson (2005:4) asserts that this defines the competencies and elements of employee performance that need to be assessed and provides a common framework that can be used to facilitate consistency across raters (e.g. all employees doing the same job should be evaluated using the same criteria). However, performance appraisal policy involves the use of terms which present inherent difficulties, for example, satisfactory and average (Bond and Fox, 2007:12). Different managers might apply different standards (what is seen as average performance by a manager, might be seen as poor performance by another). One-to-one performance appraisal policy is an interpersonal process and therefore is subjective to the consequent effects of human dynamics (Neal, 2001:5).

2.13 PLANNING FOR PERFORMANCE APPRAISAL

According to Rudman (2003:32), a performance appraisal policy can be used for various planning activities, as well as a strategic planning tool. Williams (2002:27) states that performance appraisal policies are part of a larger set of human resources practices. Furthermore, it is the tool for evaluating the degree to which every employee's day-to-day activities tie in with the goals of the organization.

Aguinis (2009:334) highlights that performance appraisal policy can be used for labour planning, both in an audit function and as a tool for forecasting staffing needs.

Anderson (2002:3) states that performance appraisal policy can be used as a strategic input by stating that performance appraisal policy facilitates the creation of a clear vision throughout the organization.

Moreover, if linked to the organization's strategic plan, then the performance appraisal policy should enable the organization to transform strategic plans into real accomplishments (Rudman, 2003:32). On a more operational level, goal setting, as an appraisal objective, is also seen as a planning function, as an employee plans his/her future performance with his/her immediate supervisors, through the performance appraisal policy's goal setting objectives (Van-Dijk and Kluger, (2010:2).

2.14 COMMUNICATION AND MOTIVATION AS ELEMENTS OF PERFORMANCE APPRAISAL

According to Kuvaas (2006:510), communication and motivation are key elements to employee performance. Moreover, performance appraisal policy creates a learning experience that motivates employees to develop themselves and improve their performance. Robbins and Coulter (2002:36) highlight that performance appraisal fulfils an important communicative function by reinforcing and entrenching the organization's core values and competencies. According to Mani (2002:141), performance appraisal policy should constitute an open communication, where both manager and employee state what is done well and what needs improvement. Tyson and York (2000:115) state that performance appraisal forms a vehicle for management and employees to develop a mutual understanding of responsibilities and goals.

Rudman (2003:13) highlights that performance appraisal frequently have performance goals (e.g. to motivate or improve employee performance) and interpersonal goals (e.g. to maintain a workgroup climate) as specific performance appraisal policy objectives. Anderson (2002:23) contends that staffing, performance appraisals, training and motivation principles are four key policies necessary for ensuring the proper management of an organization's human resources. Furthermore, staffing, training and development is based on performance appraisal policy foundation.

According to Simmon and Lovegrove (2002:4) performance appraisal should aim at contributing information on which these policies can be built.

According to Rudman (2003:15), a performance appraisal policy can improve employee performance and contribute towards employee involvement. However, this can only be accomplished if all employees are involved with the goal setting process (e.g. policy design must allow for joint goal-setting). Poon (2004:330) states that a further facet to the communication objectives of the performance appraisal policy is the ability to give feedback to employees about his/her performance on various tasks.

Robbins and Coulter (2002:610) contend that performance appraisal policies are most often employed as a means of providing feedback to employees about their performance on the job. Bates (2003:12) reinforces this view by stating that regular feedback is given, regarding the employee's past and present performance to ensure an improvement in employee performance.

2.15 ASSESSMENT OF PERFORMANCE APPRAISAL

The most obvious objective of performance appraisal policy is that of assessment and the evaluation of an employee's performance, as objectively as possible, against specified job goals (Williams, 2002:1). Moreover, apart from assessing the individual's performance against his/her specific job goals, performance appraisal policy can also be used to assess the employee's capacity for advancement (Armstrong, 2001:465). Through the assessment function of performance appraisal policy, a powerful means of managerial control is created, by the setting of objectives in a hierarchical fashion and a review of success or failure in achieving these objectives (Bates, 2003:12).

2.16 EMPLOYEE DEVELOPMENT IN RELATION TO PERFORMANCE APPRAISAL

According to Garber (2004:63), from a survey conducted in the United States of America, it was found that only 42% of the surveyed employees stated they received feedback regarding their performance from their manager and only 25% indicated that the manager coached them to improve on their performance.

According to Levinson (2005:230), when employee development is addressed, it increases job performance through the measurement and guidance process and secondly, improves the employee's skills and thus facilitates long-term improved performance. Neal (2001:208) states that performance appraisal policies are mainly used for two purposes, namely, judgmental and developmental outcomes. Judgmental refers to the categorizing of employees as good performers or poor performers and developmental outcomes refer to the enhancing of the employee's skills set. Levinson (2005:230) emphasizes operational impacts, attained through performance appraisal policy which provides the basis for improving employee performance. Moreover, gaining commitment and involvement from the employee performance will improve. Fletcher (2001:473) addresses employee developmental aims by stating that incorporating greater use of employee skills and capabilities, directly and indirectly influences performance. Coens and Jenkins (2000:232) assert that performance appraisal policy can serve as a vehicle to identify and plan around areas where employee needs additional training to enhance their skills set. According to Garber (2004:82), the objective of multi-source feedback (360-degree) was generally aimed at employee development, which organizations are now increasingly using in the context of annual performance appraisal processes.

2.17 REWARDS ARISING FROM A PERFORMANCE APPRAISAL POLICY

According to Ford (2002:551), to transform the organization from best-effort into a results-driven organization, performance appraisal policy should be used to better reward high performers and directly target poor performers for improvement. Armstrong (2001:505) states that performance appraisal should form the foundation for remuneration and reward, based on employee performance. Rudman (2003:56) contends that organizations directly link the performance appraisal policy to salary

reviews. Where the score obtained at performance appraisal policy affects the salary increase or where the performance appraisal policy influences the increase then there is no direct link to the performance appraisal policy (Neal, 2001:4).

According to Fletcher (2008:20), whatever the outcome of the performance appraisal policy is, fairness and parity must permeate the policy to ensure that the employees receive a fair and equitable appraisal. Further, it must be noted that apart from the intentional desired and planned outcomes of performance appraisal policy, there are also unintentional, undesired and unplanned outcomes (Grote and Grote, 2002:7). Simmons and Lovegrove (2002:4) highlight that organizational executives were more concerned about the effect of the performance ratings given and whether or not the ratings accurately reflected employees' performance. Pickett (2003:237) contends that the unintentional effects of the results of performance appraisal policies are widely recognized. The employer should be satisfied that the employee is functioning well, in terms of the needs of the organization.

Furthermore, the employee needs to be satisfied that the employer and the organization are looking after his/her needs in relation to an objective performance appraisal.

2.18 CHARACTERISTICS OF AN EFFECTIVE PERFORMANCE APPRAISAL POLICY

According to Mondy and Noe (2008:328), performance appraisal policies are related to human resources as well and used to provide a feedback tool used by employees about his/her performance over a specific period, generally one year.

Chaudron (2010:128) states that managers use performance appraisal policy to help employees set goals to improve his/her performance or any other component of performance. Further, organizations also use performance appraisal policy to identify and reward high performers for advancement. Armstrong (2001:496) states that the most effective performance appraisal policies all have a number of key characteristics in common. These trends are highlighted below (Armstrong, 2001:496):

2.19 MEASURE RESULTS

According to Aguinis (2009:2), effective performance appraisal policies rely on measured results rather than personal opinions. Employees can be difficult to ignore emotional, political and personal issues when being evaluated during a performance appraisal session. Requiring managers to use documented records of an employee's performance recorded throughout the year can help to avoid biased influences.

2.20 RANGE OF INPUT

Levinson (2005:108) states that the most effective performance appraisal policy consider input from a range of sources for each employee under review, rather than relying on a single manager for the entire process. Tyson and York (2000:129) assert that relying on a single employee for performance appraisal policy invites political complications and feelings of resentment into the workforce. Kluger and Nir (2009:237) contend that the popular 360-degree feedback technique collects input from the employee and at the same level as the employee being reviewed by subordinates and employees in addition to supervisors.

2.21 EMPLOYEE FEEDBACK

Byron (2007:713) asserts that during the employee performance planning process, both behavioural and results expectations should have been set. Employee performance in both of these areas should be discussed and feedback provided on an ongoing basis throughout the rating periods. In addition to providing feedback whenever exceptional or ineffective employee performance is observed, providing feedback about day-to-day accomplishment and their contributions is also very valuable. Unfortunately, this does not happen to the extent it should in organizations because many managers are not skilled in providing feedback (Ford, 2004:551). In fact, managers frequently avoid providing feedback because they do not know how to deliver it productively in ways that will minimize employee defensiveness (Anderson, 2002:3). For the feedback process to work well, experienced practitioners have advocated that it must be a two way communication process and a joint responsibility of managers and employees, not just the managers. This requires training both

managers and employees about their roles and responsibilities in the employee performance feedback process (Smither and Walker, 2004:5). According to Garber (2008:22), the managers' responsibilities include providing feedback in a constructive, candid and timely manner. The employees' responsibilities include seeking feedback to ensure that they understand how they are performing and reacting well to the feedback they receive. Having effective, ongoing employee performance conversations between managers and employees is probably the single most important determinant of whether or not a performance appraisal policy will achieve its maximum benefits from a training and development perspective (Dessler and Gary, 2000:330).

2.22 PAST- YEAR RECORDS OF THE EMPLOYEE

According to Kluger and Nir (2009:239), effective performance appraisal policy collect records of each year's result for each employee, allowing managers and employees to spot long-term trends in performance, employee strengths and weaknesses. Relying on memory causes managers to place emphasis on recent experiences rather than taking the big picture into account. Using past employee performance data, as well as current year employee performance records, keeps the policy as unbiased as possible and also protects employee against the policy, such as claims of discrimination in promotion policy (Freeman, 2002:344).

2.23 USING PERFORMANCE APPRAISAL POLICY TO ENHANCE EMPLOYEE PERFORMANCE

According to Whitney and Trosten-Bloom (2003:2), rather than being a means of accurately measuring employee performance, the performance appraisal policy may well lie in using it as a vocational guidance.

Rudman (2003:3) states that the roots of the difficulties surrounding the conduct and use of performance appraisal policy include:

- An appraiser's tendency to base their judgements on their beliefs about what has been going on, rather than their performance;

- It is often perceived by employees as being primarily about evaluation when, ideally performance appraisal policy should be about performance, their change and development; and
- It should be about engaging commitment to change on the part of the employee among others, not about forcing compliance.

Neal (2001:98) highlights that performance appraisal policy is supposed to be about reviewing work performance and giving feedback in order to facilitate improved employee performance. Fineman (2006:271) contends that if these conditions are met then the process may be counter-productive. Moreover, performance appraisal policy would generally be effective in increasing employee performance. Markle (2000:5) states that factors found to enhance employees' performance included focusing performance appraisal policy on tasks the employee was highly familiar with and focusing discussion on the task rather than the employees' attributes. Moreover, it may draw attention to discrepancies between actual employee performance and desired performance. Rechter (2010:7) contends that performance appraisal policies are motivational for employees who are looking to enhance their personal learning, growth and development. Performance appraisal policy is a highly valuable source of information, insights and tools necessary for employee performance. About reviewing work performance and giving feedback in order to facilitate improved employee performance. Fineman (2006:271) contends that if these conditions are met then the process may be counter-productive. Moreover, performance appraisal policy would generally be effective in increasing employee performance. Markle (2000:5) states that factors found to enhance employees' performance included focusing performance appraisal policy on tasks the employee was highly familiar with and focusing discussion on the task rather than the employees' attributes. Moreover, it may draw attention to discrepancies between actual employee performance and desired performance.

Rechter (2010:7) contends that performance appraisal policies are motivational for employees who are looking to enhance their personal learning, growth and development. Performance appraisal policy is a highly valuable source of information, insights and tools necessary for employee performance.

2.24 PERFORMANCE APPRAISAL POLICY AND ITS IMPACT ON EMPLOYEE PERFORMANCE

According to Mondy and Noe (2008:4), in some performance appraisal policies, the employee is passive. Therefore, the employee does not have a significant input to the process. They merely receive an evaluation on their performance over the given performance appraisal policy period. However, in general the performance appraisal policy interview is a sensitive interpersonal situation, where the skill of the appraiser and maturity of both parties are keys to whether a successful outcome is reached. Mackey and Johnson (2000:204) state that in practice, emotional tension and defensiveness is the outcome of the interaction of the superior and subordinate in sharing performance appraisal policy information in the feedback interview.

Furthermore, this can be a real block to employee development and while this is a potential danger, it does not have to be the case. Fineman (2006:270) highlights that managers' ability to perceive subordinates' emotions has an impact on the subordinate's satisfaction with the performance appraisal process.

Rechter (2010:25) states that in many organizations performance appraisal policy is still a matter of rewarding employee as individuals. While performance appraisal may be a part of policy which encourages competition between colleagues, these colleagues may be required to perform as team members (Freeman, 2002:196). Thus, an employee may be in an unpleasant position whereby they are officially expected to depend on their performance as an individual, often in competition with his/her team mates. This emphasis creates a problem for the performance of the employee (Mello, 2010:439). According to Mondy and Noe (2008:5), organizations may not state that employees have to stay at work beyond the usual office hours. However, when an employee sees his/her colleagues staying late they may be reluctant to leave the office due to a feeling that they may not be pulling their weight in some way. The employees join their office culture of staying at work late, while any possible benefits to employee performance may be questionable (Wade and Ricardo, 2001:3). Kuvaas (2006:509) states that with regards to performance appraisal policy, there may be an issue as to how much control the employee feels they have in his/her work environment.

Coens and Jenkins (2000:232) carried out a meta-analysis on research studies that looked at participation in the performance appraisal policy and now differentiated between:

- Instrumental participation that allows the employee to influence the outcomes of the performance appraisal policy; and
- Value expression that allows the employee to voice his/her opinions irrespective of the influence this may have.

Freeman (2002:196) indicated a strong relationship between participation and employee satisfaction, with value expression being the more important of the two. Atkins and Wood (2002:879) highlight that multi-rater techniques often allow the employee to rate themselves so that his/her own views can be considered in the performance appraisal policy. Furthermore, it helps employees feel more involved and satisfied with the policy and other raters can be influenced by the employees' self-rating. Fineman (2006:271) contends that when raters were aware that an employee had overestimated his/her performance, the raters tended to inflate his/her ratings of that employee in order to avoid conflict. Coens and Jenkins (2000:232) state that in organizational settings, it is often the case that the employees do not always show what they can do because they do not want to be manipulated. Moreover, performance appraisal policy is supposed to be about the employee's performance. This should have benefits for the organizations as the employee may often feel that the organization uses the performance appraisal policy to reinforce organizational norms. This may be done by rewarding behaviours which fit in with organizational norms while being negative about behaviours which do not fit in with organizational norms (Anderson, 2002:517). Markle (2000:3) states that this may sometime set aside issues of how appropriate any of these behaviours are in a professional sense.

2.25 BARRIERS TO IMPLEMENTATION OF PERFORMANCE APPRAISAL POLICY

According to Dressler and Gary (2000:321), performance appraisal policy is critical to a well-run organization. Such a policy can improve the morale of employees who meet performance expectations and provide fair warning to employees whose performance is unsatisfactory and where improvement is needed in order to meet the standard of the organization. However, ill-prepared evaluations are worse than no evaluation at all. Inaccurate evaluations can come back to haunt the organization in the form of discipline, arbitration, hearing and grievance procedures (Markle, 2000:74). Thus,

commitment from the organization to conduct performance evaluations correctly is essential (Mackey and Johnson, 2000:4). In addition, the selection of a supervisor is very important. Halachmi (2005:510) highlights that managers should be capable of being honest because many performance evaluations exaggerate employee performance.

2.26 EMPLOYEES' PERCEPTION OF PERFORMANCE APPRAISAL

According to Fineman (2006:270), performance appraisal policy is the best tool for measuring employee performance and guiding employee development and improvement. However, performance appraisal policy can be a frustrating ritual of the modern organization. Stone (2002:22) states that the most frequent complaint is that a large number of managers are poorly trained in how to give feedback to employees and they provide little coaching, mentoring or support. Moreover, performance appraisal policy procedures are often poorly designed, making the policy cumbersome and difficult to administer. Freeman (2002:2) contends that employees often place the entire burden of the review policy on the supervisor, doing little throughout the year to seek feedback on employee performance, avenues for improvement or development.

2.27 THE ROLE OF SUPERVISORS AND MANAGERS IN PERFORMANCE APPRAISAL

According to Decenzo, Robbins and Stephen (2002:236), most supervisors are uncomfortable about being required to conduct performance appraisals. In some cases, managers misuse the performance appraisal policy rating scale. In others, the supervisor lacks proper training in effectively completing the performance appraisal policy. Hunt (2005:4) contends that in many cases the performance appraisal policy is very subjective, requiring the supervisor to add his/her personal commentary regarding the employee's performance. Furthermore, many supervisors are uncomfortable or unable to write such documentation. According to Stone (2002:287), the effects of negative feedback in the performance appraisal policy provides the employee about how the organization views his/her performance. Byron (2007:713) states that the most important information employees receive from the organization are the actual ratings they obtain through the performance appraisal policy. Such

ratings signify recognition, status and future prospects within the organization. Levinson (2005:8) highlights that timely and accurate feedback is beneficial to both the organization and the employee. Such feedback is seen to play a significant role in the development of job and organizational attitudes, particularly when it is accepted and comprehended well. However, in one-third of the cases where negative feedback was given to employees, morale was reduced and employee performance decreased (Wade and Ricardo, 2001:26).

2.28 IMPORTANCE OF FEEDBACK

According to Hunt (2005:128), if there is no feedback, motivation to do what is expected does not exist. Ford (2004:551) highlights how employees could be expected to improve, especially in the manner that is expected, if supervisors do not provide the right kind of feedback about employee performance. Rechter (2010:7) contends that organizations often fail to define expectations clearly, give limited feedback relative to employee performance and when they do give feedback, it is often of a negative nature that serves little purpose.

Negative feedback especially when it is delivered in an emotional manner does not foster learning. Rather, negative feedback elicits a fear response that motivates employees to seek survival (Fandray, 2001:35).

2.29 EMPLOYEE ATTITUDES TOWARDS PERFORMANCE APPRAISAL

According to Stone (2002:3), employees often assume a defensive position when deficiencies are pointed out. This is especially true if pay, recognition or rewards are at stake. In addition, employees will resist a policy that is perceived to appraise or reward unfairly (Freeman, 2002:25). Hunt (2005:2) highlights that conflicts on the purposes and goals of a performance appraisal policy often exist when implemented. The performance appraisal policy must be part of a performance management policy that emphasizes ongoing communication and coaching in order to motivate the employee (Mondy and Noe, 2008:261). The significant barriers to the implementation of an employee performance appraisal policy are often neglected (Grote and Grote,

2002:232). While performance appraisal policy may improve employee performance, ill-prepared performance appraisal policy can adversely impact on employee performance (Fandray, 2001:35). Wade and Ricardo (2001:26) contend that commitment from the organization to conduct performance appraisal policy correctly is essential. This includes logistical and technical support, in-depth job analysis and on-going training.

Roberts (2002:334) argues that managers may often fail to provide timely and accurate expectations and feedback to employees regarding performance. When feedback is provided, it is often communicated incorrectly thereby reducing morale and further reducing employee performance (Stone, 2002:123). Furthermore, employee groups often oppose the implementation of a performance appraisal policy. This is due to a variety of factors including distrust of management's ability, a perception that the performance appraisal policy is unfair and a traditional emphasis on superiority rules (Levinson, 2005:38).

2.30 DISCRETION AND BIAS IN PERFORMANCE APPRAISAL POLICY

Fletcher (2008:3) writes that the discretion affects the actual performance of employees, thus monitoring raises the possibility that supervisors will sabotage the performance of employees in order to justify their biased ratings. The fundamental attribution error refers to the employees' tendency to account for others' action in terms of dispositional rather than situational causes (Byron, 2007:2). Levinson (2005:4) states that because of this effect employees tend to perceive others as acting as they do largely because they are that kind of employees and ignore the many possible situational causes that may affect their behaviour. Williams (2002:5) highlights that as a result managers might tend to see poor performance as a personal failing on the part of the employee rather than as a problem brought about by lack of resources or poor support. Lefkowitz (2000:68) contends that positive affective regard, for example, the liking of the employee by the appraiser is associated with:

- Higher ratings on the performance appraisal policy;
- Greater halo effect, thus strength in one area positively affects the appraiser's assessment of employee performance in other areas; and
- Reduced accuracy in the performance appraisal process.

2.31 EMPLOYEE PERFORMANCE EXPECTATIONS

According to Aguinis (2009:2), managers and employees should agree on performance expectations in advance of the performance appraisal policy period. Employees cannot function effectively if they do not know what they are being measured against. On the other hand, if employees clearly understand the expectations, they can evaluate their performance and make timely adjustments as they perform their jobs without having to wait for the formal evaluation review (Robbins and Coulter, 2002:350). Fletcher (2008:2) also asserts that performance management begins long before an employee's first annual performance appraisal policy. An employee's first day on the job is the first chance to establish performance expectations. Job descriptions contain a list of tasks and responsibilities. However, employee performance expectations include duties and responsibilities and the manner in which an employee should perform his/her job effectively (Markle, 2000:7). Tyson and York (2000:142) highlight that organizations routinely provide a job description, yet fail to discuss with new employees the purpose of the job and how it relates overall for the organization and the employee. Stone (2002:3) contends that discussions about employee expectations reveal what underlies the day-to-day tasks in the employee's performance description. Clarifying employee performance expectations is one step to creating an effective performance appraisal policy. As a result of non-awareness of the employee performance expectations, employee efforts could be wasted or unrecognized (Coens and Jenkins, 2000:232).

2.32 IMPROVING APPRAISAL WITH TRAINING OF PERFORMANCE RATERS

With reference to the training of performance appraisal Simmons and Lovegrove (2002:42) argue that the training of supervisors and managers on how to conduct performance appraisal policy meetings is just one part of developing an effective performance appraisal policy. Hunt (2005:28) states that every organization conducts performance appraisal for assessing the performance of employees and organization. But if not conducted properly, they can give a false impression about the performance of the employees and affects the overall performance of the organization. However, leadership training can improve the way employees perceive performance appraisal policy and ratings. Fletcher (2008:9) highlights that learning objectives for supervisor

and manager training on performance appraisal policies include understanding the organization's coaching philosophy. Moreover, performance appraisals require the rater to objectively reach a conclusion about performance. Hunt (2005:28) asserts that the use of ratings assumes that the rater is reasonably objective and accurate. However, in reality, ratters' memories are quite fallible and raters subscribe to their own sets of likes, dislikes, and expectations about employee, which may or may not be valid. Leadership training helps supervisors and managers understand fundamental practices, policies and techniques for providing employees with constructive feedback (Aguinis, 2009:77).

2.33 CONTINUOUS OPEN COMMUNICATION ON PERFORMANCE APPRAISALS

According to Wade and Ricardo (2001:3), most employees have a strong need to know how well they are performing. A good performance appraisal policy provides highly desired feedback on a continuing basis. Freeman (2002:49) states that managers should handle daily performance problems as they occur and not allow them to pile up for six months or a year and then address them during the performance appraisal policy interview. Dessler and Gary (2000:321) highlight that when something new surfaces, the manager probably did not do a good enough job communicating with the employee throughout the performance appraisal policy period. Even though the interview presents an excellent opportunity for both parties to exchange ideas, it should never serve as a substitute for the day-to-day communication and coaching required by performance management (Tyson and York, 2000:142).

2.34 CONTINUOUS EMPLOYEE PERFORMANCE REVIEWS AND FEEDBACK

Rudman (2003:4) states that, in addition to the needs for continuous communication between managers and his/her employees, a special time should be set for a formal discussion of an employee's performance. Bond and Fox (2007:255) assert that since improved employee performance is a common goal of performance appraisal policies, withholding performance appraisal is absurd. Mani (2002:150) highlights that the employees are severely handicapped in his/her developmental efforts if denied access

to this information. Dessler and Gary (2000:158) state that a performance review allows employees to detect any errors or omissions in the performance appraisal policy, or an employee may disagree with the evaluation and may want to challenge it. According to Fletcher (2008:1), constant employee performance documentation is vitally important for accurate performance appraisal policy. Rudman(2003:24) indicates that although the task can be tedious and boring for managers, maintaining a continuous record of observed and reported incidents is essential in building a useful performance appraisal policy (Rudman, 2003:24).

2.36 PERFORMANCE-BASED COMPENSATION AND REWARDS IN RELATION TO PERFORMANCE APPRAISAL

According to Tyson and York (2001:3), if there is anything to look forward to when performance appraisal policy time comes around, it is anticipating a salary increase. Fletcher (2008:2) highlights that constructing an effective performance appraisal policy requires collaborative work with compensation and benefits to determine allocations for salary increases, incentives and other monetary rewards. Hunt (2005:2) contends that communication with employees is also essential, anticipating a raise but not understanding how salaries and wages are computed in relationship to employee performance can be confusing. This is where communication is extremely important in developing an effective performance appraisal policy (Mackey and Johnson, 2000:114).

2.37 EFFECTIVE EMPLOYEE PERFORMANCE APPRAISAL POLICY

Performance appraisal policies are just one component of the overall performance management policy and the performance management system (see Williams, 2002:103). A performance management policy consists of a performance appraisal method, supported by job descriptions, informal and continuous feedback, manager training, performance standards, disciplinary policies and employee performance. Decenzo, Robbins and Stephen (2002:108) state that the best determinant of performance appraisal effectiveness is how each component complements the other.

2.37.1 Employee performance standards

In order to implement and establish an effective performance appraisal policy for achieving employee performance standards, it is necessary to determine how well employees complete his/her job duties, task and responsibilities (Anderson, 2002:73). Ford (2004:565) states that performance standards indicate what level of effort is required for an employee to meet or exceed his/her expectations.

Fletcher (2001:473) contends that employee performance standards provide employee with specific performance expectations for each major duty. They are the observable behaviours and actions which explain how the job is to be done and the purpose of employee performance standards is to communicate their expectation. Performance standards are simple measurements used in the performance appraisal policy (Rechter, 2010:5).

2.37.2 Employee discipline and recognition for an effective performance appraisal

Discipline and recognition appear to be opposite ends of the performance management spectrum. Nevertheless, both are integral parts of a performance management policy (Dessler and Gary, 2000:95). Effective performance appraisal policy consists of constructive feedback for improvement as well as recognition for good employee performance. The ability to address both within the performance appraisal policy enables a balanced employee assessment. In addition, both constructive feedback and recognition are requirements for determining employee skills and aptitude, training and development needs (Coens and Jenkins, 2000:232).

2.37.3 Leadership training and development for raters

Ford (2004:3) states that leadership training for both newly promoted or hired and seasoned supervisors and managers provides instruction on how to facilitate performance management within the department. Hunt (2005:5) highlights that supervisors and managers have two primary functions, managing departmental functions and managing employees. Striking a balance between the two can be challenging for some leaders whose focus usually leaves managing the workforce a

lesser priority. Leadership training helps supervisors and managers understand the importance of giving equal attention to operations and the employees (Mondy and Noe, 2008:256).

2.37.4 Compensation structure and benefits for objective performance appraisal policies

An important element of an effective performance appraisal policy, is what effect a performance benefit structure has on employee compensation, perceived as deriving from objective performance appraisal (Fletcher, 2008:63). Aguinis (2009:2) states that annual performance appraisal usually suggest a wage adjustment, salary increase or organization bonus as sufficient reward for an employees whose performance meets or exceeds expectations. However, when performance appraisal policy fails to address whether employees will receive monetary recognition for his/her efforts, it calls into question the effectiveness of a performance management policy. For many organizations, compensation to employee significantly improves their performance management policy (Wade and Ricardo, 2001:25).

2.38 PERFORMANCE APPRAISAL POLICY CRITERIA

According to Poon (2004:322), the criteria against which employees may be evaluated, must be determined when designing a performance appraisal policy. Bates (2003:11) defines criteria as evaluative standards that can be used as yardsticks for measuring employees' success or failure. Furthermore, Armstrong (2001:465) highlights that the performance appraisal policy must be based on an accurate job description, as this provides the criteria against which performance will be appraised. Aguinis (2009:14) states that there are three elements that contribute to good or bad employee performance and should be taken into consideration when designing performance appraisal policy criteria:

- The job content: Job factors must be agreed upon, preferably in the form of a job description which is reviewed at every performance appraisal policy;
- The job context: Here organizational factors that impact on employee performance must also be taken into consideration; and

- The employee: The employee's personality or attributes should not be appraised, but rather the employee's contribution to the organization.

According to Armstrong (2001:504), evaluative criteria are known by many names, for example quantitative/qualitative, subjective/objective and behaviour/trait. Halachmi (2005:510) states that criteria are most often labeled as input and output criteria, where input criteria include personal qualities, activities and output criteria are characterized by results attained by the employee's performance. Further, there is a preference for input criteria over output criteria, as it is debated that the employee has a greater control over input behavioural criteria (Poon, 2004:322). Also, when criteria are determined it is imperative to involve the employee, as this greatly enhances the employee's perception of the fairness of the performance appraisal policy (Anderson, 2002:132).

Rudman (2003:3) highlights that in some instances employee's change their behaviour to pass arbitrary performance measures as opposed to truly improving delivery as such, thus the importance of determining the correct measure. The difficulty in this process lies with the ever-changing nature of modern business. The employee performance criteria setting process has difficulty keeping up with the pace of the organization needs, quickly becoming obsolete or arbitrary (Mackey and Johnson, 2000:38).

Robbins and Coulter (2002:7) state that the following are used as criteria for measuring employee performance, namely:

- Competence.
- Skill/ learning target achieved.
- Aligning personal objectives with organizational goals.
- Performance.
- Achievement by objectives.
- Contribution to team.
- Working relationships.

However, this is not a finite list of performance appraisal policy criteria and the list of criteria must always be job specific within an organizational context (Neal, 2001:29).

2.39 METHODS OF PERFORMANCE APPRAISAL POLICY

Aguinis (2009:77) argues that the performance appraisal methods an organization uses should meet the needs of its workforce. In a production oriented environment, a graphic rating scale is more suitable than a narrative essay method. Hunt (2005:2) states that on the other hand, using a narrative essay method is better suited for a smaller workforce of professional employees whose career objectives are different from production employees. Freeman (2002:34) contends that a fast paced working environment might rely on quicker methods to produce evaluations as part of the performance appraisal policy.

2.39.1 Management by objectives

According to Peiperl (2005:218), employees are evaluated on how well they accomplished a specific set of objectives that have been determined to be critical in the successful completion of their job. Management by objectives is a process that converts organizational objectives into employee objectives. It consists of four steps: goal setting, action planning, self-control and periodic reviews (Levinson, 2005:3). Management by objectives methods of performance appraisal are result oriented. That is, they seek to measure employee performance by examining the extent to which pre-determined work objectives have been met (Freeman, 2002:95). Usually the objectives are established jointly by the supervisor and subordinate. Once an objective is agreed upon, the employee is usually expected to engage in a self-audit, that is, identify the skills needed to achieve the objective. Typically, they do not rely on others to locate and specify their strengths and weaknesses. The employees are expected to monitor his/her development and progress (Peiperl, 2005:218).

2.39.2 Behavioural observation scale

According to Bond and Fox (2007:52), behavioural observation scale is a measure used in evaluating the performance of employees, often as part of a formal performance appraisal. Bushe and Kassam (2005:176) highlight that behavioural observation scale involves a process of identifying the key tasks of a particular job and evaluating how frequently employees exhibit the required behaviour for effective

employee performance. The scores for each of these observed behaviours can then be totalled to produce an overall performance measure.

2.39.3 Behaviourally anchored rating scales

This method replaces traditional numerical anchors tool with behavioural prototypes of real work behaviours. Behaviourally anchored rating scales allow the evaluator to rank employee based on observable behavioural dimension (Levinson, 2005:5). Behavioural anchored rating scales are rating scales that add behavioural scale anchors to traditional rating scales. In comparison to other rating scales, behavioural anchored rating scales are intended to facilitate more accurate ratings of the target employee's behaviour or performance (Hunt, 2005:29). According to Chaudron (2010:40), behavioural anchored rating scales have five stages: namely, it generates critical incidents, improving employee performance dimensions, relocates incidents, rating level performance and development of the final instrument.

2.40 ELEMENTS OF AN EFFECTIVE PERFORMANCE APPRAISAL POLICY ON EMPLOYEE PERFORMANCE

According to Williams (2002:27), organization employers or line managers are routinely required to submit performance appraisal policy reports. These reports serve three purposes, namely, to inform the employee of how well the employee is performing his/her duties. Secondly, to form a work improvement plan if the employee's performance is below standard and thirdly to document the employee's work history in case disciplinary action is required. Aguinis (2009:2) states that a supervisor observes the employee in a variety of work-related tasks and then evaluates the employee based on his/her performance and behaviour. Freeman (2002:17) highlights that a formal review provides feedback to the employee on quantity and quality of work performed. This feedback can be positive, negative or neutral depending on the results of the performance appraisal policy and the review also provides an opportunity to establish work-related goals towards which the employee can strive in the coming year. Stone (2002:1) suggests that work improvement plans may be used when employee performance is below standard. This

is a form of contract between the employee and the supervisor that identifies specific performance to be improved. Coens and Jenkins (2000:13) contend that identified in the performance appraisal policy are specific training the department will provide as well as monitoring procedures and periodic testing that will be used to evaluate the employee performance again.

According to Levinson (2005:87), the organization must develop a policy on how the performance appraisal process is to be accomplished and such a policy must be organization specific. Well prepared job descriptions, performance goals and expectations are an essential precursor to the evaluation process. Mondy and Noe (2008:20) assert that observations by supervisors on employee performance must be properly documented throughout the rating period and such observations must be highly objective. Stone (2002:3) contends that performance appraisal policy should include directions on how to gather necessary information from the employee, how to prepare the document and how to finalize the document. In addition, management should review the prepared document before the document is accepted and signed by the rated employee. The review should include auditing the performance appraisal policy for accuracy, meeting with the rated employee, discussing employee performance and looking for potential problem areas (Wade and Ricardo, 2001:1). The performance appraisal policy must be explained in the employee guide thus the employee knows how his/her will be evaluated. Keeping the process secret will only cause future problems including less than optimum employee performance (Mello, 2010:44). When employees know each step of the process, they are better motivated to meet the standards that must be met (Dessler and Gary, 2000:123).

2.40.1 The basis for effective performance appraisal policy

Hunt (2005:2) states that the use of specific facts to support ratings high and low is drawn from personal observations. The observations of other supervisors and other documented events generated during the performance appraisal policy period are also taken into consideration. According to Fletcher (2008:3) accuracy is essential, particularly if the performance appraisal policy has negative elements that may impact on future employee performance. Aguinis (2009:42) cautions supervisors on effects that may cloud a supervisor's thinking and these include the halo effect, the harsh and lenient effects, the central tendency effect and the stereotype effect. Each of these

effects can cloud the judgment of the evaluator. Robbins and Coulter (2002:23) suggest that the process that should be followed when conducting performance appraisal policy is for employee and supervisor to have a meeting at the beginning of the evaluation period. Expectations must be discussed along with factors regarding the work performance in relation to the employee's job description. In addition, personal and organizational goals must also be discussed which the employee is committed to achieve.

2.40.2 Performance appraisal as a policy for managing employee performance

According to Freeman (2002:9), employees often find themselves in situations where they must change direction frequently. Therefore, the employee seeks constant feedback to determine whether the direction they are working is what is expected by the organization. Rechter (2010:239) contends that the performance appraisal policy for employees must be frequent, accurate, specific and timely. Fletcher (2008:3) highlights that it is becoming increasingly popular for organizations to ask employees to evaluate the performance of their colleagues and it is especially true with the increased focus on the use of teams in the workplace. Hunt (2005:3) states that while there is general agreement that peer evaluation provides a more complete picture of employee performance, the acceptance of peer performance appraisal policy by employee is generally low. Levinson (2005:427) contends that peer evaluation may be guided by social comparison processes whereas, because of the obviously different supervisor-subordinate relationship, supervisor evaluations would likely not follow a social comparison process. According to Dessler and Gary (2000:24), many organizations are scrapping the traditional performance appraisal policy in favour of performance management. Wade and Ricardo (2001:319) highlight that a new approach focuses on coaching and feedback. In such a policy the manager and the employee agree upon goals. Goals should be flexible to reflect changing conditions in the economy and workplace and employees should think of their managers as coaches who are there to help them achieve success.

2.41 PERFORMANCE APPRAISAL POLICY IN THE DEPARTMENT OF WATER AND SANITATION

Department of Water and Sanitation is one of the government departments. In order to support its overall objectives related to performance management, the department moved from the process which ones done once a year and the only supervisors were involved in the process and now they are using the process whereby all the parties are involved and it is now done on quarterly basis based on the performance appraisal policy. This is done to improve performance appraisal completion rates, policy reliability and overall performance appraisal quality, making the policy more reliable and reduce the time needed to complete performance appraisals. Performance appraisal policy as an ongoing process is firmly embedded in Department's policy. The performance appraisal policy aims to ensure that employee output and behaviour as well as business unit performance are aligned with strategic and financial objectives. Employees are taken through annual performance appraisals as they set annual performance and behavioural objectives.

2.42 CONCLUSION

The adequate performance of employee's based on performance appraisal policy will result in improvement in employee performance. Feedback, particularly on interpersonal (supervisor-subordinate) basis will be found to be useful and highly effective in motivating employees to improve their performance. It can also be contended that, promotion and salary increment of the employee in Department of Water and Sanitation may be greatly influenced by properly organized and executed performance appraisal policy. In addition, it can improve communication and the quality of working life and make employees feel that they are valued by the organization.

CHAPTER THREE

RESEARCH METHODOLOGY AND DESIGN

3.1. INTRODUCTION

The previous chapter focused on the literature review on the effect of performance appraisal. This chapter focuses on the research design and the methodologies adopted for the study and with motivations. The chapter is further used to provide an outline the research area and the research population, explain the ethics considered, data analysis and the limitations to the study. The methodological paradigm adopted for the study is mainly the qualitative approach; however, it is also necessary to use some aspects of the quantitative approach. A distinction between qualitative and quantitative research is described, though the mixed methods is the method utilised for this study. The mixed method approach was adopted and the types of data collected in this study are explained in detail together with some of the common advantages and disadvantages of data collection techniques are provided. The chapter begins with a description and explanation of research design.

3.2. RESEARCH METHODOLOGY

According to Struwing (2013:54) the methodology section of a research report explains how the researcher intends to find the answers to the research question based on the methods and approach adopted. According to Craswell (2011:52) it is very important to explain the two different terms which are the heart of this chapter. These terms are research design and research methods. They are useful because they help guide the methods that researchers must choose during their studies and set the logic by which they make interpretations at the end of the studies research methods constitute the processes that researchers use to collect data from the identified research participants.

Asmah-Andoh (2012 quoting Mouton, 2002:35) writes that the research methodology involves the application of a variety of standardized methods and techniques that will increase the likelihood of attaining validity in the scientific endeavour. The research

methodology adopted for this study is mainly the qualitative methodology, but the need also existed to use a combination of both the quantitative and qualitative approaches in the study. Between quantitative and qualitative research, the quantitative dimension is concerned with the deductive testing of hypotheses and theories, whereas qualitative research is concerned with exploring a topic, and with inductively generating hypotheses.

Two research methods, the qualitative and quantitative methodologies, are normally identified as the paradigms or approaches for conducting a given research project. However, both the two research methods have their philosophical underpinnings in naturalistic and positivistic philosophy. Though the two are often described as different, both the qualitative and quantitative researchers, in spite of these seeming theoretical differences tend to reflect on some sort of individual phenomenological perspective. According to Newman and Benz (1998) whilst the qualitative research method tends to argue that there is a common reality on which people can agree, the quantitative methodology mostly uses numbers, statistical values and percentages to validate findings.

3.2.1 Research design

According to Welman (1999:46) a research design is the plan according to which the researcher identifies research participants (subjects) whose responses will provide data and other information sources for answering the research question. It is a blueprint which describes what is going to be done and how, including the techniques for collecting data from the participants with the view to reaching conclusion about research problem. Blanche (2014: 34) also writes that a research design is a strategic framework for action that serves as a bridge between research question, execution and implementation of the research. It can therefore be deduced that the research design are plans that guide the arrangement of condition for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with the economy in procedure.

Coldwel (2004:35) also argues that a research design provides a glue that holds research together. For Coldwel therefore, a design is used to structure the research to show how all the major parts of the research projects, the sample or group, measure the treatment or programme and methods or work together to try and address the

central research question. This study does not utilise hypothesis as in quantitative research; thus the choice of the qualitative methodology for the collection and analysis of data as explained below.

3.2.2 Quantitative research design

Creswell (2003:155) asserts that the quantitative methodology is based on the collection of numerical data, which is used to demonstrate a view of the relationship between theory and research. He further argues that quantitative research is associated with close-ended questions, the data analysis proceeds by using statistics and table's charts graphs to prove or disprove the hypothesis. Moreover the quantitative research frequently questionnaires as the method for data collection. The quantitative approach begins with a theory or hypothesis which is tested quantitative techniques to obtain results (see Cresswell, 2003. Quantitative research studies incorporate experimental studies, quasi-experimental pre-test and post-test designs where control of variables, randomisation and validity of measures are required; and where generalisability from the sample to the population is the aim (Campbell and Stanley, 1963).

3.2.3 Qualitative Research Methodology

A qualitative research methodology on the other hand is according to Chisaka (2000:11) well suited to the collection of in-depth and perceptual information and may be suitable for discovering underlying motivations, values, attitudes and perceptions of respondents or a research population. Nueman (2006:14) also writes that whilst questions in quantitative research methodology tend to be mostly closed-ended, questions in the qualitative methodology requires explanation and open-ended responses. In this study questions in the mailed questionnaires and the limited unstructured interviews included mostly open-ended questions to elicit the respondents perception of performance appraisal in the office of the Department of Water and Sanitation in Port Elizabeth. However, the researcher also utilised close-ended questions for responses on some demographic details of the respondents. This is why it is indicated that a measure of mixed method is also used in this study.

3.2.4 Qualitative versus quantitative research methods

Baxter (2010:185) writes that it is becoming more common to combine qualitative and quantitative approaches, since this allows a researcher to take advantage of what both the qualitative and quantitative methodology has to offer in combination. He further indicates that the close relationship between qualitative and quantitative forms of research is evident when it is realized that the four main techniques for collecting data documents, interviews, observations and questionnaires can each involve either (or both) qualitative and quantitative elements. It provides more comprehensive evidence for studying a research problem than either quantitative or qualitative research alone. He also argues that another advantage of using mixed method is that the researcher enjoys the benefit of using all of the tools of data collection available rather than being restricted to using one approach.

On the question of the choice of quantitative or qualitative research methodology, Newman and Benz (1998) further argue that the debate between quantitative and qualitative researchers is based upon the differences in assumptions about what reality is and whether or not it is measurable. They suggest that the debate further rests on differences of opinion about how people can better understand what they know whether through objective or subjective ways. This study has adopted a mixed method approach, where both interviews and questionnaires were used as a data collection tools.

3.2.5. Survey methods

Creswell (2003:155) states that the survey method entails the use of a questionnaire to gather facts, opinions and attitudes and it is the most popular way to gather primary data. Survey research method involves the structured collection of data from a sizeable population. According to Saunders (2003:138) although the term survey is often used to describe the collection of data using questionnaires, it includes other techniques such as structured observation and structured interviews.

According to Babbie, (2002:232), surveys may be descriptive and explanatory. They are generally used in study that has individual people as the unit of analysis and used by social scientists interested in collecting original data for describing a population too large to observe directly.

Burns (2010:266) state that a survey involves interviews with a large number of respondents using a pre-designed questionnaire. Large number of respondents may be required in order to collect a large sample of important sub-group to ensure that the study accurately represents a large target population. Data collected using a survey method can be used to suggest possible reasons for particular relationships between variables and to produce models of these relationships. For this study, since the target population was only 25-30 employees, no sampling technique was used. Hence the use of survey method was justified for all 25-30 target respondents of Department of Water and Sanitation.

3.3. SOURCES OF DATA FOR THE STUDY

Data is one of the most important aspect of any research studies. Data from the singular *datum* refers to the lowest unit of gathered information, which is processed, measured and/or analysed in the research process with the view to understanding a research problem and making recommendations for its solution. Thus, data is gathered from the use of varied methodologies as the source of information from existing documents as secondary or in the primary source (Kothari, 2004: 95). Researchers classify primary data are those collected for the first time or originally by the researcher, whilst the secondary data is used to describe information gathered by someone else and already existing in the form of books, research reports, official documents etc. This research study uses both sources classified as primary and secondary sources data.

3.4 DOCUMENT STUDY

In South Africa it is part of the institutional requirement for the establishment of performance management system which appraisal is regarded as a very important part and as such there is a large body of official and other documentation available in the public domain which researchers may utilise for analysis (see Bailey, 1982:301; Popenoe, 1995:43). During the study it was found that there exist a variety of documents pertaining to appraisal for the Department of Water and Sanitation in general and the Port Elizabeth office which is chosen for the study.

The process of document analysis is described by (Mouton, 2005) as an important part of research, which provides a very wide variety of sources. The other important advantage of the use of documentary study is that due to the nature and content of documents, the sources is not limited, and in addition it is very appropriate for a study over a wide area and a long time.

As the establishment of performance management in public institutions is a government policy it was found that there existed a very extensive source of documents on various other information platforms other than the official website of the Department of Water and Sanitation to include the official South African government website and other sites of many other departments of state. However on the website of the Department of Water and Sanitation, very little by way of existing documents is available on the appraisal systems and process, and specifically on the Port Elizabeth area office chosen for the study.

Content or document study in research is describe by Holsti (1969:14) as a technique whereby the research studies documentary sources and make objective inferences. The widespread use of document study is also explained as due to the economic consideration and the ability to review very wide and extensive sources. This study utilised a wide variety of sources including in the review of literature. A possible disadvantage could be restriction on documents, especially in some public institutions.

3.5. POPULATION AND SAMPLE

Vanderstoep (2009:26) describes population as the universe of people to which the study could be generalised, and a sample refers to the subset of people from the population who participate in the study. This study is conducted in South Africa within one of the government institution. The name of the selected national government department is Department of Water and Sanitation. Staff members from level 3 to 12 were requested to fill in the questionnaires. The reason for having selected the employees and senior management to participate in interviews is to probe for deeper information about the topic under investigation as these are employees who are involved in the day to day implementation and monitoring of the system. With reference to the researcher's experience these selected groups encounter day to day

challenges with regard to the implementation of every policy in their organisations and mostly the performance appraisal policies.

O'Leary (2004:102) defines a population as the total membership of a defined class of people, objects or events. Neuman (2000:24) argues that the researcher must know exactly what is included in the population that will be studied. According to Black (2002:21) one of the tasks of the researcher is to identify and adequately describe the population to which the results are intended to apply. The total population of Water and Sanitation (Southern Operation's Regional Office) 204 employees and 30 of the population was selected to participate in the study.

According to Barbie (2005:196) sampling is the process of selecting a sufficient number of elements from population, in terms of theory, the two basic types of sampling techniques available are probability and non-probability sampling. He further argues that the method of purposive sampling is a type of non-probability sampling where researchers rely on their experience, ingenuity or previous research findings to collect information from sample members of the population. Moreover, owing to the uniqueness of its nature, non-probability sampling includes convenient, purposive and snowball sampling procedures as opposed to the statistical principal of randomness in probability sampling also indicates that probability sampling is seen as the best way of selecting a sample that is representative of the population from which it is drawn.

3.6 DATA COLLECTION METHODS

According to Croswell (2003:17) Data collection method involves decision and action regarding the collection of the information needed to address the research questions. Walliman (2004:13) stresses that as a method of data collection, the questionnaire is a very flexible tool; however, it must be used carefully in order to fulfil the requirements of a particular piece of research. In this study, data was collected using the personal method through a survey questionnaires administered to all 25-30 employees at Water and Sanitation. A covering letter was used to ensure that respondents were well informed of the intentions and purpose for the research.

3.7 INSTRUMENTS FOR DATA COLLECTION

Firstly, thirty structured questionnaires were administered to the purposively selected participants (of number in the levels 3-12 staff in the area of study). The response was thirty giving a percentage response rate of (100 %). The breakdown of the responses in the form of gender and age distribution is discussed in the next chapter. Secondly in-depth interviews were conducted with the relevant middle and senior management service and also union representatives who, because of their supervisory roles, may be described as both mostly affected by the effect of performance appraisal and at the same time as raters in the process of performance appraisal. Some of the questions on the questionnaires dealt with their almost daily functions in the process of performance appraisal in the chosen office of the Department of Water and Sanitation as the area of study.

In qualitative and quantitative research, there are two types of data: primary and secondary data. According to Kothari (2009:21) primary data is original information collected for the first time. Primary data are original in nature and directly related to the research problem. Primary data can be collected in a number of ways such as one-on-one interview, telephone surveys, and focus group. Moreover, primary data is current and it can better give a realistic view to the researcher about the topic under consideration. According to Hanekom (1987:28) Primary data refers to data that has not yet been published or not yet reached the public; it is first-hand information, while on the other hand, secondary data refers to the data that is accessible in published literature. Secondary data is information that has been collected previously and that has been put through the statistical process.

According Walliman (2011:69). In this study the researcher collected both primary and secondary data. The technique for primary data collection in this study were interviews and questionnaires, and under secondary data, published books, government reports, related articles, and publications.

According to Kumar (2005:125-130). The unstructured interview has been variously described as naturalistic, autobiographical, in-depth, narrative or non-directive; and the formal interviews are modelled on conversation and, like the conversation, are a social event with, in this instance, two participants. The interview method involves questioning or discussing issues with people. According to Blaxter (2010:193) it can

be a very useful technique for collecting data which would likely not be accessible using techniques such as observation or questionnaires.

The second data collection technique used was questionnaires. According to Blaxter (2010:201) questionnaires are the most widely used social research technique. The authors further argue that questionnaires can be administered in many different ways. Firstly, questionnaires mailed to the intended respondents, who are then expected to complete and return themselves. Secondly, questionnaires in a research study can be administered over the telephone. The major advantages of both the mailed questionnaires and the telephonic interviews are the ability to reach a very wide respondent, and also the economy. Though it must also be mentioned that the response rates could be lower, or sometimes there is no certainty of the person who completes the questionnaire in the case of mailed questionnaire. Face to face structured interview is costly and time consuming but it tends to overcome the problems associated with the earlier methods. The researcher employed self-administered questionnaires to the sampled participants. The two data collection tools (questionnaires and interviews) are explained in detail below.

3.8 VALIDITY AND RELIABILITY OF DATA

In this study, several steps were followed to ensure that the data collected was valid. There are research errors that can undermine the validity and credibility of data, such as faulty research procedures and misleading measurements on the instrument, just to mention a few. Data validity refers to a research mechanism that ensures that the process implemented to collect data has indeed collected the intended data successfully. Data validity represents the extent to which the research findings accurately demonstrate what is really happening in a given situation (Welman *et al.*, 2005:142).

3.9 QUESTIONNAIRES

According to Bless (2013:209) There are different types of questionnaires which are mostly used for data collection in social science; these types include, firstly, open

ended questionnaires which are questions for which the respondent is asked to provide own answers. The same applies to in depth qualitative interviewing which uses almost exclusively open ended questions. Open-ended questions leave the participants completely free to express their views as they wish in as detailed or complex a manner, as long or as short a form as they feel appropriate. No restrictions, guidelines or suggestions for solutions are given.

According to Barbie (2011:244) secondly, close-ended questionnaires are survey questions in which the respondent is asked to select an answer from a list provided by the researcher. These are popular in survey research because they provide a greater uniformity of responses and are more easily processed than open-ended questions. According to Kumar (2005:132) close-ended questions the possible answers are set out in the questionnaire or schedule and the respondent ticks the category that best describe the respondent's answer. Close-ended questionnaires facilitate answering and make it easier for the researcher to code and classify responses and thirdly semi-structured questionnaires contain both open and close-ended questionnaires, and participants are asked to select and answer from the provided categories of answers and may also be requested to motivate the answer provided.

3.9.1 Characteristics of a questionnaire

A questionnaire is a structured list of questions. The answers to which are ticked by the respondents (O'Leary, 2004:162). Respondents can answer these questions either in their words or by choosing from a set of responses that have been prepared in advance (Black, 2002:7). Creswell (2003:208) states that questionnaire based survey research is extensively used and it is regarded as an appropriate method of research if the individual is the unit of analysis. It often provides irreplaceable ways of determining attitudes, opinions, perceptions and reports of individual behaviour. According to Wiid (2009:171), a questionnaire is designed to generate the data necessary to accomplish a research project's objective and further elaborate that the questionnaire has three specific objectives crucial for an effective questionnaire:

- Firstly, it must be translate the information needed into a set of specific questions that the respondents can answer;

- Secondly, a questionnaire must uplift, motivate and encourage the respondent to become involved, to cooperate and to complete the questionnaire; and
- Thirdly, a questionnaire should minimize response error. This is the error that arises when respondents give inaccurate answers or their responses.

With this in mind the researcher ensured that all questions listed on the questionnaire were not too sensitive or personal. The personal, sensitive and cautionary approach of the researcher allowed for respondents to feel at ease and encouraged to participate in the research collection process comfortably.

3.9.2 Questionnaire structure and design

According to Burns and Bush (2002:129), a poorly designed questionnaire can nullify any investigation or study. O'Leary (2004:162) states that when designing a questionnaire the researcher needs to take cognizance of the following, namely: appearance of questionnaire, question sequence, wording of questions and responses categories. Zikmund (2003:427) contends that the purpose of a study is to achieve the research objectives. Therefore, the questionnaire needs to be concise, asking just those questions which are critical to the research. The questionnaire design of this study was very simple and easy to comprehend. It contained closed ended and pre-coded questions using the 5 point Likert Scale. The questionnaire was divided into two sections. Section A comprised of the biographical data items and Section B consists of items to determine the impact of performance appraisal on employee performance at the department of Water and Sanitation. Statements in the questionnaires were short and easy to understand. Simple, plain language was used in all questions and statements. Respondents were asked to tick all the boxes of each questionnaire. This approach made it easy for all respondents to understand how to answer. According to Babbie (2005:359), a questionnaire should be short and understood. This will ensure that the right answers are elicited for the questions posed. Creswell (2003:155) argues that it is better to design a questionnaire that has more pages that have a clear and user-friendly design than the one with fewer pages that have crowded and unfriendly layout. However, it must be mentioned that it is not always easy to design a questionnaire that is simple. The simplicity of the questionnaire is determined by the nature of research problem at hand.

3.10 ADMINISTRATION OF THE QUESTIONNAIRE

There are several ways in which questionnaires can be administered. The basic methods of delivering questionnaires are by mail in a prepaid envelope and personally (Walliman, 2004:17). With regard to using personal method, William (2006:2) highlights that the researcher has to decide whether the questionnaire is to be self-administered. Burns and Bush (2002:202) explain that there are two types of self-administered questionnaires: those that are completed in the presence of the researcher and those that are filled in when the researcher is not in attendance. Walliman (2004:18) highlights that the advantage of the researcher administering the questionnaire is that the questionnaire can be conducted in a variety of situations.

In this study, a self-administered questionnaire (Annexure D) without the presence of the researcher was used. The absence of the researcher is helpful in that it allows all the target respondents to complete the questionnaire in private, to devote as much time as they wish to its completion, to be in familiar surroundings. Furthermore, to avoid the potential threat or pressure to participate caused by the researcher's presence. It can be economical to administer and is more anonymous than having the researcher present (Walliman, 2004:17). To overcome the possibility of the need for clarification, a covering letter (Annexure C) detailing what the study is about was attached to the questionnaire and clear instructions were given on how to respond to each question.

3.11 PILOTING OR PRE-TESTING OF QUESTIONNAIRES

According to Blaxter (2010:138) piloting or reassessment without tears, is the process whereby the researcher try out the research techniques and methods which are available, and see how they work in practice and if necessary, modify his plans accordingly. He also indicate that survey questionnaires can be piloted first with colleagues, friends, students, and family who assume the role of specific and general audiences. Once the questionnaire is in reasonable shape, it can be piloted with individuals, focus groups, or both.

According to Andres (2002:42) the piloting process should be a test of each of the following components of the survey: salience of the questions, the clarity of individual

words, and individual questions, and the nature of the stems and responses categories, the scale employed, skip instructions, redundant or absent questions. For pen-and paper and web survey, the attractiveness of the layout should also be assessed by those piloting the instrument. He also argues that it is strongly advisable for researchers that before starting with their data collection process both their interviews questions and questionnaires start by being pre-tested. Many questionnaires might be easy to read but prove to be hard to answer.

According to Neuman (2000:142), the purpose of a pilot test is to refine the questions in order to ensure that there are no uncertainties and ambiguities. A pilot study is a trial run of a larger study that is conducted in preparation for that study; it can involve pre-testing or trying out (Cooper and Schindler, 2006:149). The purpose of a pre-test is to ensure that the questionnaire meets the researcher's expectations in terms of the information that will be obtained (Creswell, 2003:195). Therefore, a pilot study was conducted on a sample of 15 employees who were not part of the target respondents.

According to Burns and Bush (2002:42), a pilot study is often defined as a smaller version of a proposed study and is conducted to refine the methodology. A pilot study allows the researcher to test the prospective study and is done on a small number of employee having characteristics similar to those of the target respondents. For this study a pilot test was conducted with a selected few officials in the office chosen for the study. The results was encouraging. The pilot test thus did help to identify possible problems in the proposed questionnaire and allows the researcher to revise the methods and instruments before the actual study. In other words the pilot testing assisted in improving the success and effectiveness of the main study (De-Vaus, 2002:206). Saunders, et al. (2003:309) highlight that pilot testing helps to refine the questionnaire so that the respondents will have no problems in answering the questions. Babbie (2005:230) argues that it allows the researcher to evaluate the strength and dependability of the data gathered through the questionnaire. From the results of the pilot study the researcher was able to discuss with the study leader on the appropriateness of the questions as well as the composition of the questionnaire before main study. This assisted the researcher to make the necessary changes as well as ascertain the dependability of the questionnaire theme before the main administering of the questionnaires (Wiid and Diggins (2009:192). After the pilot test was conducted, a few questions were refined to limit any ambiguity.

3.12 INTERVIEWS

According to Corbin (2008:27) Qualitative approach offers the researcher to use interviews, observations, video documents, drawing, diaries, memoirs, newspaper, biographies, historical documents, autobiographies, and so on as data collection tool. Other considerations are the desire to triangulate or obtain various types of data on the same problem, such as combining interviews with questionnaires. Interview is a data collection encounter in which one person (an interviewer) asks questions of another (interviewee).

According to Babbie (2014:330) the researcher adopted the questionnaire as a primary source of collecting data for this study, while interviews were used as a follow up and check the reliability of the data collected from the respondents. Qualitative interview- constructed with survey interviewing, is based on a set of topics to be discussed in depth rather than the use of standardized questions, (Babbie 2014:330). The type of interview to be employed in this study is an in-depth interview. Interview is a conversation between two people in which one person tries to direct the conversation to obtain information for some specific purpose.

The strengths of in-depth interview are many: firstly an interview allows researchers to get “deep” answers to their questions from “experts” on the issue. Generally, researchers seeking depth are trying to gain insight about some element of human experience beyond the basic facts of who, what, where and when. Secondly an open-ended style of a well conducted in depth interview is familiar to everyone, for we all ask and respond to questions as a means of exchanging information in the course of a normal day. Triangulation of methods will be employed in this research study in order to validate and check the reliability and the practicability of each method. The term triangulation will be explained in details in the next section.

3.13 DATA ANALYSIS

Analysis of data is organising collected data in a way to answer the research question. As data themselves do not answer the research question the collected data must be processed and analysed in some orderly fashion so that patterns and orderliness can be discerned. According to Hatch (2002:148) qualitative data analysis refers to a

systematic search for meaning through the processing of collected data so that what has been learned can be communicated to others. The data collected were analysed with the assistance of the Statistics Department of the University.

3.14 CONCLUSION

This chapter dealt with the research methodology as well as the research design. Because the central focus of the study relate to employees perceptions of performance appraisal the methodology adopted for the study is mainly the qualitative approach. However it was also found necessary to use some aspects of the quantitative methods in the study, therefore to that extend it can be argued that the study also adopted the mixed method –both quantitative and qualitative methods was used in this study and the research design further focused on data collection. In this study, data were collected by means of a structured questionnaire and Interviews. The aspects of questionnaire design, such as, content and format were emphasized. The survey method was used as the target population was only 25-30 respondents.

Having discussed the statistical test that was used in this study, the next step is to analyse the data and use the statistical tests to interpret the information in a meaningful manner. In other words, statistical analysis is undertaken to make sense of what has been collected (Walliman, 2004:13). Furthermore, the chapter concluded by revealing the importance of ethical consideration pertaining to data collection method. The chapter also explained the techniques and the instruments used to gather the various data for the study. The data collected is analysed in the following chapter.

CHAPTER FOUR

ANALYSIS OF DATA AND DISCUSSION OF FINDINGS

4.1 INTRODUCTION

This chapter is used to present the empirical findings from the various data collected for during the study at the Southern Operation Regional Office of the Department of Water Affairs and Sanitation, Port Elizabeth. The primary data gathered was supplemented with secondary data from various official and unofficial documents during the course of the study. The primary data was gathered with the use of administered questionnaires (annexure D) and scheduled interviews with officials. A total sample of thirty respondents was purposively selected for the study, to whom the questionnaires was personally administered. All the participants that were chosen for the study were office based and that made it possible for them to return the completed questionnaires which gives me 100% and it validates the research findings.

The chapter is also used to provide an analysis of the findings. Lancaster (2005: 57) defines data analysis as the process of turning data into information that in turn can serve to develop concepts, theories, explanations or understanding. According to Neuwman (2011: 507), to analyse data means systematically to organise, integrate, and examine; as we do this, we search for patterns and relationships among the specific details. Neuwman (2011: 507) continues that in qualitative approaches, analysis begins while gathering data, but such analysis tends to be tentative and incomplete. The analysis of the data is therefore to enable the researcher to pronounce his findings regarding the investigation. The responses from the questionnaires are presented with tables and diagrams below beginning with some of the demographic composition of the respondents:

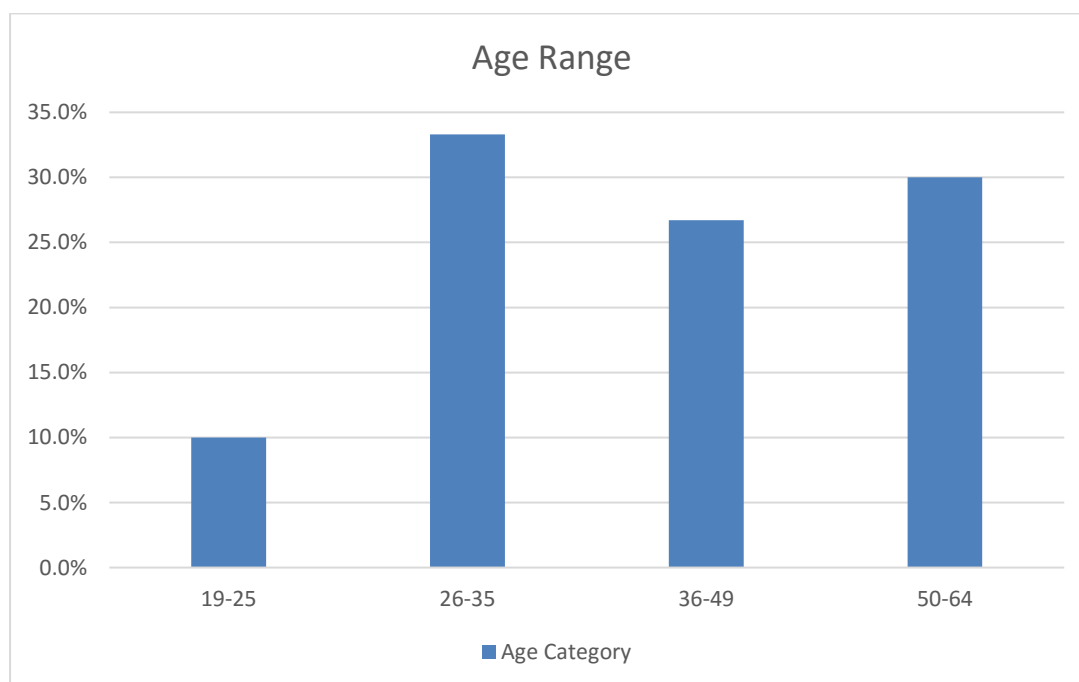
4.2 DEMOGRAPHIC INFORMATION OF RESPONDENTS

The table below and the diagram below provides demographic information of the respondents.

Table 1: Age Ranges

AGE RANGES	FREQUENCY	PERCENTAGE
19-25	3	10%
26-35	10	33,33%
36-49	8	26,67%
50-64	9	30%
TOTAL	30	100%

The table above reveals that 10 % of the respondents were between age groups 19-25 and while 33.33% were between age group 26-35, 26.67 % respondents were of age group 36-49 and 30 % respondents between 50-64. The analysis shows that the great majority of employee of the Department of Water and Sanitation in the Southern Operation fall within the age groups 26-35.

Figure 1: Diagrammatic description of the Age Distribution of Respondents

Both the table and the diagram above indicate that the majority of the employees from the Department of Water and Sanitation's Southern Operation Regional Office, Port

Elizabeth is above the ages of 25 years. The indication is that the office has a relatively matured employee profile, with those below the age of 25 seeming to be in the minority. It can be inferred that probably many of the employees would have undergone more than one performance appraisal process.

However, as depicted in the table and diagram on the length of working period of the responding employees below, there do not seem to be very long service periods for the employees who responded to the questionnaires.

The years of the working experience who responded to the questionnaires is provided in the table below:

Table 2: Respondents Working Experience

Years of working experience	Frequency	Percentage
Less than 2 Years	2	6.6%
2-4 Years	3	10%
5-8 Years	3	10%
More than 9 Years	22	73.4%
Total	30	100%

The table above gives an breakdown of the length and working experience of the respondents involved in the study. Table reveals that 6.6% of respondents have less than 2 years working experience at Water and Sanitation, 10% of the respondents have 2-4 years of the experience while respondents with 5-8 years of experience represented 10% and the majority of respondents 73.4% have more than 9 years' experience. The years of experience are however adequate to enable the respondents provide information on their experiences and perceptions of the appraisal processes in the Operation Regional Office. Also if they have been working in the department for a considerable length of time, they probably would have the opportunity to participate

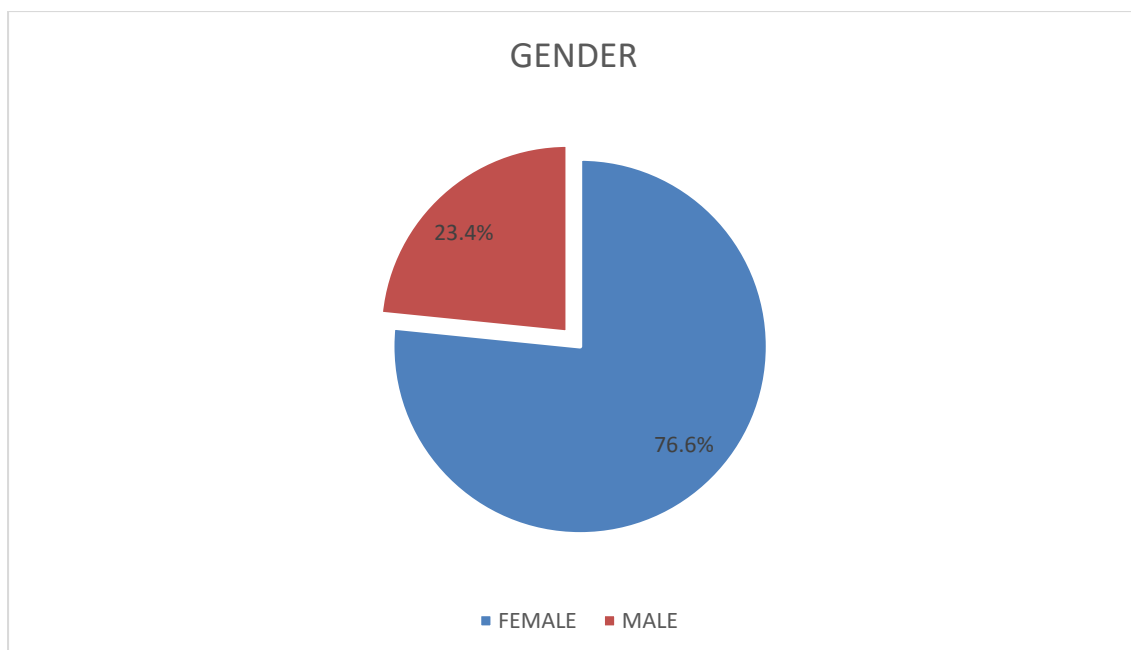
in and appreciated the processes of performance appraisal. Thus their perceptions of the processes are relevant for the study

Table 3: Gender distribution of the respondents

Gender	Frequency	Percentange
Female	23	76.6%
Male	7	23.4%
Total	30	100%

The table above also represents the number of male and female respondents included in the research.

Figure 2: Gender distribution of the respondents



The figures above provides both (pie chart and table) indicate that the gender of the respondents included in the study. The analysis showed that 76.6% of the respondents were females while 23.4% were males. This trend is encouraging since the statistics indicates more female employees in the study area. Having more females personnel may be beneficial in the management of the process as some assert that females tend to pay more attention to detail, which may be an advantage. However,

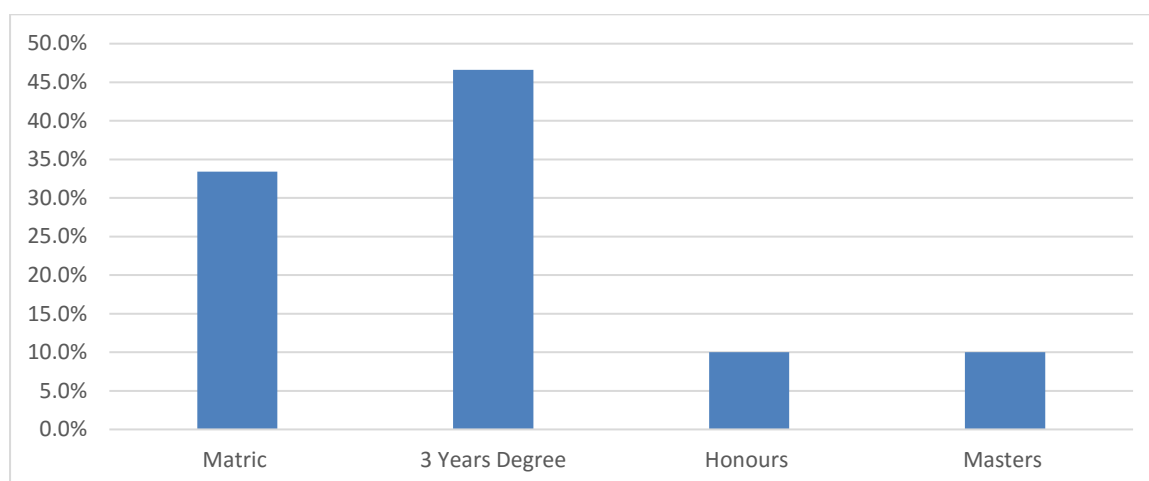
the gender differences in paying attention to detail has not been proved. This may be an attribute of educational qualification, which is described in the table and diagram below. The issue of gender comparison is important due to the fact the processes of performance appraisal of employees involve 'raters or appraisers' which in many instances involve elements of the subjective judgements of employees' line managers.

Table 4: Academic Qualification of Respondents

Highest qualification	Frequency	Percentage
Matric	10	33.4%
3 years degree	14	46.6%
Honours	3	10%
Masters	3	10%
Total	30	100%

The educational profile of the respondents in the study shows that all thirty participants have a some formal education to enable them have a good understanding of the processes of performance appraisal. Of the thirty respondents 10 reported to have completed matric with the remaining having a three year degree or above. This may be due to the some of the technical nature of the work done. The numbers are 14 out of the 30 respondents reported to have a three-year degree; 3 respondents reported to have completed post-graduate Honours and the remaining 3 reported to be holding a Master's degree.

Figure 3: Academic Qualification of Respondents



The qualification profile of the respondents is presented in the diagram above.

The figure above shows that the education level for the participants of at the Regional Operation Office of the Department of Water and Sanitation is appreciably high. The majority reported to possess a degree or higher qualification. It can be inferred that the majority of the participant would have a better disposition to understand the processes and objectives of performance appraisal. In their responses many therefore reported to have a good understanding of the processes and objectives of use of performance appraisal. This also further assisted a lot with the administration of the study questionnaires as most of the participants could state that they understand the questionnaire and they were also able to understand and complete the questionnaires without translation or much interpretation or explanation.

The table above give an indication of the qualification profile of employees that took part in the study. Figure 4.4 and Table 4.4 revealed that respondents 33.4 % were in possession of matric, 46.6% of respondents were possession of 3 years Degree, 10% in possession of honours and the other 10% had their master's degree.

4.3 DESCRIPTIVE STATISTICS

This section presents the results of the questions on effect of the performance appraisal within Water and Sanitation in the study of Southern Operation Regional Office. According to Welman, Kruger and Mitchell (2005:231), descriptive statistics

refer to the summarizing and grouping of data which is then presented in the form of tables and graphs

Gaur and Gaur (2009:37) highlight that descriptive statistics are frequently used to summarize and categorize data such that conclusions can be drawn from the results. In the pages that follow, the descriptive statistical analysis shows the reporting of the results by combining strongly agreed and agreed, strongly disagreed and disagreed in percentages in each numbered table. The neutral response is also shown as depicted in percentages in each numbered table.

Table 5: Employees Knowledge/Understanding of Performance Appraisal

Employees Knowledge/Understanding Of Performance Appraisal	Frequency	Percentage
Yes	28	93.4%
No	2	6.6%
Total	30	100%

The table above shows that the majority of 93.4 % of the employees feel that they know the purpose of performance appraisal within Water and Sanitation and only 6.6% that felt that they don't know.

Figure 4: Do the employees of the Department understand the Purpose of the Performance Appraisal ?

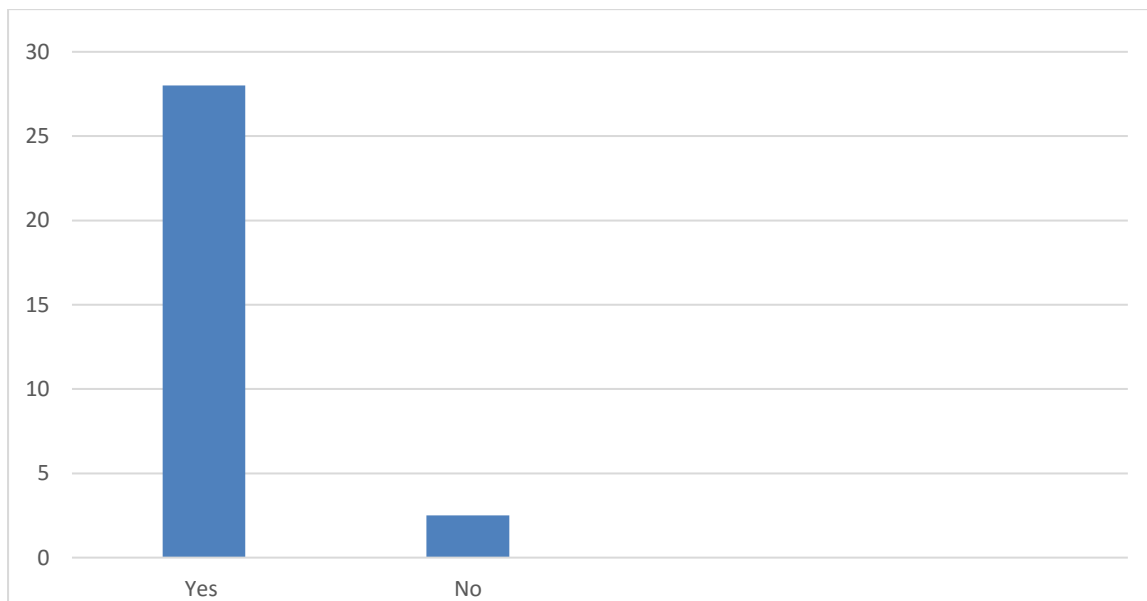
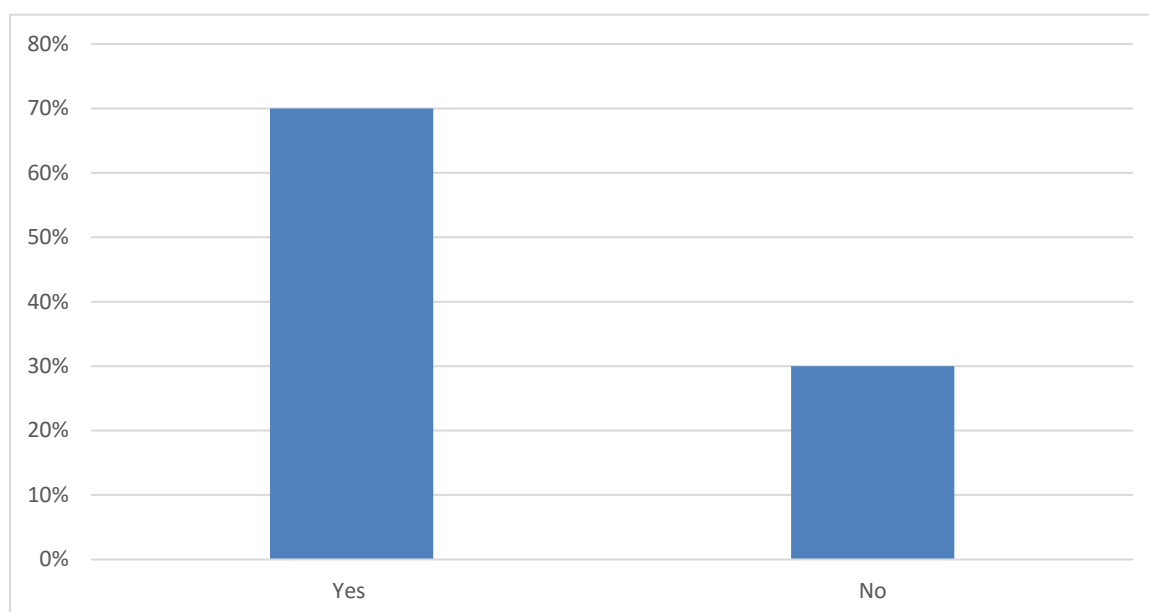


Table 6: Awareness of Performance Appraisal Policy/Legislation

Awareness of Performance Appraisal Policy/Legislation.	Frequency	Percentage
Yes	21	70%
No	9	30%
Total	30	100%

The table above shows that the majority of 21 (70%) indicated that employees are aware of the relevant legislation of performance appraisal while a minority of 9 (30%) respondents thought otherwise. This is an important response because it indicates that the employees probably participated in the establishment and in the actual processes of performance appraisal of employee performance.

Figure 5: Awareness of Performance Appraisal Policy/Legislation



The figure above shows that the participants within the Department of Water and Sanitation are aware of the relevant legislation that governs Performance Appraisal and this makes life even better as they will be able to detect any irregularities and refer them to be addressed by the labour union should there be any irregularities.

Table 7: Does the department use performance appraisal to define goals?

Does the department use performance appraisal to define goals	Frequency	Percentage
Agree	23	76.4%
Dis-agree	7	23.4%
Total	30	100%

The table above depicts that the majority of respondents 23 (76.4%) agreed that an important function of the performance appraisal policy should be to determine the goals and responsibilities to be performed by the employees, while only 7 (23.4 %) of the respondents disagreed with this statement.

Specifically this study sets out to examine the effects of performance appraisal on employees. The study examines the perceptions of employees on the use of performance appraisal, its implication for managing employees work and how this affects the output of employees. The section on the questionnaire therefore specifically asks respondents about their knowledge of the relevant legislation on performance management which performance appraisal forms part.

Analysis of the responses indicates that a majority of the respondents have knowledge of the relevant legislation on performance management which performance appraisal form a part.

When respondents were asked whether in their opinion, the policy or its implementation regulations set clear goals and guidelines for implementation a greater percentage agreed that clear goals were set. Out of the 30 respondents, 23 or 76.4% reported that the performance appraisal system used in the Department's Operation Office has clear defined goals. As described in chapter one (para 1.1.2:3) it was described that performance management and therefore performance appraisal is vital in evaluating performance of functions and the identification of training needs and rewards. Therefore it was necessary to establish how employees view the whole process, and because of the subjectivity in rating which could have unintended consequences.

According to Stone (2002:60), organizations implement performance appraisal policies to track how well employees perform their duties in the workplace. Evaluating employee performance entails assessing their accomplishments, behaviours and efficiency over a specific period. Bond and Fox (2007:436) state that work assessments determine whether the employee qualifies for bonus, promotion or disciplinary action. Under the accomplishments category, supervisors measure the employees' performance, efficiency, effectiveness and quality of their work. Robbins and Coulter (2002:56) highlight that the way an employee behaves affects how his supervisor views his/her overall performance.

Behavioural expectations include the types of relationships the employee maintains with colleagues, clients and business associates. Thus, whether or not the employee adheres to the code of conduct depends on his propensity towards motivation and commitment to his work (Kuvaas, 2006:505). An employee who displays an efficiency attitude in the workplace is a valuable asset to employers. Good organizational and

time management skills are examples of efficiency. Physical appearance and an employee's ability to communicate effectively also affect proficiency. Employees who exhibit professionalism receive strong scores on performance appraisals (Neal, 2001:431).

4.4. LEVEL OF EMPLOYEE PARTICIPATION IN THE PERFORMANCE APPRAISAL

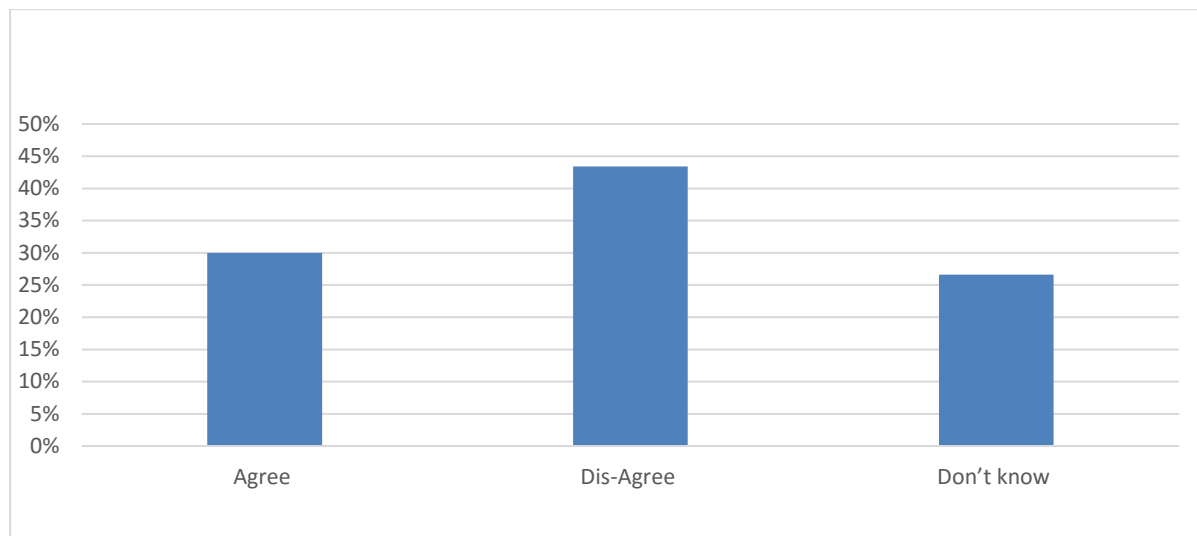
The level of employee participation is demonstrated in both the table and the diagram below.

Table 8: Should Line Managers be involved with the design of performance appraisal policy?

Should Line Managers Be Involved With The Design Of Performance Appraisal Policy?	Frequency	Percentage
Agree	9	30%
Dis-agree	13	43.4%
Don't know	8	26.6%
Total	30	100%

The table above depict that the majority of respondents 9 (30%) agreed that line managers should be involved with the design of the performance appraisal policy while 13 (43.4%) of the respondents dis

Figure 6: Should Line Managers be involved with the design of performance appraisal policy?



The figure above shows that majority of the participants strongly feel that the Line Managers should not be involved in the design of performance appraisal policy. However Anderson (2002:82), indicates that the design and structure of the performance appraisal policy is important to both employee and management. It is globally recognized that performance appraisals should be to the advantage of managers and employees, but few performance appraisal policies, if any, involve both these line managers in the design of the performance appraisal policy. The needs and expectations that the line manager and employees have on performance appraisals should be aligned when the policy is designed. Furthermore, every element of the performance appraisal's design must be considered carefully, as the needs and expectations that employees and line managers have of each impact requires buy-in (from all stakeholders), as well as the credibility of the policy in its entirety (Williams, 2002:220).

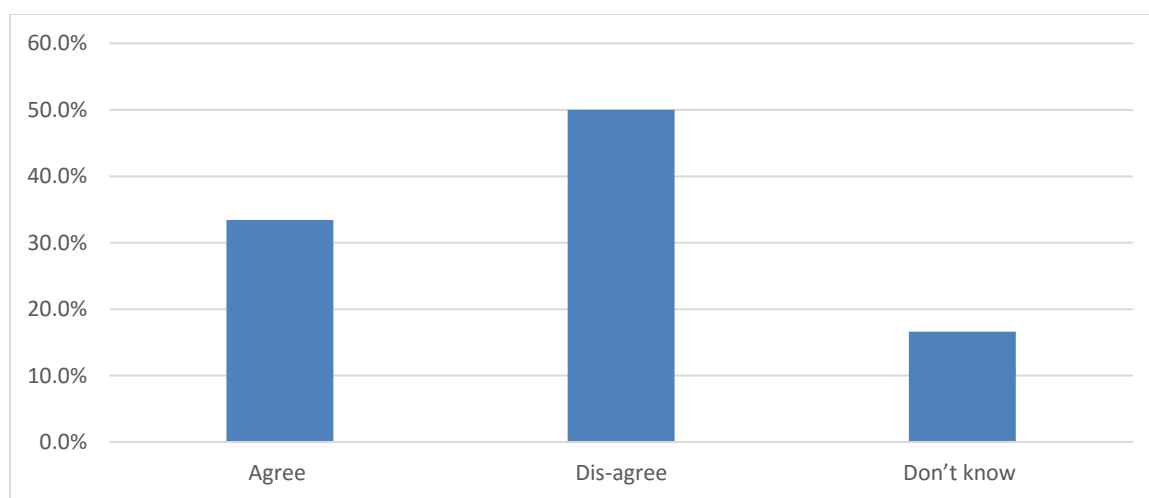
4.5 EMPLOYEES' PERCEPTION OF THE FAIRNESS/ACCURACY OF PERFORMANCE RATING

The perception and the fairness /accuracy of the performance rating is demonstrated in the tables and the diagrams below.

Table 9: Level of Participation of employees?

Level of participation of employees?	Frequency	Percentage
Agree	10	33.4%
Disagree	15	50%
Don't Know	5	16.6%
Total	30	100%

The table above highlight that 10 (33.4%) of the respondents agreed that there is a Level of participation of employees performance, while 15 (50%) of the respondents indicates that there is no level of participation as the policy was already adopted , managers have to implement and employees only get involve in the assessment process. There is also 5 (16.6%) that indicated that they don't know.

Figure 7: Level of Participation of employees?

The figure below shows that the participants agree that, the Department does measure employee performance and only a very few margin that disagree with the statement. According to Bond and Fox (2007:5), measuring employee performance is the basis of performance appraisal policy and performance management. Fletcher and Bailey (2003:360) believe that accurate and efficient performance measurement not only forms the basis of an objective performance review but also gives way to judging and

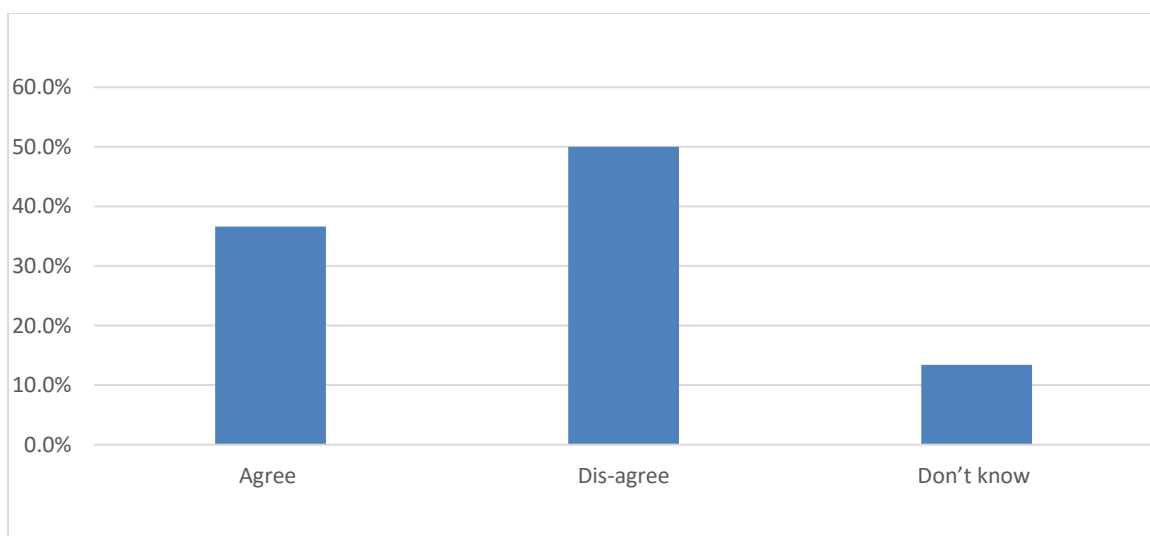
measuring employee potential. Anderson (2002:2) highlights that for an organization to be effective for its goal, it is very important to measure its employee performance on a regular basis. Aguinis (2009:2) asserts that measuring the performance of the employees based only on one or more factors can cause inaccurate results and leave a bad impression on the employees as well as the organization.

Table 10: Does Performance Appraisal Motivates Employees?

Does performance appraisal motivates employees	Frequency	Percentage
Agree	11	36.6%
Dis-agree	15	50%
Don't know	4	13.4%
Total	30	100%

The above depict that 11 (36.6%) agree that performance appraisal motivates employees, 15(50%) of the respondents disagreed with the statement and 4(13.4%) have indicated that they don't know.

Figure 8: Does Performance Appraisal Motivates Employees?



The figure above shows that the participants felt very motivated with the Performance Appraisal and only a few margin that disagrees. Byron (2007:713) asserts that performance appraisal and its feedback is always a big source of motivation to improve employee performance for the next period of time. The objective of performance appraisal is to influence the employee's job performance with a systematic process appraisal, that have a major impact on the employees to achieve a certain level of motivation to improve their performance Markle (2000:5). Armstrong (2006:7) argues that in order to motivate employees through performance appraisal policy, the policy should be used for reward and recognition. Kuvaas (2006:510) highlights that motivation is the key element to employee performance. Moreover, performance appraisal policy also creates a learning experience that motivates employees to develop themselves and improve their performance.

4.6 REGULARITY OF PERFORMANCE APPRAISAL

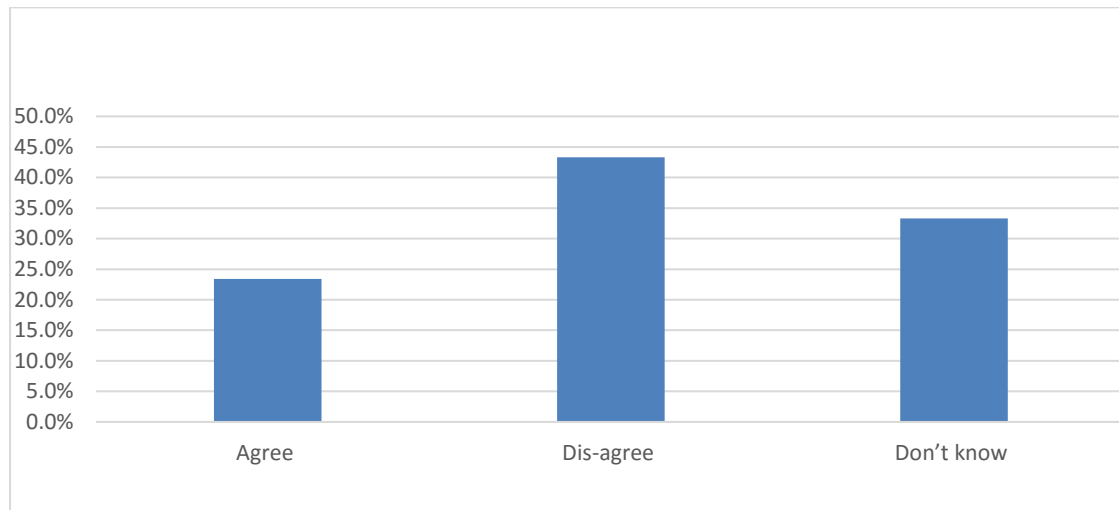
Regularity of performance appraisal is discussed in the tables and the diagrams below.

Table 11: Is there a need for Performance appraisal to be done regularly?

Is there a need for Performance appraisal to be done regularly	Frequency	Percentage
Agree	7	23.4%%
Dis-agree	13	43.3%
Don't know	10	33.3%
Total	30	100%

The table above indicate that 7(23.4%) agree with the fact that there is a need for performance appraisal to be done regularly and 13 (43.3%) does disagree with the statement whereas there is 10 (33.3%) who have indicated that they don't know.

Figure 9: Is there a need for Performance appraisal to be done regularly?



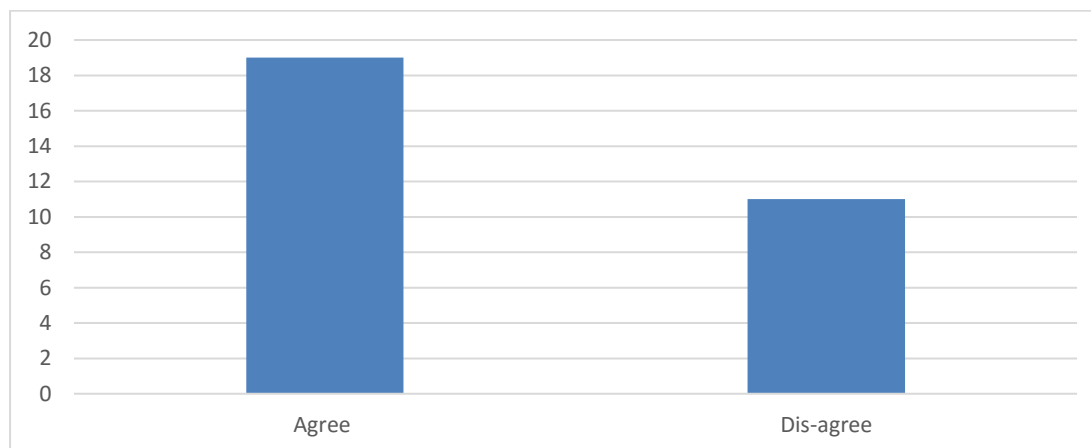
As per the figure above it shows that the participants indicated that they don't see a reason for performance appraisal to be done regularly and only a few margin (less than 25% of the respondents) reported that they agreed with that statement and yet there are those (above 30%) that have indicated that they don't know. . According to Fletcher (2008:5), there should be a clear time period of performance appraisal, like semi-annually or per annum. However, as the majority of the employees are acquainted with and how often the processes are being conducted, it can be inferred that they are able to take advantage of this do well at their job and get utmost reward for their efforts. If this process is conducted semi-annually then the management is able to inform employees of their strengths, weaknesses, developmental areas and key improvement areas. Thus, it will help the employees to perform better than the last period of performance measurement (Mondy and Noe (2008:328). Rudman (2003:437) supports the view that employees should be appraised at least once in a year, as this will contribute to increased employee efficiency and performance.

Table 12: Does performance appraisal enhance employee performance?

Does performance appraisal enhance employee performance	Frequency	Percentage
Agree	11	36.6%
Dis-agree	14	46.8%
Don't know	5	16.6%
Total	30	100%

The table above show that the majority of respondents of 14(46.8%) disagreed with the fact that the performance appraisal policy does and enhances employees' performance, while only a margin 11 (36.6%) of the respondents agreed with this statement and yet 5 (16.6%) have indicated that they don't know.

Figure 10: Does performance appraisal enhance employee performance?



As per the figure above it can be deduced that most of the participants agree with the fact that performance appraisal does enhance employee performance; a lower percentage of the respondents reported to have disagreed with the statement. According to Markle (2000:5), the factors found to enhance employees' performance include focusing performance appraisal policy on tasks the employee was highly familiar with, rather than the employees' attributes. Furthermore, it may draw attention to discrepancies between actual employee performance and desired performance.

Neal (2001:98) asserts that performance appraisal policy is supposed to be about reviewing work performance and giving feedback in order facilitate improved employee performance. Robbins and Coulter (2002:178) suggest that if the management has the full co-operation of the employees and on the same hand if employees coordinate with management then the employee performance and participation can actually help in the performance appraisal policy for the subsequent period.

Table 13: Does performance appraisals have any impact on employees?

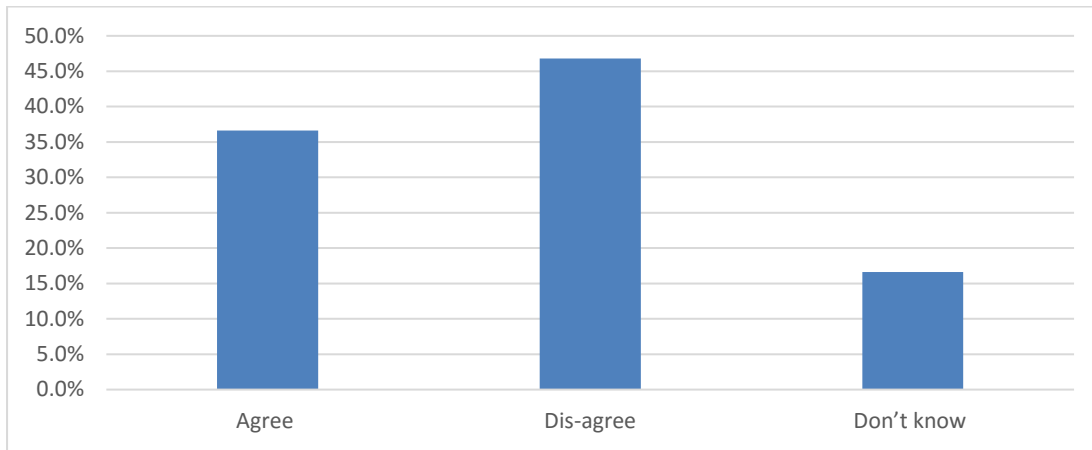
Does performance appraisal have any impact on employees	Frequency	Percentage
Agree	19	63.4%
Dis-agree	11	36.6%
Total	30	100%

The above table illustrates that the majority of respondents (63.4%) were of the opinion that performance appraisal had an impact on employees' performance and a small margin of respondents (36.6%) dis-agree with the statement.

4.7 IMPACT OF PERFORMANCE APPRAISAL ON EMPLOYEES

The impact of performance appraisal is demonstrated in the tables and graphs below.

Figure 11: Does performance appraisal have any impact on employees?



According to Mani (2002:158), in many organizations, performance appraisal results are used, either directly or indirectly, to help determine reward outcomes. That is, the performance appraisal results are used to identify the potentially good performing employees who should receive financial benefits, bonuses and promotions. Mackey and Johnson (2000:328) assert that performance appraisal results are used to identify the poor or weak performers who may require some form of counselling, or in extreme cases, demotion and dismissal. Anderson (2002:32) suggests that if a supervisor gives an employee a poor score on his/her appraisal, the employee may feel a loss of motivation in the workplace. Consequently, this can impact on the employee's performance.

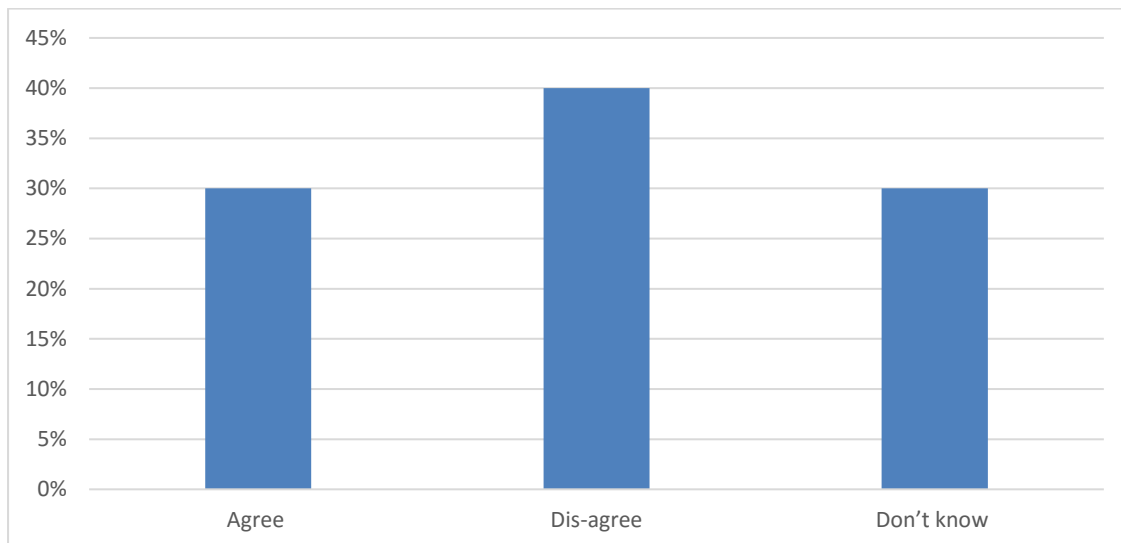
Table 14: Do employees get their feedback on performance appraisal?

Do employees get their feedback on performance appraisal	Frequency	Percentage
Agree	9	30%
Dis-agree	12	40%
Don't know	9	30%
Total	30	100%

The table above illustrates that 9 (30%) % of the respondents agreed that performance appraisal policy provides essential feedback to employees about their

performance while 12 (40%) dis-agreed with the statement and also 9 (30%) have indicated that they don't know.

Figure 12: Do employees get their feedback on performance appraisal?



However Byron (2007:713) highlights that the core function of the performance appraisal policy is to provide feedback to employees on their performance.

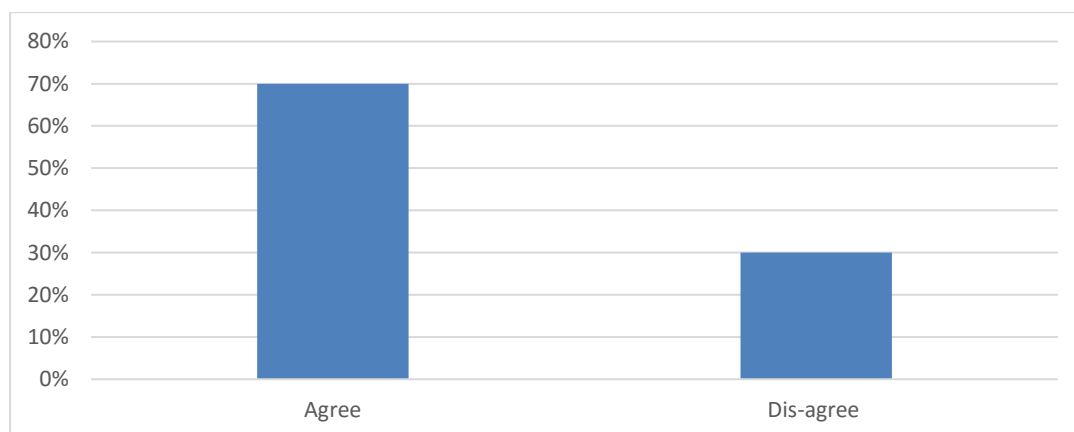
The reason for feedback would be to encourage employee performance, which directly leads to the attaining of individual goals, while underperformance can be rectified or dealt with appropriately. Hunt (2005:128) suggests that for the feedback process to work well, experienced practitioners have advocated that it must be a two way communication process and a joint responsibility of line managers and employees, not just the top managers. According to Schultz (2004:479), one of the main reasons for monitoring employee performance is to be able to provide feedback to the subordinate. Feedback serves two purposes, namely, it allows the manager to provide consequences for employee performance and it allows the manager to rectify the effort of the subordinate if necessary. Fandray (2001:35) asserts that feedback should be relevant, immediate and frequent. It should be constructive, balanced and specific. Also, it should be focused on critical success factors of task behaviour as highlighted in the performance appraisal policy.

Table 15: Does the Department use performance appraisal to simplify expectation?

Does the Department use performance appraisal to simplify expectation?	Frequency	Percentage
Agree	21	70%
Dis-agree	9	36.6%
Total	30	100%

The table above show that 70 % of the respondents agreed the Department does use performance appraisal to simply expectation while 30% dis-agree with the statement.

Figure 13: Does the Department use performance appraisal to simplify expectations?



According to Markle (2000:7), managers often view employee performance appraisals with fear and loathing. Levinson (2005:44) contends that not all employees are top achievers and pointing out weaknesses or deficiencies can be difficult. Fletcher (2001:473) is of the opinion that many organizations treat performance appraisals as an annual burden consisting of a quick meeting between supervisor and subordinate that produces a written review that is filed and forgotten. However, performance appraisal policy, if implemented carefully and thoughtfully can add considerable value to the supervisor/employee relationship and can help structure and clarify expectations for both parties. Coens and Jenkins (2002:232) assert that clarifying employee

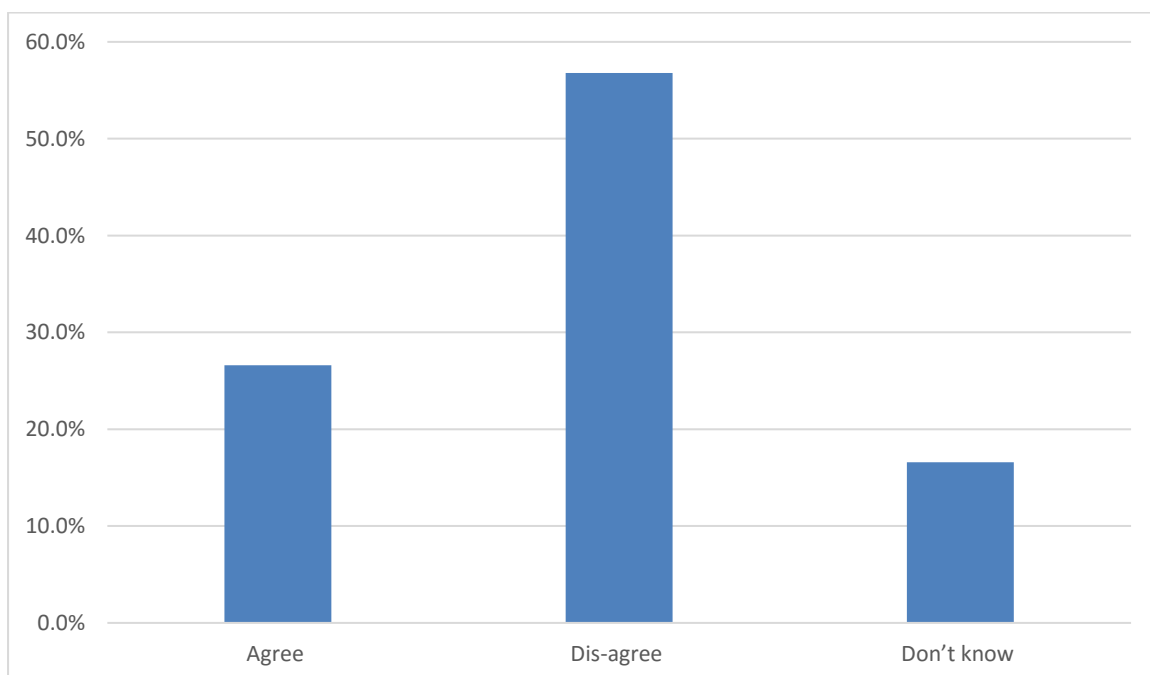
performance expectations is one step to creating an effective performance appraisal policy. As a result of non-awareness of the employee performance expectation, employee efforts could be wasted or unrecognized (Fletcher, 2001:473).

Table 16: The measurement criteria must be quantifiable

The measurement criteria must be quantifiable	Frequency	Percentage
Agree	17	56.6%
Dis-agree	13	36.6%
Total	30	100%

The table above illustrates that the majority of respondents 56.6% agreed that the measurement criteria used in performance appraisal policy must be quantifiable while 43.4% dis-agree with the statement.

Figure 14: The measurement criteria must be quantifiable



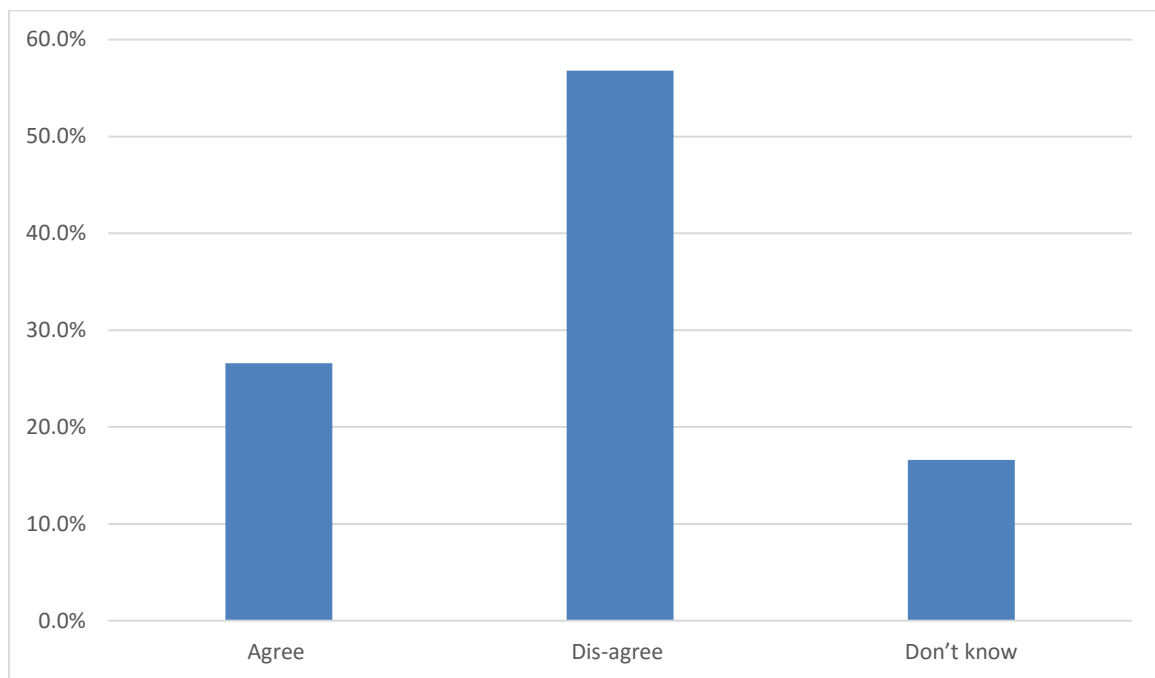
According to Halachmi (2005:510), criteria are often labelled as input and output criteria, where input criteria include personal qualities, activities and output criteria are characterized by results attained by the employee's performance. Moreover, there is a preference for input criteria over output behavioural criteria, as it is debated that the employee has a greater control over input behavioural criteria (Poon, 2004:322). Anderson (2002:132) asserts that when performance appraisal criteria are determined it is imperative to involve the employee, as this greatly enhances the employee's perception of the fairness of the performance appraisal policy. Rudman (2003:3) suggests that in some instances employee's change their behaviour to pass arbitrary performance measures as opposed to truly improving delivery as such, thus the importance of determining the correct measure.

Table 17: Perceived benefits of performance appraisal

Perceived benefits of performance appraisal	Frequency	Percentage
Agree	8	26.6 %
Dis-agree	17	56.8 %
Don't know	5	16.6%
Total	30	100%

The table above illustrates that 8 (26.6%) of respondents agree that there are benefits that derive from performance appraisal while only 30 % of the respondents dis-agree with the statement.

Figure 15: Perceived benefits of performance appraisal



Based on this analysis majority of the respondents were of the view that they derived benefit from performance appraisal which is a good indicator that can be enough to motivate employees to put up their best to achieve organisational goal.

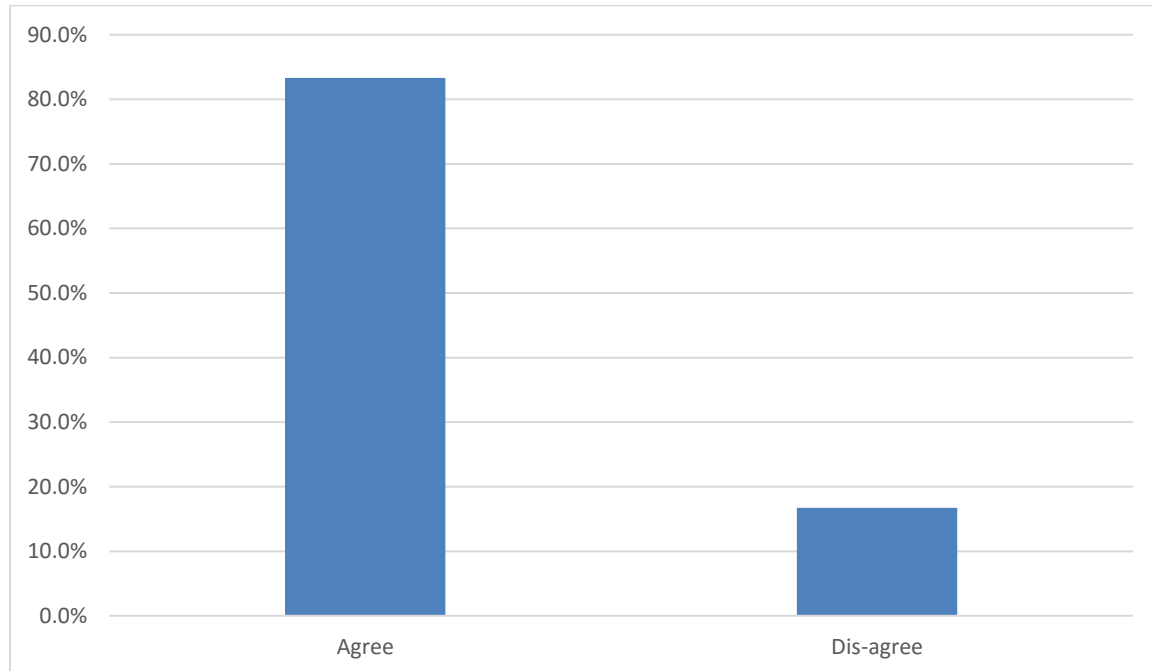
Table 18: Should the employees be involved in the Development and Design of Performance Appraisal Policy?

Should the employees be involved in the Development and Design of Performance Appraisal Policy	Frequency	Percentage
Agree	9	30%
Dis-agree	12	40%
Don't know	9	30%
Total	30	100%

The table above illustrates that 9 (30%) % of the respondents agreed that the employees should be involve in the development and design of performance appraisal

12 (40%) dis-agreed with the statement and also 9 (30%) have indicated that they don't know.

Figure 16: Should the employees be involved in the Development and Design of Performance Appraisal Policy?



According to Williams (2002:6), it is imperative to get the right employees involved when designing and developing performance appraisals.

Rudman (2002:6) specifically highlights that the employees must have an opportunity for meaningful input in the performance appraisal policy's development and design. Furthermore, if managers and employees are not involved with the performance appraisal policy's development and design, they will not be committed to it (Fandray, 2001:39).

According to Mani (2002:158), in many organizations, performance appraisal results are used, either directly or indirectly, to help determine reward outcomes. That is, the performance appraisal results are used to identify the potentially good performing employees who should receive financial benefits, bonuses and promotions. Mackey and Johnson (2000:328) assert that performance appraisal results are used to identify the poor or weak performers who may require some form of counselling, or in extreme cases, demotion and dismissal. Anderson (2002:32) suggests that if a supervisor gives an employee a poor score on his/her appraisal, the employee may feel a loss of motivation in the workplace. Consequently, this can impact on the employee's pe

According to Aguinis (2009:77), the performance appraisal methods an organization uses should meet the needs of its workforce (see sec.2.39 above). The objectives of performance appraisal as a component of a performance management system includes the setting of measurable targets, evaluating achievement against set indicators and utilising the information to improve decision making and management. The processes of appraisal involve the employees and *raters or appraisers* of performance, which in many instances are their immediate line managers. It is therefore necessary that the performance appraisal policy adopted by an organisation be explained in the employee guide for the employee knows how his/her will be evaluated. Keeping the process secret will only cause future problems including less than optimum employee performance (Mello, 2010:44). According to Dessler and Gary (2000:123) when employees know each step of the process, they are better motivated to meet the standards that must be met (see section 2.40 above).performance.

Table 19: What should be done to improve employee performance appraisal

What should be done to improve employee performance appraisal	Frequency	Percentage
Communication	20	66.8%
Training	5	16.6%
Don't know	5	16.6
Total	30	100%

The table above illustrates that the majority of respondents 66.8% indicated there should be proper communication between the employer and the employee in order to improve employee performance appraisal while 5(16.6%) have indicated that the employees need training in order to improve employee performance appraisal yet another 5 (16.6%) have indicated that they don't know.

Tyson and York (2000:115) assert that communication is the key to success in any relationship. When a lack of communication exists in the organizational setting it has the potential to cause significant problems between management and employees. If this absence of interaction persists in the workplace, matters typically go unaddressed.

As a result conflict often arises and problems remain unresolved because of the absence of communication. A lack of verbal exchanges commonly increase resentments and this usually further escalates the situation (Freeman, 2002:41). Mani (2002:141) highlights that the performance appraisal policy should constitute an open communication, where both manager and employee state what should be done well and what needs improvement. A definitive way to improve communication between management and employees is for managers to create an open door policy to welcome any thoughts, comments, complaints or suggestions. When employees are encouraged to share their feelings, it gives a sense of empowerment where they feel comfortable making contact with their managers to voice their concerns (Dessler and Gary, 2000:321).

4.19 CONCLUSION

This chapter presented the results of the field work conducted amongst employees of at the Port Elizabeth Regional Operation Office of the Department of Water and Sanitation. In line with the arrangements at the Nelson Mandela University, a statistician from the Statistics Department assisted the researcher to analyse the various responses gathered in form of data. The methodology adopted for the study is mainly qualitative which means many of the questions in the questionnaire required opinion answers. Thus the statistical analysis related mainly to the demographic information. However, the statistics department also assisted in the development of some of the multiple choice responses into pie charts and bar charts to provide scores in the form of percentages and numerical values. This assisted researcher to write up interpretive comments on the various figures to provide meanings. This also allowed the researcher to insert some opinions expressed in motivating the responses in the explanations included in the analyses. Based on this, the next chapter presents the conclusions that are drawn from the study. It will further highlight the recommendations based on the interpretation of the results.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

The study examined performance appraisal as a management tool utilised for evaluation and managing personnel performance, and to providing information to manage better. The area chosen for the study is the Southern Operations Regional Office of the Department of Water and Sanitation in Port Elizabeth. Performance appraisal, as part of a performance management system, involves measuring and rating an employee's performance based on the employee's job description and standards. Performance appraisal serves both as strategic and operational function in the study and practice of public administration and this research aims at examining the effect of performance appraisal on employees at the Southern Operations Regional Office of the Department of Water and Sanitation in Port Elizabeth.

Based on a qualitative methodological approach the following research questions guided the study: What are the opinion of employees on the processes of performance appraisal and; what have been management's reflection and recommendations for improving the use of performance appraisal as a management tool. A structured questionnaire was used to collect data for the study. The questionnaires were personally administered to the target respondents to elicit their opinion on performance appraisal policy and its impact on employee performance at Department of Water and Sanitation. A response rate of 100% was obtained from the the participants. The management of the Department of Water and Sanitation gave me permission to conduct the study and supported me and this will explain the 100% response which was achieved (Annexure A). The invaluable assistance is appreciated.

5.2 LIMITATIONS OF THE STUDY

Though a response rate of 100% was achieved, the findings of the study does not claim to be generalised for the whole of the Department of Water and Sanitation nation-wide. It is expected that the findings will contribute towards understanding how

to better use performance management, and specifically performance appraisal to improve management and employee performance.

5.3 SPECIFIC OUTCOME OF THE STUDY

This research analyses the use of a personnel performance appraisal, a component of performance management system to evaluate employees at the Southern Operation Region Office of the Department of Water and Sanitation, and how this affects their performance. As a management tool performance appraisal also serves a strategic purpose by linking employees' performance with the mission and goals of the institution.

As part of the theoretical basis, Neal (2001:98) writes that a performance appraisal policy and its implementation processes are intended to review work performance and give feedback to facilitate measures and programmes to improve employee performance. Government institutions utilise public resources to perform a variety of functions, and there is a need to evaluate and manage effectiveness and efficiency of the utilisation of resources in public institutions (*cf* Botes *et al.*, 1997). However it is also necessary to utilise an appropriate method to evaluate performance. Thus the study also examined the process of performance appraisal policy in Department of Water and Sanitation as making an important contribution to effective human resources development. According to Nurse (2005:176), managers must recognize that an employee's development is a continuous cycle of setting performance goals, assessing employee performance and then setting new higher goals. Scott and Einstein (2001:109) emphasised that training helps to give employees greater competence and personal satisfaction from the experience of being able to perform a job well.

The study adopted a mainly qualitative methodological approach and purposively selected a sample of 30 employees at the Southern Operation Region Office of the Department of Water and Sanitation in Port Elizabeth who completed the questionnaire for the study. The sample population for the study depicts a relatively matured employee profile, with those below the age of 25 seeming to be in the minority. This together with an average service period of about 6 to 7 years meant that

probably many of the employees would have undergone more than one performance appraisal process.

The findings revealed that competence, assessment and development, communication and the adequate training which employees received based on the performance appraisal all had an impact on employee performance in Department of Water and Sanitation. Furthermore, factors, such as employee training, competence and communication could not be ignored since they were rated to a moderate extent by the employees and it also contributed to employee performance. The study findings specifically highlight the importance of effective communication between the employer and the employees in order to improve employee performance appraisal processes. It appeared that the employees felt that they must have an opportunity for meaningful input in the performance appraisal policy's development and design. It may be inferred that this indicates that if managers and employees are not involved with the performance appraisal policy's development and design, they would not be committed to it. The process of performance appraisal policy in Department of Water and Sanitation was also viewed as making an important contribution to effective human resources development.

5.4 CONCLUSION

The empirical findings and discussion of results showed that, performance appraisals can benefit both employers and employees. They can improve employees' job performance and suitability for promotion while at the same time helping to use labour more effectively. In addition, performance appraisals can improve communications and the quality of working life and make employees feel that they are valued by the organization. A formal performance appraisal policy is the tangible way by which an organization can determine the level of performance of its diverse employees.

The findings demonstrated that the performance appraisal policy can be an effective tool in employee performance if it is perceived to be objective and fair. The findings also revealed that employee participation in the performance appraisal policy was high and this led to employee performance and perception of the process and outcome as being fair. This finding also confirmed the observations of Bond and Fox (2007:143)

who highlight that employee performance was transparent in their evaluations and that they were treated fairly in compensation and promotion.

Moreover, motivation and performance were enhanced when employees participated in goal setting. This corroborated Armstrong's (2005:7) assertion that employee motivation and performance will improve if employees have challenging but agreed upon goals and receive feedback. Employees feel motivated when they know how well they are doing on their jobs. This also informs employees of their potential worth and that the organization cares for them. Performance appraisal policy, particularly on interpersonal (supervisor/subordinate) basis, has been found to be useful and highly effective in motivating employees to higher performance. Lastly, it can also be concluded that promotions of the employees in organization are greatly influenced by a properly organized and executed performance appraisal policy.

5.5 RECOMMENDATIONS

The results of the study indicated that most employees preferred performance appraisals to be used to identify training needs which will assist with the development of employees. It is recommended that managers should improve on the training and development needs analysis component of performance appraisal policy in order to meet the aspirations of employees. A well trained and developed workforce is required for increased employee performance and organizational growth. It would also lead to efficiency and effectiveness of organizational activities.

During the design of performance appraisal policy in the Department of Water and Sanitation, top management should consider all factors of an effective performance appraisal policy so as to achieve the goals upon which they are designed. The major factors should include frequency of the performance appraisal, accurate record keeping, employees' performance ratings and employees' strength and weaknesses. Furthermore, the performance appraisal policy should be able to provide feedback to employees and it should avoid bias and the procedures for the performance appraisal policy should be measurable.

Department of Water and Sanitation is working closely on its performance appraisal policy and introducing some of the modern methods for appraising the employees.

Only when top management presents an acceptable employee performance measurement, then employees will be satisfied and give off their best to make the organization more profitable and also to enhance their own performance.

- Top management should as far as possible avoid laying too much emphasis on promotion and salary increase as the basis of performance appraisal policy. The emphasis should be on how the employees can achieve maximum performance and increased productivity.
- Line managers should ensure that they do not use sentiments and their own ratings to judge their subordinates during employee performance reviews. Halachmi (2005:510) contends that managers should be capable of being honest, because many performance evaluations exaggerate the employee's true performance.
- Methods of helping poor performers to improve upon their performance, such as counselling and job rotation as well as transfers should be put in place by top management as policy interventions.
- To be able to obtain a reliable performance appraisal policy of the employee, supervisors should make it a point of making periodic notes on each of the employees to be appraised. This is because, if one waits till the end of the period to do the performance appraisal policy, the tendency will be to forget some other important positive or negative behaviour the appraisee showed in the course of that period under review.
- Top management and managers, who conduct the performance appraisal needs to be equipped with methods of motivating employees through the performance appraisal policy not to use the system to demotivate other employees or even to settle score.
- Performance appraisal policy should be reviewed periodically to ensure that the employees meet changing needs. The introduction of a formal performance appraisal policy does not remove the managers' responsibilities for reviewing employee performance on a regular basis.
- Based on the findings of this study, it is recommended that the line managers and employees should be consulted when the performance appraisal policy is designed, in order to ensure that the performance appraisal policy meets the needs and expectations of the employees. The design and structure of the performance appraisal policy is important to both employee and management.

It is globally recognized that performance appraisal should be to the merit of both managers and employees (Anderson, 2002:82).

- Employees should be duly informed of the purpose and need for performance appraisal policy which is to improve their performance. They should know that the exercise is not intended to punish, victimize or dismiss them. With this understanding, employees should discuss freely their achievements and shortcomings as well as how they would overcome these weaknesses. Byron (2007:713) supports the view that performance appraisal policy is always a big source of motivation to improve employee performance
- Effective and proper implementation of performance appraisal policy should be carried out in the Department since this will go a long way to improving job performance of the employees and motivate them towards greater achievement. Anderson (2002:32) suggests that performance appraisal policy, when properly implemented, produces immeasurable positive effects towards ultimate organisational goals.
- Management should educate the employees about their individual goals and share the aim and objectives with the organization. Employees should have the knowledge and freedom to participate in the decision making process. If management has the full co-operation of the employees then employee performance and participation can actually help in the formulation of the performance appraisal policy of the organization. In all this, the right of expressing opinions may enhance employee performance Robbins and Coulter, (2002:178).

The above recommendations are based upon the findings and analysis from the empirical analysis of the results by the respondents of Department of Water and Sanitation. These suggestions may have critical importance towards the department and its progress and may also help the Human Resources Department to improve the performance appraisal policy. Since this was an in-house investigation, the findings can only be generalised to employees in Department of Water and Sanitation.

As currently managed the established performance appraisal processes do not encourage adequate employee participation. The appraisal processes simply seems to be focused on information related to appraisal employee performance which is elicited from the raters or line managers (*see Appendix*). Performance appraisal systems require adequate training of the raters to develop the skills and knowledge to

manage innovatively in the evaluation of different job description and how to convert these into either quantifiable or other values (Giorgas, 2000:3).

The processes of a performance appraisal system could include the key performance indicators or expected results against which achievement is measured (NPMAC, 2010:35). Processing therefore relies on developing objectives against which results can be measured, and the availability of data on results. In effect a performance appraisal system has to define a question on the results being sought with the evaluation of employee performance. Importantly the institution needs to establish a data collection strategy, including what specific data should be collected in the process of the performance appraisal.

The findings revealed that competence, assessment and development, communication and the adequate training which employees received based on the performance appraisal all had an impact on employee performance in Department of Water and Sanitation. Furthermore, factors, such as employee training, competence and communication could not be ignored since they were rated to a moderate extent by the employees and it also contributed to employee performance. According to Nurse (2005:176), managers must recognize that an employee's development is a continuous cycle of setting performance goals, assessing employee performance and then setting new higher goals. Scott and Einstein (2001:109) emphasised that training helps to give employees greater competence and personal satisfaction from the experience of being able to perform a job well. The process of performance appraisal policy in Department of Water and Sanitation was also viewed as making an important contribution to effective human resources development.

The empirical findings and discussion of results showed that, performance appraisals can benefit both employers and employees. They can improve employees' job performance and suitability for promotion while at the same time helping to use labour more effectively. In addition, performance appraisals can improve communications and the quality of working life and make employees feel that they are valued by the organization. A formal performance appraisal policy is the tangible way by which an organization can determine the level of performance of its diverse employees.

The findings demonstrated that the performance appraisal policy can be an effective tool in employee performance if it is perceived to be objective and fair. The findings also revealed that employee participation in the performance appraisal policy was high

and this led to employee performance and perception of the process and outcome as being fair. This finding also confirmed the observations of Bond and Fox (2007:143) who highlight that employee performance was transparent in their evaluations and that they were treated fairly in compensation and promotion.

Moreover, motivation and performance were enhanced when employees participated in goal setting. This corroborated Armstrong's (2005:7) assertion that employee motivation and performance will improve if employees have challenging but agreed upon goals and receive feedback. Employees feel motivated when they know how well they are doing on their jobs. This also informs employees of their potential worth and that the organization cares for them. Performance appraisal policy, particularly on interpersonal (supervisor/subordinate) basis, has been found to be useful and highly effective in motivating employees to higher performance. Lastly, it can also be concluded that promotions of the employees in organization are greatly influenced by a properly organized and executed performance appraisal policy.

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APPENDIX A: Permission letter

Ms Goboza
Director: Southern Operations
Lion Roars Office Park
50 Heugh Road
Walmer, 6070
Tel: (041) 5089700
For attention: Ms C. Goboza

REQUEST FOR PERMISSION TO CONDUCT RESEARCH AT WATER AND SANITATION IN THE CASE OF SOUTHERN OPERATION

Dear Ms Goboza

My name is Phelisa Adonis and I am a Master's student at the Nelson Mandela Metropolitan University in Port Elizabeth. The research I wish to conduct for my Master's dissertation involves "THE EFFECTS OF PERFORMANCE APPRAISAL IN THE DEPARTMENT OF WATER AND SANITATION; A CASE OF SOUTHERN OPERATIONS REGIONAL OFFICE". This project will be conducted under the supervision of Dr .Asmah-Andoh (NMMU, South Africa).

I am hereby seeking your consent to approach a number of employees to participate in this study.

I have provided you with my approved topic as well as the letter which I received from the institution.

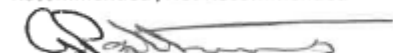
Upon completion of the study, I undertake to provide the Department of Water and Sanitation with a bound copy of the full research report. If you require any further information, please do not hesitate to contact me on 073 664 5829 or adonisp@dws.gov.za Thank you for your time and consideration in this matter.

Yours sincerely,

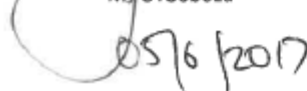


Adonis Phelisa
Nelson Mandela Metropolitan University

Recommended / ~~Not Recommended~~


Mr. G. Posthumus 5/6/2017.
Approved / ~~Not Approved~~

Ms C. Goboza


05/6/2017

APPENDIX B: Consent form

CONSENT FORM

Dear Madam,

You are being requested to participate in a research on the effect of performance appraisal in the department of Water and sanitation in the case of Southern Operations Regional Office. The researcher will provide you with the necessary information to assist you to understand the study and explain what would be expected of you. Please feel free to ask the researcher to clarify anything that is not clear to you.

Please understand that your participation in this research is completely voluntary. You are not obliged to take part in any research. If you do participate, you have the right to withdraw at any given time during the study without any penalty.

To participate, it will be required of you to sign this note that you understand the information provided for your participation and that agree to take part in the research. I wish to assure you that your identity will at all times remain confidential, the results of the research study may, however be presented at scientific conferences or in specialist publications.

This informed consent statement has been prepared in compliance with current statutory guidelines

I wish to also inform you that:

- Your responses to the following interview will remain confidential; and
- The interview will take about 30 minutes to complete.

.....

.....

SIGNATURE OF PARTICIPANT

DATE

.....

.....

SIGNATURE OF RESEARCHER

DATE

APPENDIX C: Covering Letter

50 Heugh Road

Walmer

6070

25 July 2017

Dear Sir / Madam

INVITATION TO PARTICIPATE IN THE STUDY

My name is Phelisa Adonis. I am currently registered at Nelson Mandela Metropolitan University in Public Administration Research. As part of my degree, I am conducting a research on the Performance Appraisal in the Department of Water and Sanitation. The objective of the study is to examine the effect of performance appraisal within the department of Water and Sanitation, identify challenges associated with performance appraisal and to propose measures to optimize performance appraisal in the work place.

I am kindly requesting your permission to complete a questionnaire which will take approximately 30 minutes of your time. All the questions that are asked in the questionnaire are self-explanatory. Please note that your participation is voluntary and all information that you have provided will be treated as confidential for research purpose only. You have the right to withdraw from the exercise should you feel you do not want to participate anymore. There is no form of compensation is included in this exercise.

Thank you for your time

Yours faithfully

Phelisa Adonis

APPENDIX D: Questionnaires

QUESTIONNAIRES

A BIOLOGRAPHICAL INFORMATION

1. Age group

18 -25 Years	
26-35 Years	
36-55 Years	
56 Years and older	

2. Number of years of Experience

Less than 2 years	
2-4 Years	
5-8 Years	
More than 9 Years	

3. Gender

Male	
Female	

4. Academic qualification

NQF Level	
3 Years Degree	
4 Years Degree	

B-Tech	
Honours	
Masters	

B. DESCRIPTIVE STATISTICS

1. All employee knowledge / understanding Appraisal

Yes	
No	

2. Do the employee of the Department understand the purpose
Of the Performance Appraisal

Yes	
No	

3. Awareness of the performance Appraisal Policy / Legislation

Yes	
No	

4. Does the department use Performance Appraisal to define goals.

Agree	
Disagree	

C- LEVEL OF EMPLOYEE PARTICIPANTS IN THE PERFORMANCE APPRAISAL

1. Should line Managers be involved with the design of Performance Appraisal Policy

Agree	
Disagree	
Don't know	

D-EMPLOYEE'S PERCEPTION OF THE FAIRNESS /ACCURACY OF OERFORMANCE RATING.

1. Level of Participation of Employees

Agree	
Disagree	
Don't know	

2. Does Performance Appraisal Motivates Employees

Agree	
Disagree	
Don't know	

3. Is there a need for Performance Appraisal to be Regularly

Agree	
Strongly Agree	
Don't know	

4. Does Performance Appraisal enhance Employee Performance

Agree	
Disagree	
Don't know	

E-IMPACT OF PERFORMANCE APPRAISAL ON EMPLOYEES

1. Does Performance Appraisal have any impact on Employees

Agree	
Disagree	
Don't know	

2. Do Employees get their feedback on Performance Appraisal

Agree	
Disagree	
Don't know	

3. Does the Department use Performance Appraisal to Simplify Expectations

Agree	
Disagree	
Don't know	

4. The measurement criteria must be quantifiable

Agree	
Disagree	
Don't know	

5. Perceived benefits of Performance Appraisal

Agree	
Disagree	
Don't know	

6. Should the employees be involved in the development and design of Performance Appraisal Policy

Agree	
Disagree	
Don't know	

7. What should be done to improve employee Performance Appraisal.

Agree	
Disagree	
Don't know	

APPENDIX E: ETHICS LETTER



**SOUTH CAMPUS
FACULTY OF ARTS**
Tel: +27 (0)41 5042855 Fax: +27 (0)41 5041661
Noxolo.mngonyama@mandela.ac.za

Ref: H/17/ART/PML -003

10 December 2018

Ms P Adonis
11 Union Street
George
6530

Dear Ms Adonis

RE: APPLICATION FOR ETHICS CLEARANCE

APPROVED TITLE:

INVESTIGATING THE EFFECTS OF PERFORMANCE APPRAISAL IN THE DEPARTMENT OF
WATER AND SANITATION: A STUDY OF SOUTHERN OPERATIONS REGIONAL OFFICE

Your above-entitled application for ethics clearance was considered by the Faculty Postgraduate Studies Committee meeting (FPGSC) of the Faculty of Arts.

We take pleasure in informing you that the application was approved by the committee. Kindly note that this approval remains subject to the necessary formal permission being granted by gatekeepers relevant to your study.

Your Ethics clearance reference number is **H/17/ART/PML - 008**, and is valid for three years, from 12 NOVEMBER 2017 – 12 NOVEMBER 2020. Please inform the FPGSC, via your supervisor, if any changes (particularly in the methodology) occur during this time. An annual affirmation to the effect that the protocols used are still those for which approval was granted, will be required from you. You will be reminded timeously of this responsibility.

We wish you well with the project.

Yours sincerely

A handwritten signature in black ink, appearing to be 'N. Mngonyama', written over a horizontal line.

Ms N Mngonyama
FACULTY ADMINISTRATOR

cc: Supervisor

HoD

School Representative: Faculty FPGSC

Change the World

PO Box 77000, Nelson Mandela University, Port Elizabeth, 6031, South Africa

Change the World

PO Box 77000, Nelson Mandela University, Port Elizabeth, 6031, South Africa

NMU – South Campus

Building 7

First Floor

Room 111

TO WHOM IT MAY CONCERN

This document serves to confirm that the following thesis paper has been checked:

NAME: PHELI\$A ADONIS

STUDENT NUMBER: 215330749

- This paper has been checked for:
- Layout and rules as required by Harvard Style
- Setting up the Table of Contents
- Page numbering
- Setting up the List of Figures/ Tables/ Annexures
- Setting up of the Appendices
- Basic spelling and punctuation
- Mailing the Supervisor the pdf file if required

I have communicated with the student throughout the editing and confirmed that he was 100% in agreement before the file was printed and bounded.

Should you have any further inquiries, please do not hesitate to contact me

(Cell 0733 4644 35)

Kind regards

Jolene Schaefer