

**EMPLOYEES' EXPERIENCES  
OF  
PERFORMANCE MANAGEMENT APPRAISALS**

by

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## DECLARATION OF OWN WORK

I, Tshepo Tsiu (student number 47178612), declare that **EMPLOYEES' EXPERIENCES OF PERFORMANCE MANAGEMENT APPRAISALS** is my own work and that all the sources that I have used or have quoted from have been indicated and acknowledged by means of complete references.

.....  
SIGNATURE

.....  
DATE

## **ACKNOWLEDGEMENTS**

To God: I have put everything in your hands. Everything is your will. Thank you for all the blessings. How can I ever repay you for the benevolence you have shown to me in all areas of my life? You continue to give me more than I need. It is really disproportionate, in my favour. I am confident that this study will serve to do good in the world and promote your will in organisations around the world, even long after I am gone. We should never lean on our own understanding, but serve you and see you apply your understanding and wisdom to us. “In the ages to come, we will see the immeasurable, limitless greatness of his favour” (Ephesians 2:7). Lord, thank you for your unprecedented favour. You have definitely opened doors for me that I would not have been able to open myself!

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## **SUMMARY**

The purpose of this research was to explore employees' experiences of performance management appraisals. There is an increasing need to ensure that performance appraisals realise performance improvement and professional development goals while safeguarding the dignity of employees. This study followed a qualitative research design and was conducted in a South African banking organisation with five participants at varying employment levels. Purposive, non-probability sampling was used to select the participants and a semi-structured interview was conducted with each participant. The interviews were transcribed and the data was analysed using the discourse analysis method in keeping with social constructivism. Various insights about the employees' experiences of performance management appraisals can be drawn from the overall research findings, which are likely to benefit the field of industrial and organisational psychology and managers in various organisations in conducting more effective performance appraisals by ensuring that they are fair and ethical, and can facilitate professional growth.

*Key words:* employee experiences; performance management appraisals; social constructivism; qualitative research; semi-structured interviews; performance improvement; professional development; industrial and organisational psychology; South Africa; banking organisation

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# **CHAPTER 1**

## **INTRODUCTION AND ORIENTATION TO THE STUDY**

The study focused on employees' experiences of performance management appraisals. This chapter contains the background and motivation, problem statement, aims, paradigm perspective, research design and research method of the study. The chapter layout of this dissertation is also given.

### **1.1 BACKGROUND AND MOTIVATION**

Organisations are realising that people, not technology, are the crucial differentiating factors in business success. Technology alone is not the route to competitive advantage. The calibre of people and the expertise that they bring add to an organisation's competitive edge. This is enhanced by managing their performance effectively. As we progress into the information age, managers will have to adjust their style to one in which leadership involves conducting effective coaching and mentoring. The language, tools, roles and responsibilities of management in this new age are only now being relooked (Neely, 1999; Pickett, 2000). There is a demand for a new kind of leadership characterised by performance coaching and support rather than rules. This presents fresh managerial challenges. Managers must focus and coordinate multiple task teams, build trust and openness, learn the unique strengths of people, and engender accountability and learning. They must develop new habits, attitudes, behaviours and skills, and learn to overcome the fears which often go hand-in-hand with traditional power. Managing people's performance has often been misunderstood and overlooked (Brumback, 2003).

The appraisal system has damaged many employees' experiences of what performance management involves. Appraisals are much maligned and rightly so because in many organisations it adds no value and, worse still, creates cynicism.

The researcher agrees with the increasing demands for coaching and developing employees, especially in the current environment where organisations have to constantly grow and compete with others at heightened levels. It is difficult to grow an organisation if employees are not provided with feedback on their performance and professional development. The performance appraisal session is cardinal for employee performance feedback, growth and development.

From their research on the performance appraisals of sales managers, Pettijohn, Parker, Pettijohn and Kent (2001) state that of all the management activities, the performance appraisal seems to be regarded with the greatest amount of ambiguity. Managers agree that it is a necessary and critical task, but they tend to focus on ensuring that the performance appraisal takes place and less on having a meaningful discussion with the employee.

The researcher has observed over the years that Human Resources professionals and Industrial Psychologists do not always do a good job of marketing or sharing the knowledge they have and tend to assume that line managers in organisations have automatic knowledge about effective performance management and conducting effective performance appraisals. Conducting effective performance management appraisals is a skill that has to be learned and developed over time.

We need to always be reminded that line managers are experts in their own fields (such as Finance, Information Technology, and Sales and Marketing) and not necessarily in Human Resources and/or Industrial Psychology. The researcher believes training on performance management should be highly recommended for every manager who is promoted to lead teams and should not be left to chance. Although it may come naturally to some people, this is not always the case.

The plethora of research on performance management are mostly studies that have been conducted around strategy-aligned performance management systems, total quality management (TQM), performance measures and information, the balanced scorecard and benchmarking (Davila, 2012; Flavio, Machado & Moy, 2003; Holpp, 2012; Kaplan & Norton, 1996; Olve, Roy & Wetter, 2004; Rademan & Vos, 2001; Sharif, 2002; Zairi, 1994). A lot of focus has been on the “what” of performance management and less on the “how”. Very few studies have been conducted in the South African context on the experiences of employees on performance appraisals.

In their study on salespeople, Pettijohn et al (2001) found that they had positive perceptions about the appraisal process. However, the criteria used were not always the ones the salespeople viewed as the most appropriate. The conclusions these researchers derived from their analysis may provide insight into sales managers’ attempts to develop and implement appraisal processes that are viewed as valid and accepted by staff. Greater employee involvement on scorecard development is therefore indicated for this study.

A few studies have been conducted in South Africa. Maloa’s (2001) research shows that employee perception does determine the level of success of a performance management system. However, the level of success was perceived differently in terms of the sample’s race, gender and position. The study also revealed that white people, males and managers perceived performance management as successful within the bank, while black people, females and non-managerial employees perceived performance management as unsuccessful.

Matlala (2011) has recently conducted research on employees’ perceptions of the fairness of a performance management system in a South African organisation. Using a sample of 20 participants at various employment levels, she found that they

had negative perceptions about the fairness of the performance management system.

What is glaringly absent from the literature is a broader understanding of the reasons why employees experience performance appraisals the way they do. Most of these researchers employed the quantitative research approach, which is good for describing data but does not explain the reasons why. It is therefore important to further unpack this phenomenon and also find the reasons why. This exploratory study is therefore necessary.

### **Personal experiences of performance appraisals**

The researcher has had varied personal experiences of performance management appraisals. Some have been negative and some have been positive. In the former the researcher's line manager purposely lowered performance ratings in order to perpetuate an impression of ineptitude by my line manager even when the facts pointed to the contrary. This was done to justify low performance ratings. The researcher believes that he had over-delivered on projects even when it was clear that there were capacity constraints which necessitated that additional professionals be sourced. This over-delivering on his part meant working until 9 pm from Mondays to Fridays and sometimes on weekends. It became normal to work such odd hours as one became used to them. There was a lot of air and road travelling involved, and the researcher even began his trips on Sundays. This was to all nine provinces in South Africa and to all the major cities in each province. Work during this period of his life had a corrosive effect on his social life and romantic relationship.

The organisation did not want to employ more staff as it would increase the cost structure of the organisation and decrease profitability. This was done to avoid increasing salaries and any payable bonuses. This not only served to lower the

researcher's self-esteem, but was intended to deprive him financially. In an organisation with limited resources, the bonus pool was used to the management's benefit when it was not dispensed to other staff. Therefore, performance appraisals were used for greed.

There was also a difference between what the managers said and what they did, which led to the researcher no longer feeling secure in the organisation as he never knew what would transpire the following day as the managers' positions on various matters were contradictory. There was a feeling of anger, disappointment, and betrayal of trust and good faith shown by the organisation. The researcher ultimately resigned from the organisation as working there was no longer tenable.

It is clear from the above that the researcher has been a victim of poor performance management appraisals. What made it worse was that there was no functional grievance process in the organisation. Therefore, there was no way that the researcher could address his unhappiness and have an impartial person with authority to mediate and, if necessary, arbitrate on the areas of his unhappiness. This glaring abuse of managerial power could not be challenged in the organisation.

At his current organisation, the researcher's experience has been positive and this is because of a number of reasons. There is a clear performance appraisal system in place. A performance management schedule is sent out well in advance, detailing important dates throughout the year, such as planning, coaching, review and reward deadlines. The researcher is therefore clear with regard to what is expected and when.

The researcher's performance scorecard is clear and understandable. Although the Key Performance Areas (KPA's) are understandable, they are not all achievable as some are beyond his control. One of these is the establishment of a Diversity Forum

in terms of the Employment Equity Act of 1998. The researcher has, on many occasions since the year 2010, arranged candidates to constitute a forum in line with the ratio of one representative for every 50 employees. However, the non-attendance of candidates because of a lack of interest on their part regarding this matter blocks the establishment of a representative forum. This is an example of a KPA that is beyond the researcher's control but for which he remains accountable.

There are also checks and balances as more than one manager is involved in the appraisal process. Once the researcher's performance is reviewed, his results are discussed and brought in line with the reviews of his colleagues to ensure parity in scores and inter-scorer reliability.

Reward is linked to performance. The researcher and his colleagues at the same hierarchical level in the organisation earn the same because they fulfil the same role. However, their performance ratings are assessed on a one to five Likert scale.

In Table 1.1 (see below) an explanation of the performance rating scale is provided.

**Table 1.1: Levels of performance**

Levels of performance	Explanation
5	Demonstrates an exceptional level of expertise.
4	Demonstrates a very good level of expertise.
3	Demonstrates satisfactory expertise.
2	Demonstrates some clear gaps in work performance and/or is at a level that cannot be described as competent or satisfactory. The employee probably requires development in the form of further training, supervision or coaching.
1	Demonstrates extensive gaps in performance to the extent that development initiatives would need to be well-structured and extensive to build this individual's competence.

In terms of the final ratings, employees who score four and five are likely to receive a performance bonus, the quantum of which varies from year to year depending on the company's financial performance. The researcher's contribution to the organisation has been recognised and this has made him happy at work and eager to do more. He has even gone the extra mile by spending time on weekends doing more generative work for the organisation, such as developing documents related to improving the organisation's Industrial Relations (IR) library, such as supporting documentation to guide disciplinary enquiries and performance counselling. He also designed and facilitated a team building session for one of the teams and the feedback from the managers and other staff members was good. The researcher does not mind investing time over the weekend as he considers his work a labour of love for an organisation that has his best interests at heart. Taking all the positive

issues mentioned above, the researcher believes that performance management can be conducted with integrity, both substantively and procedurally.

It should be acknowledged that the researcher's previous employment where he encountered negative performance management was a privately-owned organisation and his line manager at the time was also a shareholder. This made it easier for her to do as she chose without fear of reprimand from anyone. There was no established internal audit unit in the organisation to check and advise on how performance management should be conducted. However, his current organisation is a much larger organisation with a lot of bureaucracy. Is it also a public organisation listed on the Johannesburg Securities Exchange (JSE). There is therefore a lot of focus around governance and internal audit. It is therefore not surprising that performance management is conducted fairly and factually.

The researcher's negative and positive experiences discussed above have propelled his interest in this area. This is compounded by the observation of very few South African studies in this area from the viewpoint of employees.

For these reasons, based on the few South African studies and personal experiences as elaborated on above, the researcher is of the view that performance management and appraisal sessions are an integral part of organisational life. The findings from this scientific study are likely to contribute to the field of Industrial and Organisational Psychology and will inform both practitioners and managers on employees' experience performance management appraisal sessions. This study may also open opportunities for the researcher, managers and practitioners to seek improved ways of conducting performance management appraisals.

## **1.2 PROBLEM STATEMENT**

The problem statement will be discussed in general terms through a review of current literature and also through current research.

### **1.2.1 General problem statement**

The researcher has perused no less than 40 journals and 60 books at various South African libraries and came to the realisation that there is a need for South African contributions pertaining to literature and research on the experience of employees regarding performance appraisals. The information that is available has a strong management bias. It is written for managers. Many book and chapter titles are evident of this: "How to manage people at work", "Managing and measuring employee performance", "HR Magazine's Guide to Managing People", "The First-time Manager's Guide to Performance Appraisals", "Assessing Performance", "Causes of Failure in Performance Appraisal and Supervision: A Guide to Analysis and Evaluation for Human Resources Professionals". There is a need for more South African studies on performance management appraisals from the viewpoint of employees. This means that little is known about the experience of employees regarding performance appraisals. There is therefore a need for insight into how employees experience performance appraisals, especially in South Africa.

The researcher's experience mentioned above also bears testimony to the fact that this is an area that is taken for granted as many managers do not believe that it is important that they undergo formal training in this regard. As a professional in the human resources department, this is also consistent with the researcher's observations that performance appraisals are generally poorly conducted (with the exception of a few managers). This finds expression, among other things, in poor performance issues not being addressed and employees not knowing how well they

are performing at work or asking human resources professionals for information on their performance instead of seeking information from their direct managers.

Given the abovementioned observation and the observation of very few South African studies on the subject, the research question of this study was therefore to explore employees' experiences of performance management appraisals.

As mentioned, this study will likely benefit academics and professionals in Industrial and Organisational Psychology and contribute to more research. It is hoped that it will enable managers to reflect and improve on how performance management appraisals are conducted.

### **1.2.2 Problems to be explored through a review of current literature**

Performance appraisal is an aspect of performance management. It is therefore important to understand this concept in its totality. In this regard, the purpose of this study was to review current literature on the historical evolution of performance management, how performance management operates, the development and challenges of performance management, and ways to improve performance management appraisals. The documented experiences of both managers (appraisers) and employees (appraisees) were explored. This was integrated to provide a more detailed understanding of performance management and best practices on performance appraisals.

### **1.2.3 Problems explored through an empirical study**

Much of the research to date has concentrated on the design of performance measures and measurement systems, and very little has been presented on the implementation and facilitation of performance measurement systems (Neely, 1999;

Bititci, Turner and Begemann, 2000) and employee experiences. As stated above, there is managerial bias in the literature as studies are written by managers and for managers. There is also very little published studies of this nature in the South African context.

Maloa (2001) conducted a quantitative study using a survey questionnaire to collect data. The questions in his study were predetermined and fixed. Although this research is highly appreciated, especially because it is a South African study, the researcher is of the view that it is possible that there are issues which were not highlighted and which remain unexplored. This study used convenience sampling (N-100) in an information technology division of a large South African bank. The findings from this research demonstrate that employee perception does determine the level of success of a performance management system. However, the level of success was perceived differently in terms of the sample's race, gender and position. It also revealed that white people, males and managers perceived performance management as successful within the bank, while black people, females and non-managerial employees perceived performance management as unsuccessful.

Matlala (2011) has recently conducted research on employees' perceptions of the fairness of a performance management system in a South African organisation. Using a sample of 20 participants at various employment levels, she found that they had negative perceptions about the fairness of the performance management system.

What remained unexplored were the reasons for this because Maloa's quantitative study did not address this question. In this regard, using a qualitative, exploratory study to explore the experience of employees regarding performance management appraisals with the objective of gaining a better understanding of this phenomenon was needed.

### **1.3 RESEARCH AIMS**

The general aim of this research was to explore employees' experiences of performance appraisals.

The specific aims with the literature review were:

- to conceptualise performance management appraisal, and the factors affecting it
- to conceptualise employee experiences of performance management appraisal

The specific aims of the empirical study were:

- to explore employees' experiences of a performance management appraisal session
- to formulate recommendations from the research results for use by line managers in various organisations
- to formulate recommendations for further research in Industrial and Organisational Psychology

### **1.4 PARADIGM PERSPECTIVE**

This research was based on the paradigm of social constructivism. Social constructionists focus on how ideas, narratives and attitudes have developed over time within a social, community context. These thoughts and attitudes are integrated into the belief system of each individual who is part of the particular context (Danzinger, 1997; Godfrey-Smith, 2003; Kukla; 2000; Raskin, 2002). It is therefore language itself that provides us with a way of structuring our experience of the world (Dessler, 1999; Burr, 2003). This is elaborated by Kukla (2000), who states that human beings are social beings and all facts are socially constructed. We invent the

properties of the world, rather than discover them. Social constructionist theory emphasises language, the construction of meaning and multiple realities (Hoffman, 1994). Knowledge-generating practices are regarded as necessarily social practices and knowledge, therefore as a co-achievement. Language occupies a position of prime importance among these practices. It does not represent a previously existing objective world but constitutes such a world. Any known world is therefore always a co-constituted world, and the manner of its constitution depends on discursive relationships. In these fundamental respects scientific and lay knowledge do not differ. Moreover, in the human sciences, scientific and lay discursive practices must impinge on each other. In order to obtain information from or about human subjects/objects, practitioners of these sciences must interact and communicate with them – which entails a certain reliance on the categories of lay discourse. An important contribution of this paradigm to Industrial and Organisation Psychology is the inclusion and recognition of social, historical and political interpretations as part of how realities and meaning are constructed. These constructions happen by means of language, in interaction with others and in coordination with specific social, cultural and historical contexts (Danzinger, 1997).

In the context of this study the emphasis on, among other things, the working relationship between an employee and his/her line manager led to social constructivism being a relevant paradigm within which to conduct the study. The researcher therefore found social constructivism to be most appropriate for this study. The appropriateness is defined in terms of the focus of this study, namely the construction of experiences by employees with regard to performance management appraisals. These are socially construed as these meanings emerge from the interactions between people.

These shared meanings are influenced by the social and cultural contexts in which communication takes place. Reality is thus not discovered through objective means,

but is agreed upon through social interaction and conversation. Each individual interprets words, norms and the world differently. In keeping with the social constructionist tenets of this study, the assumption was that performance appraisals are social in nature, that the researcher and the participants were employees in an organisation and had undergone performance appraisals, and that these experiences were real for them and had been formed in a social context. The researcher also appreciated in this study that the use of words and language (around experiences regarding performance appraisals) were the result of social interaction.

This entailed a move from focusing on how an individual constructs his/her reality to focusing on how people interact with one another to construct reality. In this research it was how the researcher and the participants constructed their experiences of performance management appraisals.

## **1.5 RESEARCH DESIGN**

Research design is defined by Punch (2005, p.142) as the overall plan for a piece of research that includes four main proposals: the strategy, the conceptual framework, the question of who or what will be studied, and the tools that will be used to collect and analyse empirical materials. Mouton (2002, p.55) defines a research design as a plan or blueprint of how one intends to conduct the research. The research approach, research strategy and research method of this study will be discussed in this section. Durrheim (2006, p.34) aptly states that “it is the designed and planned nature of observation that distinguishes research from other forms of observation”. The type of research and methods used to ensure scientific rigour will therefore be explored in detail below.

### 1.5.1 Research approach

The **qualitative** research approach was chosen in order to obtain a deep and sensitive understanding and appreciation of employees' experiences of performance appraisals. Qualitative studies provide a means of accessing unquantifiable information about the actual people researchers observe and talk to. As a result, qualitative studies allow researchers to share in the understandings and experiences of others and to explore how people structure and give meaning to their daily lives (Berg, 2004). Researchers who use qualitative techniques examine how people learn about and make sense of themselves and others. Welman, Kruger and Mitchell (2005) point out that qualitative research is also used to identify and understand the reality that lies behind what may be otherwise mysterious or impenetrable phenomena. It is this kind of research that enables the researcher to acquire an insider's understanding of events and phenomena that those within the sample may understand but which are opaque to those who are not part of the group.

This was an **exploratory** study. Exploratory studies are undertaken when a researcher works in an area in which little research has been done (Mouton & Marais, 1991; Williams, 2003). They are therefore undertaken when relatively little is known about something. There are no clearly delineated independent and dependent variables and therefore no preset categories of observation and analysis. The researcher may have a few, if any, guidelines to help determine what is important, whom to interview or what leads to follow (Singleton & Straits, 2010).

Babbie (2010) states that exploratory studies are most typically done for three purposes:

- to satisfy the researcher's curiosity and desire for a better understanding
- to test the feasibility of undertaking a more extensive study
- to develop the methods to be used in any subsequent study

The researcher believed there was a need for a better understanding of the reasons why employees experience performance appraisals the way they do. In undertaking similar studies, many researchers have employed the quantitative research approach, which is good for describing but does not explain the reasons for phenomena. It was therefore important to unpack this phenomenon and also find the reasons why. This exploratory study was therefore necessary. The first reason listed above was the primary objective of this study. The second and third reasons could hold true, but were not the primary objectives of the study.

According to Mouton and Marais (1991), there are three methods to conduct exploratory research:

- a review of the related social science literature and other pertinent literature
- a survey of people who have had practical experience of the problem to be studied
- an analysis of “insight stimulating examples”

The procedures are not strictly formalised and the scope is more likely to be undefined (Mouton & Marais, 1991). Qualitative researchers propose designs that are more open, fluid and changeable, and are not defined purely in technical terms. This is an iterative process that requires a flexible, non-sequential approach:

Although one begins by proposing a research question and developing a design, things can change when the research is being carried out and there may be good reasons why one would want to change the original design. This means that it is not only technical considerations that are used in developing a design, but that pragmatic considerations may well influence the final research design. (Durrheim, 2006)

### **1.5.2 Research strategy**

There are six main qualitative research strategies: (1) case study, (2) focus group, (3) ethnographic research, (4) phenomenological research, (5) grounded theory research and (6) historical research (Creswell, 2003; Leedy, 1997; McMillan & Schumacher, 1993). This study involved the investigation of a phenomenon and therefore the researcher adopted the phenomenological research strategy because it involves developing an understanding of a participant's reality in the way the participant constructs it (Creswell, 2003; Leedy, 1997; McMillan & Schumacher, 1993).

This emphasis derives from the philosophical tradition of phenomenology (Dyson & Brown, 2006). The chosen strategy was consistent with the aims of the research to explore employees' experiences of performance management appraisals.

Phenomenological researchers may study one subject, but typically six to 10 who are purposively selected. They rely on semi-structured interviews. The researcher and the participants must work rather closely together so that the data can be collected. The researcher must search interview transcripts to locate meaningful units which are small bits of text that are able to convey meaning independently. Phenomenologists search for themes and patterns, not categories, by logically linking these meaningful units. They communicate research findings from the themes and patterns which emerged from the data analysis and reduction.

In table 2.1 (see below) an overview of the research design is provided.

Table 1.2: Summary of the research design

Aspect	Topic / Approach
Research topic	Employees' experiences of performance management appraisals
Research approach	Qualitative approach
Research paradigm	Constructivism
Research strategy	Phenomenological
Research goal	Exploratory
Sampling	Purposive, non-probability method
Data collection method	Semi-structured interviews
Data analysis method	Discourse analysis

### 1.5.3 Research method

The research setting, point of departure and establishing researcher roles, sampling, data collection methods, recording of data, data analysis, data integrity and reporting strategies that were used in this study will be discussed in this section.

#### 1.5.3.1 Research setting

The research setting was the sales division of one of the major banks in South Africa. Relationship Managers and Relationship Analysts in this South African bank are salespeople who bring in revenue for the organisation by attracting clients to the bank and providing them with transactional products and credit. Because they bring in tremendous revenue to the bank and have confidential competitive strategies, they

are highly marketable. In the South African environment where there are only four major banks, they have become highly sought after. Because of this, the organisation showed a huge interest in and support for the study.

### *1.5.3.2 Entree and establishing researcher roles*

The role(s) of the researcher in relation to those of the participants should always be seen in context. Nothing is outside representation since research involves the complex politics of representation. The socially-situated researcher creates, through interaction and material practices, realities and representations that are the subject matter of inquiry (Chase, 2008; McNamara, 1987; Wenger, 1987).

There are mixed views in the literature about whether the insider participant inquiry is more superior than research conducted by an external researcher. External researchers may struggle with getting access to and collecting the information they need. However, insider researchers can be wrong about their own intentions and motives, and may mislead themselves (Hammersley, 1993; Knight, 2002).

Miller-Adams and Myers (2003) experienced difficulties with regard to gaining access to participants in their study at the World Bank. Their research focused on how the external environment and internal culture of the World Bank have shaped its evolution in recent years. They cite a number of factors that made gaining access to the World Bank difficult. First, the bank is enormous – a bureaucracy of close to 10 000 staff members, with many field offices. Its scale, diverse activities and hierarchical structure mean that internal communication is a challenge and researchers are limited to the information they can obtain. The bank also has a reputation of being secretive. With few exceptions, the presumption is that information will be shared on a “need to know” basis. They are therefore wary of outsiders. Taking into account the experiences of other researchers in a banking

environment, the researcher was mindful of the challenges he would have encountered had he been an external researcher.

The participants knew the researcher beforehand. Trust had therefore already been established and the participants were willing and open. Their willingness to participate was also observed in their non-verbal behaviour which was open, direct and relaxed. The researcher was grateful for this and realises that his role in the organisation did give him great access.

It should also be acknowledged that social research is complex as many aspects influence the research that is conducted. This is corroborated by the literature which indicates that participants' responses can vary from those that are highly critical and detailed to the more restrained and cautious, depending on the trust that has been established. Participants are likely to be as forthcoming as the security of their professional positions will allow. Their frankness, or conversely their guardedness, reflects the power relationships of their particular situation and readers are invited to consider their accounts with this in mind. This shows the importance of power relationships that impact on the research endeavour (Wenger, 1987). This power relationship has to be acknowledged, even though it did not impact on the study as the professional roles of the participants remained unchanged. The researcher considers the topic of employees' experiences of performance management appraisals a sensitive topic, because it impacts on the ability and/or integrity of the line manager.

In a study on sensitive topics, it was found that the more sensitive the topic under investigation, the more difficult it is to gain potential participants' willingness to participate because they have a greater need to hide their involvement (Sieber, 1993). The researcher is employed as a human resources professional in the organisation, is at a managerial level and is also a member of the Regional

Executive Committee, which is the highest decision-making body of the organisation in the region. He has good access to regional management and is also very influential. The researcher could have easily abused this positional power in terms of the data collected. He managed this trust by separating the research from his professional work and this research was not discussed with people unrelated to this research.

Other research that has been conducted also indicates that employees do not always trust human resources professionals. They tend to have an insecure relationship with these professionals because they view them as people who look after their interests but also do unpleasant tasks like disciplining or dismissing them (Barnard & Fourie, 2007; Hall & Fourie, 2007). The trust of the participants in the current study was noticed through their willingness to voluntarily participate in the study and their readiness to respond to all the questions. None of the participants had a problem in responding to any of the questions. This high level of trust the employees showed towards the researcher (who himself is a human resources professional in the organisation with the attendant issues regarding this role as elaborated above) was remarkable and was appreciated by the researcher.

In relation to social research, McNamara (1987) states that various pressures operating in research situations arise mainly because research information enjoys the status of a strategic resource which can be applied to support the moral or financial standpoints and policies of the different parties. The researcher was well aware of the potential uses of this research and therefore took extra care to ensure the integrity of the research process and the handling of the results. It was therefore communicated to the participants that only the research findings would be shared with management and not the raw data from the individual interviews.

As suggested by Frey and Oishi (1995) and Feldman, Bell and Berger (2003) in terms of gaining access to the participants, the researcher contacted the participants by telephone to make an appointment for the semi-structured interviews at a time and venue that was convenient for the participants. At the meeting, they were advised verbally and in writing that participation was voluntary and that they could withdraw at any time. The research process was handled strictly according to the ethical guidelines provided by the University of South Africa (UNISA) and the Health Professions Council of South Africa (HPCSA). Informed and voluntary consent was obtained from all the participants.

The Participant Consent Form can be regarded as a hook to get their attention and willingness to participate. A hook is referred to by Ely (1991) and Feldman et al (2003) as a clever, resourceful tool used in the access process. It confirms to others that the researcher is competent and trustworthy, because gaining access is a negotiated process involving people and relationships. The hook should achieve at least four things: (1) get people's attention about how they can help the researcher achieve initial access, (2) briefly summarise the research project, (3) suggest why the researcher is competent to conduct the study and (4) describe how the research will be beneficial to the organisation or the individual. Research access is seldom granted without a developed hook. The researcher is in full agreement with this view and believes that this insight helped him in developing and refining the Participant Informed Consent Form that was used to serve as a powerful hook. This form is attached to this dissertation as Annexure A.

All information, responses and results were handled with confidentiality and caution was taken to ensure that no harm was done to anyone involved in the research process. The researcher keeps all records pertaining to this research in a secure place at home and has ensured that there is access control at all times.

### *1.5.3.3 Sampling*

According to Sarantarakos (2005), sampling is the process of selecting individuals, groups or texts for inclusion in a project. It is prompted by the desire of the researcher to illuminate the question under study and it is defined in terms of where and when the study will be conducted and who will participate in it. A qualitative inquiry typically focuses in depth on a very small sample of participants who fit the criteria for making their participation relevant. The ultimate reason for selecting an appropriate sample is that it will enable the researcher to assemble individuals who will be able to provide rich, textured and layered information about how they feel and think (De Vos, Strydom, Fouche & Delpont, 2006; Krueger & Casey, 2000).

The purposive, non-probability sampling method was used in this study. With this type of sampling, the units to be observed are selected on the basis of the researcher's judgement about which ones will be the most useful or representative (Babbie, 2010). The general strategy is to identify important sources of variation in the population and then to select a sample that reflects this variation. One might select a single unit or subpopulation that is thought to be typical of the population in important respects or select a few units that correspond to key population differences (Singleton & Straits, 2010). This is characterised by a sample that is compiled with a **purpose** in mind and is not necessarily representative. The sample for this study comprised different employees in different positions in the bank who had all undergone performance management appraisals. The rationale behind the sampling was to obtain a rich, idiographic perspective of employees' experiences of the phenomenon. The researcher acknowledges that the fact that he worked with the participants and had a positive, trustworthy working relationship with them made it easy to secure their willingness to participate in the research. Without this trust and rapport, it would have been difficult to secure their participation.

Qualitative inquiry typically focuses on relatively small samples, selected purposefully to permit in-depth inquiry into and understanding of a phenomenon (Pernice, 1996). The participants comprised a sample of five staff members who were employed as Segment Head, Client Portfolio Analyst, Credit Manager, Team Assistant and Administrator. For this reason, the researcher considers the sample used in this study as rich, varied and justifiable. This final number of participants depended on the saturation of information, which gave the researcher confidence that the phenomenon had been captured. As Kvale (1996, p.102) puts it, saturation is “when interviews yield little or no new knowledge”.

The researcher was careful to include as much diversity as possible in the population in order to imbue the data with as much authenticity and variety as possible under the circumstances. Therefore, the sample was varied in terms of race, gender and age to ensure richness of responses as this was an idiographic study. English was the language used.

All the interviewees were older than 21, the youngest was 23 years old and the oldest was 52 years old. The participants had varying educational levels, which was a mix of Matric, Bachelor of Commerce (BCom) degrees and Certificates in Banking. All the participants were in full-time employment and had been with the organisation for more than six years.

The table below shows the demographic information of the participants.

**Table 1.3: Demographic information of the participants**

Gender	Race	Occupation level	Professional level in the organisation in terms of Employment Equity Act reporting	Level of education	Age			
					21–29 years	30–39 years	40–49 years	50–59 years
Male	Indian	Managerial	Senior management and middle management	Bachelor of Commerce (BCom) degree		1	1	
	African	Non-managerial	Junior and supervisory	Certificate in Banking		1		
Female	White	Non-managerial	Junior and supervisory	Certificate in Banking	1			
	Indian	Non-managerial	Junior and supervisory	Certificate in Banking				1

*1.5.3.4 Data collection method*

Kvale (1996) states that in qualitative research the interviewer himself/herself is the research instrument. He/she is knowledgeable about the topic, without attempting to impress others. The interviewer should be able to structure the interview, express himself/herself clearly without using academic jargon and by being gentle, allowing the interviewee to speak at his/her own pace. The interviewer should have a curious, persistent and critical attitude and should know when to, for instance, use probing, specific, direct, indirect and structured questions.

The researcher is a human resources professional employed in the organisation who had regular contact with the participants in this study. He had gained experience in conducting interviews on recruitment and wellness issues, among other things. He was also knowledgeable on issues about performance management systems and performance management appraisals as he had been part of developing performance scorecards, coaching managers with regard to conducting discussions with staff about poor performance, and reviewing performance management policies and procedures for over four years.

For the purposes of this study, the researcher conducted a semi-structured interview with each participant on an individual basis. When interviewer bias and effect need to be minimised and participants' answers need to be compared to one another (for discourse analysis by the researcher), a semi-structured interview is required – which allows for flexibility and open-ended questions (Kelly, 2006; Rubin & Babbie, 1993; Silverman, 2011). In order to achieve the research aims of exploring employees' experiences of performance management appraisals, the researcher felt semi-structured interviews were likely to provide rich data, breadth of responses and give the participants ample time to relate their experiences in their own words.

The semi-structured interview as a data collection method is congruent with the social constructionist viewpoint. Chase (2008) states that the interview is a negotiated text – a site where power, gender, race and class intersect. It is a conversation – the art of asking questions and listening. It is not a neutral tool, for at least two people create the reality of the interview situation. In this situation, answers are given. Thus the interview produces situated understandings that are grounded in specific interactional episodes. This method is influenced by the personal characteristics of the interviewer, including race, class, ethnicity and gender. Gerson and Horowitz (2002) are of the view that the semi-structured interview represents an opening up of the interview method to an understanding of how interviewees

generate meaning in social life. It provides a greater degree of latitude in order to understand the context and content of what is said. In this regard, the researcher's selection of the semi-structured interview to achieve the research aim of exploring employees' experiences of performance management was corroborated by the latest thinking in similar studies.

The research was conducted in Fairland, Johannesburg (South Africa) during April and May 2011. Caution was taken to ensure that only the participants were present during the semi-structured interviews; their direct line managers were never present. Understandably, this was done intentionally to ensure that the participants were free and comfortable to express their views about and experiences of performance management appraisals.

As suggested by Bouma and Ling (2010), Durrheim (2006), Frey and Oishi (1995) and Feldman et al (2003) in terms of conducting interviews, five semi-structured interviews were scheduled at a date, time and venue most convenient for the participants, either early or late in the day to minimise interruptions to company operations and productivity. This was also done to increase the likelihood of success for the study by getting maximum participation. The interviews were scheduled for approximately an hour. However, the researcher was careful to allow this duration to vary in the interest of obtaining as much rich data as possible for the benefit of the study.

According to Williams (2003. p.108), it is important to get into the minds of the participants and try to ensure that they understand the questions as intended. Elucidation and clarification should therefore be made possible. Informed by Brenner (1985), the semi-structured interviews of this study consisted of six open-ended questions to enable the participants to elaborate on their answers.

The interview questions were:

1. Can you describe, in as much detail as possible, your experience of your last performance management appraisal?
2. Kindly share with me as much as possible whether your manager communicated job expectations, what is important and what is not important, and the kinds of decisions an employee can make on his/her own at your last performance management appraisal?
3. Please share whether the performance management appraisal contributes to your career development? If so, how?
4. Please share how your manager dealt with both good performance and poor performance at your last performance management appraisal?
5. How would you describe an ethical performance appraisal? Do you believe your performance management appraisal was conducted ethically?
6. What advice/comments/solutions would you offer to your manager to conduct effective performance appraisals?

#### *1.5.3.5 Recording of data*

The semi-structured interviews were tape-recorded and transcribed verbatim. The tapes were then stored securely and are only accessible to the researcher. This is to maintain both the confidentiality of the participants and the quality of the data recorded.

The researcher transcribed the semi-structured interviews himself, since working with the data directly assisted him in the data analysis. The interviews were transcribed in a Microsoft Word document by playing MP3 files on an electronic device with search and replay capabilities.

### *1.5.3.6 Data analysis*

Data analysis can be the most challenging and interesting aspect of a research project. It is what unlocks the information hidden in the raw data and transforms it into something useful and meaningful (Boeije, 2010; Monette, Sullivan & DeJong, 1994). Discourse analysis is one of the approaches to data analysis in social constructivism. Perakula (2008, p.352) states that the “theoretical presupposition is that mental realities do not reside inside individual humans but rather are constructed linguistically”. Discourse analysis can be defined as the act of showing how certain discourses are deployed to achieve particular effects in specific contexts. Discourses are broad patterns of talk (systems of statements) that are taken up in particular speeches and conversations – not the speeches or conversations themselves. The latter are most often termed ‘texts’ which, when written up or transcribed, are the materials we read closely when doing the analysis). Therefore discourses operate within a particular text, or the text draws from or is informed by these discourses. It should also be noted that there are no hard and fast rules in identifying discourses. It involves a way of reading what is made possible by our immersion in a particular culture, which provides us with a rich tapestry of ways of speaking that we can recognise and read, and have dialogue with (Terre Blanche, Durrheim & Kelly, 2006).

According to Terre Blanche et al (2006), cultural background is a prerequisite to doing a discourse analysis. But an analysis requires something more as discourse analysts need to extract themselves (to a degree) from living in culture to reflecting on culture. There are different ways of reflecting on textual activities:

- First, look for binary oppositions.
- Secondly, identify recurrent terms, phrases and metaphors.

- Thirdly, consider the human subjects that are being spoken about in the text, even if it is indirectly.
- Lastly, look at the shadowy (but omnipresent) subjects who are the 'author' and the 'listener'. The researcher has to imagine what kind of people these are. They work together to make their world seem dependable and real.

In social constructivism, there is a lack of interest in identifying some truth behind the text; it does not ask questions about which version of events is more accurate or more meaningful. Instead, it seeks to link accounts to actions. Texts are therefore examined for their effects rather than their veracity; the question is "What do texts do?" and not "What do texts say?" (Terre Blanche et al, 2006).

An important point is made by Potter (2010), who states that there is no single recipe for doing discourse analysis. It can be thought of as the development of sensitivity to the situated and constructed nature of discourse. The researcher is in agreement with this view and makes a similar request to the reader to move from the prescriptive to the more reflective with regard to discourse analysis, bearing in mind the research aims of this study. Therefore, the focus will be less on the coding but more on the understanding of the situated context.

In this study, the researcher used the eight steps of Tesch (cited in Creswell, 2003) to follow a systematic process of discourse analysis. This method of data analysis realised the research aims of this study because it yields data from which emergent discourse analysis could be undertaken.

These steps are:

1. The researcher gained a sense of the whole by reading all the interview transcripts carefully and noting down some preliminary ideas.
2. The most interesting document was chosen to be read. The researcher made notes in the margin, attempting to discern its meaning. At this stage, the information is not as important as the underlying meaning.
3. When the researcher had completed the task for several participants, a list of all the topics was compiled. Similar topics were clustered together and arranged into columns as “major topics, unique topics and leftovers”.
4. This list was then used with the data. The topics were arranged and written next to the appropriate segments of the text. This preliminary organising scheme was tested to see if new insights emerged.
5. The researcher used the most descriptive wording for the topics and converted them into categories. He then endeavoured to reduce the total list of categories by grouping related topics together.
6. A final decision was made on the abbreviation for each category and codes were alphabetised.
7. Data material belonging to each category was assembled in one place and a preliminary analysis was performed.
8. If necessary, additional existing data was recorded.

The researcher is confident that following these steps ensured that the discourse analysis occurred in a comprehensive and systematic manner.

#### **1.5.4 Strategies employed to ensure quality data**

The researcher incorporated two methods of validation as appropriate to ensure rigour in a qualitative, explorative study of this nature. In this regard, the aspects of

truth value and confirmability are indicated. These aspects will be described according to their relevance to employees' experiences of performance management appraisals.

#### *1.5.4.1 Truth value*

This is one of the most important aspects of the assessment of qualitative research. For this study, an assessment was made whether the researcher had established credibility or confidence in the truth of the findings for the participants and in the context in which the study was conducted. Truth value is obtained through the individual's experiences and is subject orientated; it is not defined by the researcher (Terre Blanche et al, 2006). The participants were asked whether the research presented a betting presentation of their experiences and they confirmed the key themes as true. The researcher achieved this by being careful and ensuring that he used the same words they had used. As expected, there were no disagreements in this regard. The semi-structured interviews took place in May 2011. Even after this period, some of the participants raised issues pertaining to performance management with the researcher in his role as a human resources professional. One was about instances of unfairness in rating and failure to take into account factors beyond their control as employees. The researcher's response was to reiterate organisational policy in this regard. However, he also touched on some of the responses that they had given in their interviews, thus confirming that he had correctly grasped what they had told him in the study.

The researcher holds two honours degrees in Psychology and Human Resources and is the human resources professional in the business unit with whom the staff members (including the participants) have regular contact regarding human resources issues. The fact that the researcher is a master's degree student undertaking a study in the organisation also contributed to his perceived credibility as

someone knowledgeable about research and performance management in organisations. The researcher was therefore considered credible in undertaking this study.

#### *1.5.4.2 Confirmability*

The qualitative researcher needs to strive for empathetic neutrality that implies an attempt by him/her to be non-judgemental and to report the research findings in a balanced way. It is acknowledged that although the qualitative researcher attempts to report in a value-free and objective manner, he/she relies on interpretations and is value bound. Lincoln and Guba (1985) propose that the researcher can demonstrate neutrality through confirmability audits. The researcher can provide an audit trail consisting of

- raw data
- analysis notes
- reconstruction and synthesis notes
- process notes
- personal notes
- preliminary developmental information

The researcher compiled a file of all the pertinent documentation used in this study. This file contains the following:

the interview transcripts of all the semi-structured interviews

notes the researcher made after the semi-structured interviews about his observations and experiences

completed, signed consent forms of the participants

the signed letter requesting permission to undertake the study at the organisation

This file has been kept safe and will be made available upon request. There was also a second reader with a master's degree in Research Psychology to enhance rigour in analysis and trustworthiness.

### **1.5.5 Ethical considerations of the study**

The researcher is of the view that research and ethics are inseparable. Trust is placed on the part of the researcher to conduct research truthfully and accurately by many interested stakeholders who include, but are not limited to, the participants, the supervisor, the institution, society.

Ethics has to do with the application of a system of moral principles to prevent harming or wronging others, to promote the good, to be respectful and to be fair. Politics has to do with the methods and strategies used to gain a position of power and control. Ethics and politics are intertwined in sensitive research. Both ethics and politics are about the manifold interests and feelings – one's own and those of others – that must be recognised, understood and taken into consideration to optimally achieve good results (Sieber, 1993; Wenger, 1987). At a macro level, it has been documented that the quality of research can be influenced by political interference. This is also true at a micro or individual level. This research about employees' experiences of performance management appraisals is no exception as the participants and the line managers referred to in the responses may be helped or harmed by the conduct, publicity and findings of this research. It was also more important for the researcher to exercise prudence as he is part of the organisation. The researcher believes that it is important that one's reputation is of good standing even before the research study is conducted. If an individual in an organisation is notorious for unethical acts and behaviour, there is no way that participants will have faith in him/her in the context of a research study. One's reputation influences the

perceived ethical standards of one's research. The researcher's view is that participants decide to agree or decline to participate in research on the basis of preconceived ideas about the internal researcher.

Mouton (2002) believes that the ethics of science concerns what is wrong and right in conducting research. Because scientific research is a form of human conduct, it follows that such conduct has to conform to generally accepted norms and values. The ethical responsibilities of the researcher are divided into various categories below, as described by Sieber (1993), Wassenaar (2006), Mouton (2002), Bless and Higson-Smith (2000), and Bickman and Rog (1998). The applicability thereof to this study will be pointed out in each case.

#### *1.5.5.1 Professional ethics*

Researchers should display objectivity and integrity in their conduct by adhering to technical standards, acknowledging the limits of their findings and methodological constraints, portraying fields of expertise meticulously, and reporting findings accurately and fully. The researcher is registered as an intern psychologist with the HPCSA and has been employed in the human resources field for seven years. Practical experience in two consulting firms on both the development and review of performance management policies and coaching line managers on best practices, as well as knowledge and insights gained from the literature study and attendance at several conferences, have prepared the researcher well for research on employees' experiences of performance management appraisals. The researcher also acknowledges his indebtedness to authors of quotations and consulted resources and his responsibility to avoid plagiarism.

#### *1.5.5.2 Society*

The researcher's responsibility towards society involved identifying and consulting with relevant stakeholders in the planning stage. Prior approval was requested from and granted by the Head of Human Resources and the Regional Head for the researcher to undertake this research in the organisation. Approval was also obtained from UNISA.

Being ethical in the conduct of sensitive research also means being culturally sensitive in the way one designs the research questionnaire and interacts with the research participants, gatekeepers and relevant others. This means learning to perceive risk factors from the perspective of the people who will be affected, remembering that not everyone perceives things as the researcher does. These views may involve the researcher's own motives, the risks or benefits of participating in the research, and so on. They may be true or false and may make or break the research (Boeije, 2010; Bouma & Ling, 2010; Hardy & Bryman, 2010; Sieber, 1993). Keeping the interview recordings, transcripts and analysis private is the most important aspect as it is important to withhold the identities of the participants as some of the risk factors could be that line managers that do not do performance management appraisals properly, either through inability or unwillingness, may be exposed through this study and the job security of the participants may be threatened in future.

#### *1.5.5.3 Voluntary participation, privacy, confidentiality and anonymity*

The researcher explained the participants' rights to them and the measures taken to keep their biographical data and raw data confidential. All identifying data has been stored in a safe place to prohibit access by unauthorised persons. The researcher

reassured participants that the information gathered would not be used in any way which might jeopardise anyone.

According to Bless and Higson-Smith (2000) and Sieber (1993), these assist in ensuring cooperation between the participants and the researcher and also in ensuring that the researcher is accepted by the participants. Particular attention was paid to the following:

- *Confidentiality and maintenance of privacy.* All identifying data has been stored in a safe place. There is no reference to individuals or their positions in the reporting of the data. This is to maintain the participants' privacy, especially considering that it was a small sample that would make identification of participants easy.
- *Voluntary participation.* The researcher initially approached the participants individually and verbally asked them whether they were interested in participating in the research study. Once they had agreed, they were individually presented with the consent form, which mentions that participants have the right not to participate and they also have the right to request that the interview be terminated and that the content be erased both during and after the interview.
- *Anonymity.* The participants were informed and also reminded afterwards at every opportunity (before, during and after the semi-structured interviews) that their identities would always be withheld in all the documents that would be made public. A code, for instance 1, would be used to mark each transcript and all identifying details would be erased or hidden.
- *Informed consent.* All the participants signed a consent form which informed them of the research, what it would entail, that the information obtained during the semi-structured interviews would be used in a master's dissertation at UNISA, and that the dissertation would be available in the UNISA library and on request at other academic libraries. No monetary or other reward, aside from academic reward, would be gained.

- *Protection of participants from harm.* In addition to the aspects discussed above, the participants were treated with the utmost respect and dignity throughout the research process.

### **1.5.6 Reporting**

The researcher will report on all the findings in relation to employees' perceptions of performance appraisal later in this dissertation.

### **1.5.7 Conclusion**

Conclusions will be drawn both from the literature review and from the qualitative study. The literature review for this study will provide a background to the development of and current thinking on performance management in general and performance management appraisals in particular. Conclusions from the actual research findings will also be discussed. These will be presented in chapters 3 and 4 of this dissertation.

### **1.5.8 Limitations of the literature review and empirical study**

The limitations of the literature review and empirical study will be examined and discussed.

### **1.5.9 Recommendations**

Recommendations for future research in Industrial and Organisational Psychology and application of the study in organisations will be made in the final chapter of this dissertation.

## 1.6 CHAPTER LAYOUT

The chapters of this dissertation are as follows:

- *Chapter 1: Introduction and orientation to the study.* In this chapter the background and motivation, problem statement, aims, paradigm perspective, research design and research method of the study, as well as the chapter layout of this dissertation, are given.
- *Chapter 2: Literature review.* Performance management and performance management appraisals, and factors affecting it, will be discussed in this chapter. Research that has been conducted will also be discussed.
- *Chapter 3: Article.* In this chapter employees' experiences of performance management appraisals will be explored. A discourse analysis will be made.
- *Chapter 4: Conclusions, limitations and recommendations.* Conclusions will be drawn from the data. The limitations of the research will be acknowledged and recommendations for future research will be put forward.

## 1.7 SUMMARY

In chapter 1 the scientific orientation to the research was discussed. The background and motivation to the study and the research problem, aims, paradigm perspective, design and method were set out. The chapter ended with an explanation of the chapter layout of this dissertation. Chapter 2 contains the literature review for the study.

## **CHAPTER 2**

### **LITERATURE REVIEW**

A research project builds upon research that has been done previously. A literature review gives us an understanding of what is already known and what is not known (Babbie, 2010; Kaniki, 2006). In this chapter an overview of performance management and performance management appraisals will be provided. The literature review was structured around the following topics: performance management, the historical evolution of performance management, performance management appraisals, and improving performance through performance appraisals.

#### **2.1 PERFORMANCE MANAGEMENT**

Managers, supervisors and others in responsible positions at every level in almost every type and size of organisation, from churches to the military and from the multinational corporation to the family-owned shop, are acquainted with the concept of performance management. It appears under different names: results-oriented management, management by objectives and results, work planning and review, 'plancement', and management by agreement, to list a few (Davila, 2012; Giegold, 1978; Holpp, 2012; Neely, 1999).

##### **2.1.1 Definition of performance management**

The performance management process involves the supervisor and the subordinate, defined by clear common goals and priorities of the organisation as established by top management, jointly identify the individual's major areas of responsibility in terms of the results expected of him/her and use these measures as guides for operating the unit and assessing the contributions of each of its members (Binder, 2010; Cardy

& Leonard, 2011; Culbert, 2010; Giegold, 1978; Holpp, 2012; Kirkpatrick, 2006; Neely, 1999; Odiorne,1965).

This definition is rich with meanings which are not revealed until it has been examined word for word. The following definitions of the keywords are therefore provided (Binder, 2010; Cardy & Leonard, 2011; Culbert, 2010; Giegold, 1978, Holpp, 2012; Kirkpatrick, 2006; Neely, 1999):

- *Process*: Management by objectives is a continuing activity and not a campaign or a onetime installation project which, when completed can produce results on its own. It is an endless cyclical group of interrelated management activities embodying all the conventional management functions of planning, organising, directing and controlling.
- *Clear definition of goals*: Clearly defined goals or objectives provide the focus of effort required for the most efficient use of resources.
- *Priorities*: Objectives are not enough to ensure organisational or individual effectiveness. One must be sure that the most important objectives are tackled first, and a system for establishing priorities is a vital link in the overall process.
- *Top management*. If the clear definition of goals and priorities begins at the very top, the system achieves its fullest potential since all the parts of the organisation set their sights on the same overall target. Top management also plays a continuing role in emphasising the need for organisational improvement.

- *Jointly*: The process of joint objective setting by the manager and the employee is the key to obtaining full cooperation and acceptance by employees. The same process is also the means whereby the full knowledge and creative potential of the employee are brought to bear on the improvement needs of the organisation.
- *Areas of responsibility*: Every position or job must exist for a purpose that is well defined in relationship to the needs of the organisation. This relationship is established through the key results areas (KRAs) of the organisation, which determine the job responsibilities most important to its overall needs and guide the search for meaningful objectives.
- *Results expected*: Stating the expectations of management is a most potent way of communicating with employees. Expressing these expectations in terms of the needed results replaces vague exhortations or silences.
- *Measures*: The objectives are used to measure progress and the measurements are used to make adjustments and corrections which accelerate progress. When this is not done, performance management becomes static and sterile rather than the dynamic and productive system it is designed to be.
- *Contributions*: Performance management encourages every individual to contribute to the overall objectives of the organisation, measures each contribution and provides the basics for proportionate rewards.

Performance management is also defined as an approach that involves strategic and workforce planning, job design and definition, goal and objective setting, accountability, training and development, measurement and performance standards,

performance appraisal, counselling, provision of feedback to employees, identification of potential, motivation, remuneration and portfolio management. The flowchart below in section 2.1.3 (figure1) indicates how the performance management approach operates (Aguinis, 2009; Wright, 2010)

### **2.1.2 Historical evolution of performance management**

The idea of managing performance, both at an individual and an organisational level, is far from new. It goes back to the time when employment replaced slavery. Early forms of performance rewards were, as far as we can tell, directly related to units of production, with some penalties for poor quality. Things stayed that way into the 20<sup>th</sup> century when major employers in the United States and elsewhere, seeking to operate on a more rational basis, started to develop more complex incentive schemes for non-manual employees. With this came the need to do more than check production records before payout. Performance management (and appraisal) began to spread as a practice (Houldsworth & Jirasinghe, 2006).

Guerra-Lopez (2008) cites performance management and evaluation as a practice that dates back to the samurai sword evaluation. Another type of evaluation was in evidence as early as 2000 B.C. when Chinese officials held civil service examinations to measure the ability of individuals applying for government positions. Socrates included verbal evaluations as part of his instructional approach (Fitzpatrick, Sanders, & Worthen, 2004).

Fletcher (2002) traces the origins of performance management as far back as the First World War and focuses on the period since the 1950s, a decade of personality-based appraisals. Appraisal practice in the 1960s, he observes, shifted to a greater emphasis on goal setting and the assessment of performance-related abilities (and, more recently, competencies) rather than personality. The late 1980s, and the whole

of the 1990s saw organisations undergo a process of rapid and successive change. Almost inevitably, what Fletcher (2002) refers to as performance management appraisal became a central mechanism in a more holistic approach to managing people and business in general. During the 1980s, many organisations became more performance-oriented. During the 1990s performance management began to be seen as more of a core management process – capable of delivering the business vision by developing and reinforcing the key behaviours/values. Thus performance began to grow out of its “appraisal” box, developing into the integrated, strategic and grown-up cousin (Davila, 2012; Chipman, 2009; Russ-Eft, 2010). Radnor and McGuire (2003) suggest that there has been three main phases in performance measurement development. The traditional performance measurement was developed from cost and management accounting (1850–1925). However, by the end of the 1980s, this purely financial perspective of performance measures was felt to be inappropriate so multi-dimensional performance measurement frameworks were developed (1974–1992), for instance the Balanced Scorecard. Finally, since the mid-1990s, the performance measurement literature has been dominant in discussing strategy maps and using these to show the link between key performance indicators.

The sustainability of organisations is directly linked to the continual improvement of business performance. Many organisations have found a way to improve performance through the establishment of management systems. To maximise the benefits of the system, it is necessary also to develop and implement a well-structured performance evaluation process to assist both the business and its interested parties to achieve agreed objectives (Flavio et al, 2003).

It is also believed that organisations need to deploy a performance management programme which includes attributes such as effective and open communication between employees, stakeholders and customers in order to share assessment

results and any new initiatives to improve performance; accountability of results which are clearly assigned and well understood; compensation, rewards and recognition that are linked to performance measures; targets that are linked to appraisals; and a performance measurement system that is positive (Amaratunga & Baldry, 2002).

Neely (1999) published a journal article aptly entitled “The performance measurement revolution: Why now and what next?” in which he records his amazement with the popularity of this subject in academic and management circles by tracing that between the years 1994 and 1996, about 3615 articles on performance management were published. This is equivalent to one article on business performance management appearing every five hours of every working day. In 1996, new books on the subject appeared at a rate of one every two weeks in the United States alone. He found evidence which led him to the conclusion that this evolution transpired because of seven main reasons:

1. the changing nature of work
2. increasing competition
3. specific improvement initiatives
4. national and international awards
5. changing organisational roles
6. changing external demands
7. the power of technology

The researcher fully agrees with Neely.

Jain (2004) conducted a quantitative study on employees’ perceptions on the purpose of performance appraisal. The participants were given seven options to rate.

The study found that participants view the purpose of performance appraisal as follows:

- salary increment – 86.4%
- promotion – 33.3%
- training – 25.8%
- career development – 15.2%
- staff development – 15.2%
- reward – 7.6%
- dismissal – 3%

The study also found that the participants believed the most important purpose of performance appraisal is salary increment. Although the researcher considers this study beneficial, there was a need to explore employees' experiences of performance management appraisals. There was also a need to explore this phenomenon further in a more semi-structured, and less statistical, manner.

Research conducted by the United Kingdom's Institute of Personnel and Development found that respondents who were surveyed mentioned that they would rather visit the dentist than carry out a performance appraisal. One respondent described performance management as "engaging in a sham" (Armstrong, 2012). This is consistent with observations made by the researcher on his working experience. These factors tend to cause a lot of unhappiness in staff members as they tend to set unrealistic expectations for them to achieve.

Pickett (2000) makes the point that senior executives in many countries have indicated that they regard the performance review (particularly the part where they are required to have open and honest dialogue with the people who report to them) as one of the most difficult things they have been required to do. In a survey he conducted with over 8000 people, nearly half of the participants said that their

managers were not clear, frank or complete in telling them what they thought of their work performance.

It is important that management provide goals, performance measures and feedback. The goals and performance measures should be as clear, consistent and non-conflicting as possible so that individuals will understand them and confidently make decisions in accordance with them. Durand (1993) states that individuals have a greater comfort level if they understand their performance measurement system. They feel more confident when making decisions and enjoy the environment more when they understand what is expected of them. They also want feedback about their performance relative to these measures.

A few studies have been done in the South African context. In one study “Employee Perception of a Performance Management System” (Maloa, 2001), convenience sampling (N-100) was used in an information technology division of a large South African bank. The findings from this study demonstrated that employee perception does determine the level of success of a performance management system. However, the level of success was perceived differently in terms of the sample’s race, gender and position. It also revealed that white people, males and managers perceived performance management as successful within the bank, while black people, females and non-managerial employees perceived performance management as unsuccessful.

Maluleke (2012) conducted research on evaluating performance management at a South African parastatal organisation. She found that the respondents were not satisfied with previous performance management initiatives. When satisfaction was split between senior executives and staff at lower levels of the organisational hierarchy, she found that senior executives were more satisfied than staff at lower

levels. Interestingly, the number of “don’t know” responses increased when going down the organisational hierarchy.

In his study “Performance Management System and Improved Productivity: A Case of the Department of Local Government and Housing in the Limpopo Province”, Munzhedzi (2011) found several challenges hindered the effective implementation of a performance management system in the public service. Other findings of the study include that there were biased ratings (subjective assessment) and setting unrealistic performance targets which the employees perceived as unrealisable. The foregoing justified the reasons why the organisation did not always realise productivity levels and achieve their targets.

Another study was conducted by Matlala (2011) on employees’ perceptions of the fairness of an organisation’s performance management system in a South African organisation. Using a sample of 20 participants at various employment levels, she found that there were negative perceptions on the fairness of the performance management system.

### **2.1.3 Development of performance management**

Performance management appraisal is one of many areas within performance management. It is important to see how it fits into the value chain. In the flowchart below (figure 2.1), this is illustrated in sequential format as part of the development of performance management:

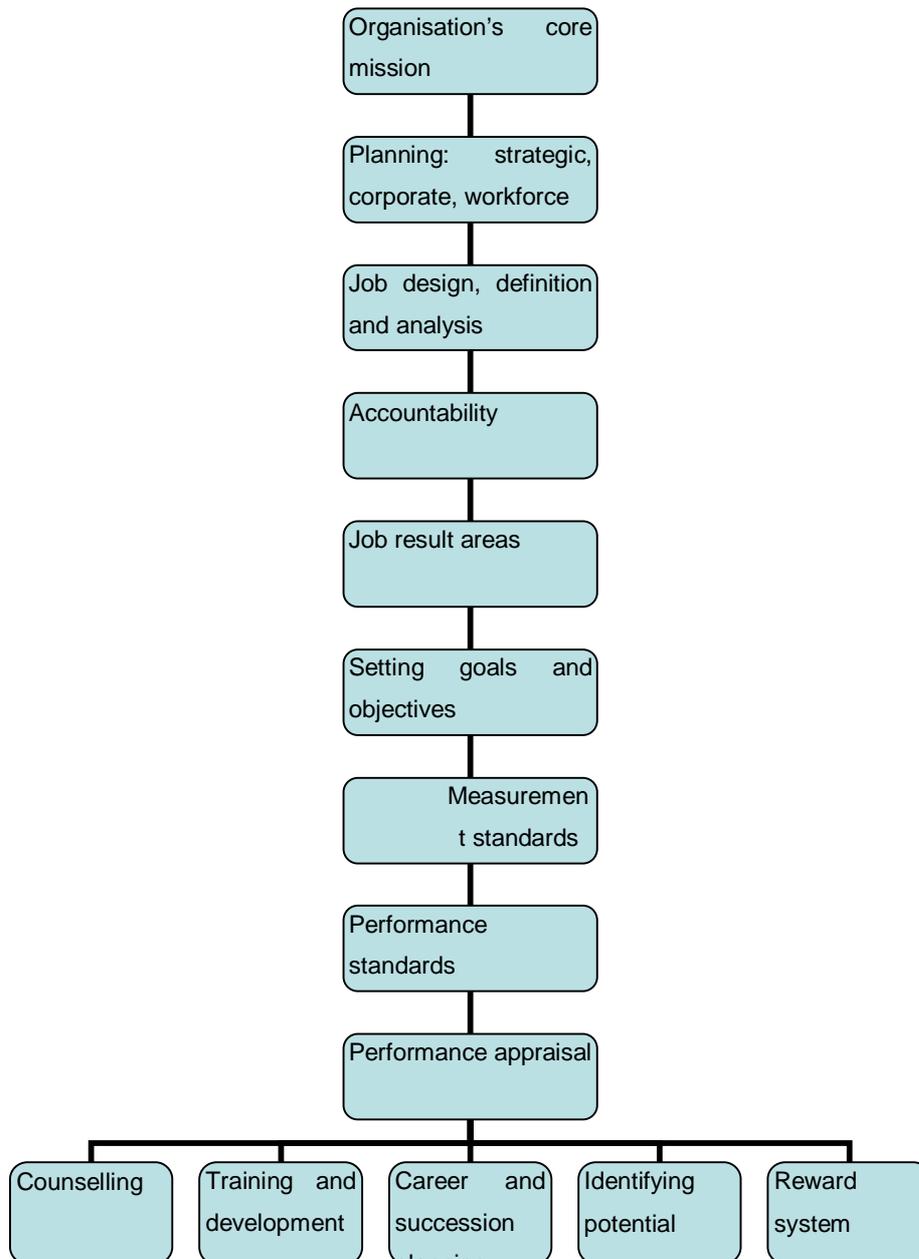


Figure 2.1: The performance management approach  
 (Sources: Delpo, 2007; Tarnacki & Banchoff, 2012)

#### **2.1.4 Benefits of performance management**

There are several benefits to performance management. Research on the balanced scorecard conducted by Kaplan and Norton (1996) revealed that its perceived benefits lie in

- clarifying and obtaining consensus about strategy
- communicating strategy throughout the organisation
- aligning organisational and personal goals to strategy
- linking strategic objectives to long-term targets and annual budgets
- identifying and aligning strategic initiatives
- enabling periodic/systematic reviews
- providing (double loop) feedback to assist learning/strategy development
- translating better strategic alignment into better results

Delpo (2007) and Spitzer (2010) add to this by mentioning the following:

- Performance management makes performance visible. Even if you cannot see performance directly, you can see it indirectly by using measurement.
- Performance management tells you what you need to manage to get the results you want. Using measurement maps, you are able to identify, understand and discuss the high-leverage relationships that drive results, and apply them to your benefit – and to the benefit of your organisation.
- Performance management lets people know if they are off-track so that they can do something to correct their performance.
- Performance management informs employees what is important. If you do not measure it, people will not pay attention to it. As one colleague said: “Measure it, or forget it”.

- Performance management results in consequences (rewards and punishment) that further reinforce the inherent power of measurement.
- It allows management to make comparisons, study trends, and identify important correlations and causal relationships that will help to establish a roadmap for success.

The researcher agrees with the points above and has observed that the problem is not in the design of performance management policies and scorecards, but essentially in their implementation. Challenges with regard to performance management will be discussed below.

#### **2.1.5 Challenges with regard to performance management**

The literature mentions several challenges that exist with regard to performance management. According to Cokins (2009), if the wrong key performance indicators are chosen, the behaviour, priorities and decisions of employees and the organisation as a whole will not be well aligned with the direction of the executive team.

A study by Houldsworth and Jirasinghe (2006) showed that most managers still found the process time consuming, inconsistent, inflexible, poorly communicated, having an insufficient reward link as well as lacking a high level of management capability to do it well.

In the South African context, Kanyane and Mabelane (2009) recently explored the skills capacity required and currently available to implement effective performance management in the South African public sector. Their study focused on professionalism, leadership, motivation, communication, attitude, training and reward, which they listed as key ingredients of an effective performance

management system. These were found to be lacking in the public sector, hence the unsatisfactory state of performance management. Skills development and the professionalization of the South African public sector are the solution.

Rademan and Vos (2001) examined whether performance management in the public sector was accurate and fair. The findings of their study clearly indicated that perceptual differences on the fairness of appraisals exist between different groups and that complaints aired in the public service could largely be attributed to the improper application of the performance management system. This is consistent with a study by Messer and White (2006) found that employees' perceptions of fairness affected their likelihood to perform organisational citizenship behaviours. In this case, perceived unfairness and ineffectiveness of performance management systems can result in counterproductive and sometimes detrimental behaviour from employees. The researcher agrees with all the points above and believes that the solution rests in execution.

## **2.2 PERFORMANCE MANAGEMENT APPRAISALS**

Research on meta-perception has demonstrated that people's behaviour and emotions are strongly affected by how they think others view them, and such meta-experiences are formed in response to verbal and non-verbal cues (Finchilescu, 2005). The researcher is of the view that performance management appraisals, and feedback thereof, are not an exception in this regard.

The researcher considers performance management appraisal as important to performance improvements, reducing staff dissatisfaction and identifying development gaps. People want and need performance feedback because the overwhelming majority of people want to know where they stand and what they need

to do better (Grote, 2011; Longnecker, Simonnetti & Sharkey, 1999; Swan & Wilson, 2007).

Performance appraisals are usually done through ratings, which usually turn out to be dishonest because it is so easy to fudge them up or down the rating scale (Armstrong, 2012). Organisations thus tend to go from one popular fad to another, searching for a way to get honest and credible ratings; however, the schemes invariably fail, which is why performance appraisal is a subject people love to hate (Brumback, 2003).

The researcher is of the view that performance management, and the appraisal thereof, is a bilateral and shared effort and that both the manager (appraiser) and the employee (appraisee) need to agree on the results. However, as Winstanley and Stuart-Smith (1996, p.197) state, “performance management is still something which is largely done to the individual”. This view is echoed by Falcone and Sachs (2007) who mention that a common misconception is that the sole purpose of an appraisal is to inform employees how their performance is rated. A productive appraisal serves as a work session between the supervisor and the employee in which time and effort are taken to meet with the individual to set out new goals and objectives for the coming year. A productive appraisal recognises that people are an incredibly valuable resource with specific needs and goals.

### **2.2.1 Definitions of performance management appraisal**

Performance management appraisal is defined as the process of identifying, evaluating and developing the work performance of employees in the organisation so that organisational goals and objectives are more effectively achieved while at the same time benefitting employees in terms of recognition, receiving feedback,

catering for work needs and offering career guidance (Falcone & Sachs, 2007; Swan & Wilson, 2007).

Holpp (2012) and Guerra-Lopez (2008) define performance appraisal as a systematic approach to improve productivity and competence by using a set of methods and procedures – and strategy for solving problems – in realising opportunities related to the performance of people. More specifically, it is a process of selection, analysis, design, development, implementation and evaluation of programmes to most cost-effectively influence human behaviour and accomplishment.

### **2.2.2 Appraisal as part of performance management**

Performance appraisal should be regarded as a component of the overall performance management approach rather than a separate and distinct human resources management activity (Human Resource Management in Practice, 1994; Johnson, Penny & Gordon, 2009). This view is echoed by Holpp (2012) who states that performance appraisal is not about filling out a form. It is not even about having a performance appraisal meeting. It is about managing performance. Performance management is the larger heading under which performance appraisal falls, along with coaching, career development, compensation, feedback, objective setting, performance planning, mentoring and employee engagement.

More open and competitive economic and business environments are making it increasingly important to maximise the productivity of employees and their contributions in achieving the organisation's objectives. This in turn means creating a closer alignment between those objectives and individual employee needs and aspirations. Labour cost surveys continue to indicate that employee direct and indirect costs are a major, often **the** major, cost in operating an organisation. In

addition, the relative costs of retrenchment and outplacement of employees are increasing. In general, people issues are much more to the fore in business planning, as many organisations strengthen the link between workforce planning and their corporate and strategic planning functions. The magnitude of an organisation's workforce makes it essential that the best possible performance be obtained from that workforce. The trend towards greater accountability of managers means that they are being asked to achieve better results per staff costs expended (Aguinis, 2009; Davila, 2012; Ericsson, 2009; Neely, 1999).

From an organisational point of view, performance appraisal offers an opportunity to fulfil the needs for job clarity, ongoing feedback, motivation, recognition and development. Employees have a right to have these needs catered for as organisations should be humanised in recognition of the nature and needs of people. If they are catered for effectively, value can be added to the organisation. A further advantage of the appraisal process is that it adds to greater objectivity in the judgement process, if done properly. This enables better decision making and thus contributes to better performance management (Human Resource Management in Practice, 1994; Guerra-Lopez, 2008).

### **2.2.3 Stages of the appraisal process**

A prerequisite of the process is setting appropriate work performance standards and ensuring that employees are aware of them. It is common nowadays for employees to be directly involved in establishing the standards. The method of appraisal may range from informal to a highly formalised procedure. Note, however, that a formal appraisal system is not a substitute for day-to-day feedback, which employees need to gain recognition and be able to adjust their work behaviour.

The nature of the work done by the employee determines what should be appraised and what the performance standards should emphasise.

#### **2.2.4 Benefits of performance management appraisals**

There are a number of benefits to the organisation which flow from the appraisal of performance. Performance management appraisal should be seen not only as an end in itself, but also as a means of obtaining information upon which many other management decisions may be made. According to Fletcher (2008) and Holpp (2012) the benefits of performance appraisals include:

- The relationship between the employee and the supervisor is strengthened by bringing them together to discuss progress. In the absence of a scheduled meeting, often very little performance feedback is given to the employee. If the supervisor is too busy to talk, the employee typically assumes his/her performance is satisfactory. The other common occurrence is that the employee only hears complaints when something goes wrong. Neither alternative promotes a good understanding of work expectations.
- It is a means of obtaining feedback from employees which may improve work design, the work environment and career path planning.
- Training and employee development needs are identified.
- It is a source of information for workforce planning and career and succession planning decisions.
- It assists in matching employees with suitable jobs in order to achieve better overall outcomes.
- It is a source of information for decisions regarding wage and salary administration, as well as the allocation of various types of rewards.
- It is an outlet for communicating work-related problems.

- It is a means of maintaining performance levels, for example by identifying deterioration before it becomes serious and taking corrective action.
- It is a means of assisting and encouraging employees to take their own initiatives to improve their work performance.
- Any obstacles to good work performance are identified and removed.
- Work competencies are established and developed.

These authors agree with one another. However, Holpp (2012) discusses it further and mentions that the performance appraisal process needs to be based on objectives rather than rankings and ratings. This confirms that the manager and the employee are on the same side, working together.

### **2.2.5 Objectivity and performance standards**

While objectivity of measurement is a desirable characteristic, it should not be emphasised. The aim should not be to quantify everything but to avoid arbitrary, biased or capricious measurements. Also, emphasis on objectivity means that many of the essential aspects of a job may be overlooked. The latter is of particular concern in many management and supervisory positions. Management/supervisory jobs are often characterised by numerous activities of short duration and ad hoc informal interactions, greater variety, more non-routine aspects, the need to take decisive action and a lower priority for administrative tasks (Falcone & Sachs, 2007; Holpp, 2012).

Performance standards should meet the following criteria:

- They should have an impact on success at work.
- They should be used to differentiate between successful and unsuccessful performers.

- They should be within the control of the person being judged.
- They should be based on observations which are documented and work related.
- Performance standards should communicate performance expectations to employees and provide feedback.
- They should recognise the realities of the work to be performed, which is particularly important for managerial/supervisory positions.
- They should recognise the importance of the organisation culture (that is, what is regarded as “successful” behaviour within the organisation).

### **2.2.6 Who does the appraisal?**

The literature indicates that an appraisal may be carried out by one or more of five parties (Baker, 1988; Culbert, 2010; Fletcher, 2002; Grote, 2011; Swan & Wilson, 2007):

- the employee’s supervisor
- the employee (self-appraised)
- the employee’s peers
- the employee’s subordinates, and/or
- people outside the employee’s work environment or even outside the organisation as a whole (for example, external consultants could be used and some organisations may arrange for appraisals to be obtained from customers)

Recent studies such as that of Culbert (2010), Holpp (2012) and Swan and Wilson (2007) indicate an increasing tendency for organisations to use a combination of two or more methods. Whatever appraisal method is used, the appraiser(s) must be familiar with the job’s objectives and must be sufficiently familiar with the employee

to be able to assess whether his/her behaviour at work is effective and what the value of the employee to the organisation is. This requires the ability to observe at least a representative sample of both work behaviour and work performance data (that is, both the person and the work performed). Overall, the appraiser should be the person(s) in the best position to observe work performance (Wright, 2010).

At the 6th Conference on Performance Measurement and Management Control that was convened in Nice (France) in 2011, it was noted that attempts were being made to involve external stakeholders in performance appraisals (Davila, 2012). This seems to be the direction of performance appraisals.

### **2.2.7 Appraisal by the supervisor**

This is the most popular approach among organisations. The supervisor may either be the employee's immediate supervisor or a manager, department head and so on.

#### *2.2.7.1 Advantages*

The advantages of this approach are that the supervisor is the management person who has the most contact with the employee and the best knowledge of the job and what is required to perform the job. The position of the supervisor as appraiser will generally be legitimised by the organisational hierarchy and reinforced so that he/she has some control over the reward and punishment mechanism used (as appraisal can then become linked with these). If managed properly, the appraisal system can be used to strengthen the relationship between the supervisor and the employee. Sometimes more than one supervisor may be involved in exercising a review function in the appraisal process, such as the supervisor's supervisor or other supervisors at the same level. This approach can also act as a check and balance against bias (Culbert, 2010; Holpp, 2012).

### *2.2.7.2 Disadvantages*

The potential disadvantages of this method are that not all supervisors may have the personal skills necessary to carry out an appraisal, which means some form of training may be required, and that the supervisor may have to live with an unpleasant working relationship if he/she gave an employee an unfavourable appraisal. It is also possible that the need to preserve the day-to-day work relationship may lead to failure of the appraisal to be a two-way process between the supervisor and the employee, or failure of communication of the appraisal going beyond these two parties. The problem may be exacerbated if the supervisor feels there is a conflict of roles, for example the conflict between being a “judge” of employees and also their “coach” (Delpo, 2007; Grote, 2011). Another drawback results when managers do not want to conduct performance management appraisals. Some have mentioned that they would rather attend a dentist appointment than conduct a performance management appraisal (Holpp, 2012). This sentiment does not make for a productive, meaningful performance management appraisal.

### **2.2.8 Self-appraisal**

Methods of self-appraisal have tended to increase in popularity since the 1980s. This trend is possibly a result of the importance placed on consultation and participation in the appraisal process, and also a reflection of the role of activities such as development and career planning as largely self-directed processes.

Where self-appraisal occurs, it is usually combined with a discussion of the ratings and joint appraisal with the supervisor. It is mainly used in situations where there is a strong emphasis on self-development and self-motivation. This approach strengthens the two-way nature of appraisals. Other situations suited to self-

appraisal include working in isolated geographical areas or where the employee possesses a rarely held skill. This method is no longer popular, hence the dated source mentioned. However, the researcher nonetheless acknowledges this practice.

#### *2.2.8.1 Advantages*

The main advantage of self-appraisal is the greater and constructive participation of the employee in the appraisal process. The employee has the opportunity to express views and identify possible problem areas before having to do so within the context of another person's judgement. Self-appraisal is best suited to situations where highly trained and educated employees and/or employees with high levels of skills and motivation are involved. It is a suitable approach when there is a close link between the appraisal and employee development. The aim in such cases is to help employees raise their own levels of performance. Part of the appraisal process includes an action plan to enable progress towards achievement of self-development objectives. Kirkpatrick (2006) believes self-appraisals should not be used in isolation but in conjunction with the manager's appraisal. The best way is to put both forms side by side and look at areas of agreement and disagreement. The employee can also be asked to explain his rationale on areas of disagreement. Through discussion, differences can be resolved and agreement reached on a fair appraisal. In the absence of more literature on the advantages of self-appraisal, the researcher has presumed that this is a practice that is not popular.

#### *2.2.8.2 Disadvantages*

Some overseas studies have found relatively low levels of correlation between self-appraisals and supervisors' appraisals (although not always in the same direction). It is possible for the system to become abused if it is known that rewards, promotion

and so on are directly linked to self-appraised results. Administratively, it is more difficult to control and co-ordinate a self-appraisal system. Employees need to be educated as to the methods and benefits of the system. Instructions to them also need to take into account the fact that a much larger number of people will be direct users. It can therefore be accepted that self-appraisal have drawbacks or disadvantages that are self-serving and this may explain why self-appraisals are not popular. Wright (2010) cautions against self-preservation in performance management where staff avoid areas that they know may not go their way. This is a huge drawback of self-appraisals which tends to deny the employee honest feedback, particularly on poor performance and/or incompetence.

Fletcher (2008) points out that self-appraisal have the greatest potential in an appraisal system that is geared primarily towards motivation and development, and not reward. The researcher agrees with this viewpoint.

### **2.2.9 Appraisal by the peer group**

This form of appraisal involves a group of the employee's co-workers (those working in similar level jobs) carrying out the performance assessment. The involvement of peers in the appraisal process is something that has only recently become popular. It has a longer history and greater appeal in academic and teaching institutions (Fletcher, 2008). The relative importance of input from peers depends on the nature of the role and the structure and culture of the work unit and the organisation (Holpp, 2012). Organisations are therefore free to choose what works for them.

### *2.2.9.1 Advantages*

The theory behind this approach is that peer group members have the greatest frequency of contact with the employee at work; are the ones most affected by his/her behaviour and quality of work; and are able to see not how an employee interacts with them, but also interacts with subordinates and supervisors (for example, some employees act differently when their bosses are present). A further advantage is that several judgements of a person are obtained instead of just one.

To be successful, appraisal by the peer group requires a work situation where employees are not in strong competition with each other for promotion and rewards. A high level of trust between employees is needed to ensure valid results. It is a suitable method in cases where a supervisor is not able to effectively identify his/her subordinates' work behaviour. It is also capable of identifying problems of communication and co-ordination within a peer group, enabling management to consider corrective action (Fletcher, 2008).

### *2.2.9.2 Disadvantages*

This method also has disadvantages, which may cause disruption at work (Fletcher, 2008).

- Employees may resist the concept, fearing it as a means of dividing them, despite the technique of "averaging" judgements.
- Invalid results are likely to occur in highly competitive work situations, as individuals' benefit is likely to become the major goal.
- Confidentiality and anonymity are essential if successful work relationships are to be preserved after the appraisal.
- It is a time-consuming method.

Grote (2011) states that performance management appraisal is a big job. It is a duty that is assigned only to people in leadership positions in the organisation. The person who conducts a performance management appraisal is entrusted with the responsibility of standing in judgement of another. This is a job that requires not merely skill, but also maturity and wisdom.

### **2.2.10 Why some appraisals are rated inaccurately**

The inaccuracy in performance ratings is most often in the form of either inflated or deflated ratings. An appraiser's motives for this deliberate act of inaccuracy include the need to avoid confrontation with subordinates and creating written documents which may directly harm a subordinate's future career (Aguinis, 2009; Falcone & Sachs, 2007).

Wright (2010) believes appraisals are rated inaccurately as a result of measurement objectives that are not specific and precise. Holpp (2012) is of the view that this results when the manager and employee are on the goals and standards expected.

Culbert (2010) identifies the motivations for intentionally inflating ratings as

- the belief that accurate ratings might have a damaging effect on the employee's motivation and performance
- to improve the employee's eligibility for a salary/merit increase
- to avoid airing the department's "dirty laundry" if the appraisal form is to be reviewed by others
- to protect good performers whose performance may be suffering because of personal problems

Reasons for intentionally lowering employee ratings are:

- It is a way to scare better performance out of an employee.
- it is used to punish a difficult or rebellious employee.
- it is used to minimise the amount of increase in pay (if the appraisal is linked to this) the employee will receive.
- It is a way to comply with the organisational edict that discourages appraisers to from giving high ratings.

Short-term manipulation of employee performance ratings can lead to long-term motivational and behavioural consequences for the employee and the organisation. Delpo (2007) and Holpp (2012) mention legal difficulties as the organisation can be sued when employees are victimised. To protect themselves and the organisation, managers need to do the following:

- Take precautions with procedures.
- Focus on job performance and not personality.
- Treat employees equally.
- Conduct performance management appraisals at least annually.
- Put it in writing.
- Communicate with employees.
- Keep employee records confidential.
- Do not set employees up to fail.

### **2.3. IMPROVING PERFORMANCE THROUGH PERFORMANCE APPRAISALS**

Much of the criticism against performance appraisals stems from the fact that supervisors do not, or cannot, help employees perform to standard. The reasons that are frequently given are: insufficient time, too much paperwork, too many employees

to supervise, too many other duties and too many problems to solve that require immediate attention. If, however, these tasks are not performed, poor performance is not likely to improve, inefficiency will continue and it is unlikely that the system will produce valid measures of performance (Baker, 1988; Falcone & Sachs, 2007).

Armstrong (2012) refers to a study that was conducted at the Council of Communication Management which confirmed that positive feedback related to employees' efforts for a job well done are the top motivators of employee performance. By means of formal evaluations and regular informal routes, performance management appraisals yield excellent opportunities to motivate. Rather than a painful event, performance management appraisals can be viewed as a culmination of small meetings, formal and informal, held throughout the year. They can be shaped objectively, according to clear standards for employee performance. They can also help to engage employees in their own career development.

Grote (2011) echoes this point and states that the outcome of a performance appraisal should be that individuals feel that their contribution for the review period has been fully considered and recognised and that they have a sound basis for performance planning for the future. Managers should feel that the review has been thorough, that the individual understands and accepts how his/her contribution has been valued and that the dialogue that has continued through the previous review period has been built on positively for the future. For far too many organisations, the focus of design of the review process has been on the design of the forms that go with this and the support or guidance material for the reviewer and the employee. Important as these are, they in no way compensate for the creation of an environment in which individuals welcome and use feedback of all kinds given by managers and leaders skilled in delivering good and difficult messages while maintaining motivation and engagement. The researcher's professional observations

are consistent with this view that managers tend to focus more on the templates (what) and less on ensuring a constructive and supportive review process (how).

Armstrong (2010) and Holpp (2012) mention a number of steps the supervisor must take to make fair and accurate judgements of the performance of employees, to assist them to perform up to standard and to determine what type of feedback should be given. These include:

- coaching and collecting information on performance
- comparing performance measures against standards
- reinforcing good performance
- identifying causes of poor performance
- removing obstacles to good performance
- providing feedback to improve motivation

Each step will be discussed separately.

### **2.3.1 Coaching and collecting information on performance**

According to Authur (2008) the objectives of this process are to ensure that the performance standard is understood, to obtain measures of the employee's performance and to assist the employee. The coaching relationship should be a two-way communication process. The supervisor should make sure that there is no misunderstanding of the assigned tasks and the results the employee is expected to achieve. The supervisor should share whatever knowledge, skills or experience he/she has that will contribute to the successful accomplishment of the tasks and will reinforce the employee's behaviours that have led to success. The employee has to fulfil his/her part by applying full competence to the task, identifying and

communicating actions he/she feels can improve efficiency, seeking help when needed and keeping the supervisor informed of his/her progress.

This is supported by Kirkpatrick (2006) and Wilson (2011) who view performance coaching as giving employees plenty of feedback, unconditional support and treating mistakes as learning experiences. The coaching principles are openness and fostering self-belief and ownership in employees. These authors do, however, warn that performance coaching is not about being nice; it is about challenging employees to muster all their inherent resources to work for them in achieving whatever they want.

### **2.3.2 Comparing performance measures against standards**

Holpp (2012) focuses on the performance appraisal process by proposing that the line manager follow these steps:

- Make a plan and set an agenda for the performance management appraisal.
- Plan the opening and put the employee at ease.
- Anticipate reactions from the employee.
- Prepare to ask questions.
- Review developmental needs.

Other authors focus more on the content. According to Human Resource Management in Practice (1994), Fletcher (2008) and Wilson (2011), the supervisor has to decide if the employee's performance is up to standard by comparing the measures with the performance standard. Several such appraisals may be made during the period between annual or semi-annual performance reviews. The period covered by each of these comparisons may vary depending on a number of circumstances. These include: (1) the need to provide feedback to the employee; (2)

how serious a failure would be for the organisation and the employee; (3) the time required to produce a measurable result; (4) deadlines, target dates and production schedules; (5) events generated by other parts of the organisation; and (6) other factors that may be unique to the job, the employee or the organisation.

### **2.3.3 Reinforcing good performance**

The supervisor may inform the employee that his/her performance is up to standard and explain the measures according to which the judgement was made. The objectives of this process are to reinforce good performance and to keep the employee informed of the factors considered in the appraisal.

According to Human Resource Management in Practice (1994) and Swan and Wilson (2007), if good performance is to be maintained, it must be reinforced on a continuing basis. When an employee starts a new job, reinforcement should be frequent but the supervisor contacts can be reduced gradually to a steady, less frequent schedule. Methods of providing feedback include: (1) showing the employee the results of a sample of his/her performance; (2) personal conferences and reviews; (3) day-to-day comments, such as “that’s good work”; (4) encouraging self-evaluation; (5) posting performance statistics; (6) using automatic recording devices to measure output; (7) quality control programmes; and (8) graphic displays of performance measures. Feedback is also effective when given as soon as possible after the work is completed.

Armstrong (2010) and Holpp (2012) hold a different view and believe in reinforcing good performance through rewards and recognition. The argument they put forward is that recognition has nothing to do with financial rewards but fulfils psychological needs that we all share while rewards are financial in nature.

Fletcher (2008) refers to an interesting study which substantiates that performance can be improved through performance appraisals. Among the findings of the study, the strongest correlation that emerged was between the quality of appraisals and patient mortality rates, with the former accounting for 25% of the variance in the latter, even after many other factors such as doctor/patient ratios and the size of the hospital were controlled for. It was concluded from this study that a significant number of lives could be saved by improved performance management appraisals.

#### **2.3.4 Identifying causes of poor performance**

If the supervisor judges the performance of the employee to be below standard, he/she cannot assume that it was the fault of the employee. The supervisor and the employee must work together to identify the cause and to determine if it was within or beyond the control of the employee. It is the supervisor's responsibility to remove the cause of the dysfunction. If the cause was within the control of the employee, it is usually considered a problem of motivation which may require some type of incentive to correct (Delpo, 2007; Falcone & Sachs, 2007).

##### *2.3.4.1 Causes beyond the control of the employee*

Inadequate performance can be caused by circumstances and conditions beyond the control of the employee. These may include (1) poor policies and procedures, (2) inadequate job design, (3) faulty measures of performance, (4) ineffective communication of the performance standard, (5) inadequate tools and materials, (6) lack of knowledge or skills, and (7) ineffective training (Mager & Pipe, 1990).

An interesting view is shared by Davis (2009), a researcher in the healthcare system, who agrees with the above points and cites lack of innovation and problems in the adoption of new healthcare methods as factors beyond the control of healthcare

employees (doctors and nurses). Other factors are dictated by the patients' healthcare plan and whether the patient adheres to the treatment plan; the healthcare employee can only do so much. These factors are beyond the control of the employee and need to be factored in in the employee's performance management appraisal.

This is also evident in South African organisations, particularly in the public sector, where employees still wrestle with many factors from the legacy of apartheid that are beyond their control and where organisations have little resources (Munzhedzi, 2011; Rademan & Vos, 2001).

#### *2.3.4.2 Causes within the control of the employee*

Some of the causes of unsatisfactory work performance that may be within the control of the employee include poor relationships with other members of the work group or other work groups; dissatisfaction with the supervisor, policies or procedures; lack of acceptance of the performance standard; and problems at home. Motivational problems may also be due to a lack of social or monetary incentives (Mager & Pipe, 1990). Grote (2011) mentions that the dominant tone needs to be serious but should be constructive and appropriate for solving problems. Falcone and Sachs (2007) agree and add that the line manager needs to communicate a consistent message that the employee's performance has to improve if he/she wants to remain with the organisation.

#### **2.3.5 Removing hindrances to good performance**

If the supervisor and employee determine that a performance discrepancy is due to causes beyond the control of the employee, action should be taken by the supervisor to correct the problem. The supervisor should also make sure that the employee

knows the cause of the performance discrepancy and the actions he/or she has taken to correct the problem. The objectives are to remove hindrances to good performance and to maintain the employee's confidence in the appraisal system (Davis, 2009; Falcone & Sachs, 2007).

Some methods of removing hindrances to a good performance are: (1) improving tools, materials or the work environment; (2) providing training to develop the necessary skills; (3) revising the performance standard; (4) improving the way performance is measured; and (5) communicating the performance standard more clearly to the employee (Delpo, 2007; Grote, 2011; Holpp, 2012).

### **2.3.6 Providing feedback to improve motivation**

If the supervisor and employee determine that a performance discrepancy is within the control of the employee, action should be taken to improve the employee's motivation. The objective is to provide incentives and a plan for improving the employee's performance. Motivational theorists do not always agree on how to define "incentives" and what kinds of incentives should be used. However, all agree that incentives are necessary (Delpo, 2007; Grote, 2011; Holpp, 2012).

## **2.4 SUMMARY**

In accordance with the research aims of the study, performance management and performance management appraisals were defined in this chapter and an overview of each was provided. This is because performance appraisal is an aspect of performance management. It is therefore important to understand this concept in totality. In this regard, the literature review cast light on the historical evolution of performance management and the development and challenges of performance management.

Ways to improve performance management appraisals were also discussed. These included coaching and collecting information on performance, comparing performance measures against standards, reinforcing good performance, identifying causes of poor performance and removing hindrances to good performance.

The documented experiences of both managers (appraisers) and employees (appraisees) were explored. This incorporated notable studies on performance management appraisals in the South African context. This was done to provide a more detailed understanding of performance management and best practices on performance appraisals.

**CHAPTER 3**

**ARTICLE**

**EMPLOYEES' EXPERIENCES OF PERFORMANCE MANAGEMENT  
APPRAISALS**

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**ABSTRACT**

The paucity of information in the literature on employees' experiences of performance management appraisals has necessitated a research study on this topic. The purpose of this research was therefore to explore employees' experiences of performance appraisals. There is an increasing need to ensure that performance appraisals realise performance improvement and professional development goals while safeguarding the dignity of employees. The study followed a qualitative research design and was conducted in a South African banking

organisation with individuals at varying employment levels. Using the purposive, non-probability sampling method, a sample of five participants was selected. A semi-structured interview was conducted with each participant. All the interviews were transcribed and the data was analysed using the discourse analysis method in keeping with the social constructivism paradigm. Various insights about the employees' experiences of performance management appraisals can be drawn from the overall research findings, including performance appraisals are often conducted mechanistically, there was a sense of loss of control over performance issues, employees received good support with regard to action plans and personal development plans, ethical performance appraisals were needed. The insights gained from this study are likely to benefit the field of industrial and organisational psychology and managers in various organisations in conducting more effective performance appraisals by ensuring that they are fair and ethical, and can facilitate professional growth.

**Orientation:** A paucity in literature has necessitated a research study on employees' experiences of performance management appraisals.

**Research purpose:** The purpose of this research was to explore employee experiences of the performance appraisal.

**Motivation for the study:** There is an increasing need to ensure that performance appraisals realise the performance improvement and professional development motives and also safeguard the dignity of employees.

**Research design, approach and method:** The study follows a qualitative design conducted in a South African banking organisation. Using the purposive, non-probability sampling method, a sample of five participants in varying employment levels was selected. A semi-structured interview was conducted with the each participant. All interviews were transcribed and the data was analysed using the discourse analysis method in keeping with the social constructivism paradigm perspective.

**Main findings:** The overall findings indicate that there are various discourses that can be drawn from the employees experiences such as performance appraisals being conducted mechanistically; a sense of loss of control over performance issues; employees receiving good support with regard to Action plans and Personal Development Plans; ethical performance appraisals.

**Practical / managerial implications:** The insights gained from this study are likely to benefit the field of Industrial and Organisational Psychology and managers in various organisations on conducting more effective performance management appraisals.

**Contribution / value-add:** The study has produced insights that can assist managers to conduct performance management appraisals that are fair, ethical and facilitate professional growth.

*Key words:* industrial and organisational psychology; social constructivism; qualitative research; semi-structured interviews; discourse analysis; professional development

## INTRODUCTION

Performance management and performance improvement cultures are embedded in many organisations, including organisations in South Africa. However, many organisations continue to not reach their optimum performance despite their available resources. This may be due to, amongst others, a lack of effective performance management and appraisal of employees.

### **A personal account**

The researcher's experiences of performance management appraisals have varied from being negative and depressing to being positive and rewarding. In the former case, his performance ratings were purposely deflated by his line manager to perpetuate the impression that he was inept despite the facts pointing to the contrary. The organisation did not want to employ more staff as this would have increased the cost structure of the organisation and decrease its profitability. This was done to avoid increasing salaries and any bonuses that were payable. Not only did this demotivate the researcher, it also deprived him financially. In an organisation of limited resources, the bonus pool was used to benefit the management when it was not dispensed to staff. Therefore it appears that performance appraisals were apparently used for greed.

There was also a difference between what the managers said and what they did, which led to the researcher no longer feeling secure in the organisation as he never knew what would transpire the following day as the managers' positions on various matters were contradictory. He felt anger and disappointment at the betrayal of trust and good faith shown by this organisation. What made it worse was that there was no functional grievance procedure in the organisation. Therefore, there was no way he could vent his unhappiness and have an impartial person with authority to mediate and, if necessary, arbitrate on the areas of his

unhappiness. The abuse of managerial power could not be challenged in this organisation. He eventually resigned from the organisation as working there was no longer tenable.

The researcher's experience at another organisation has been positive as a clear performance appraisal system is in place. There are checks and balances as more than one manager is involved in the appraisal process. In addition, there is an internal audit department that inspects samples of how the process is followed in the organisation. This allows for a more positive and functional performance management and appraisal process in terms of performance standards and rewards. There is therefore integrity in the system and in the process. His experiences of performance appraisals have been turned around.

The researcher's experiences of performance appraisals, both negative and positive, awakened his interest in this area. His interest was further ignited by the few scientific studies in this area from the viewpoint of employees, especially in the South African context. His work experience as a human resources consultant also awakened him to the fact that this is an area that is taken for granted as many managers do not believe that it is important to undergo formal training to conduct performance appraisals. They tend to believe that they are born with the knowledge and skills for effective performance management and improvement which, in the researcher's view, is not always the case.

The researcher has observed that, with the exception of a few managers, performance appraisals are generally conducted poorly. This is evident in, among other things, poor performance issues that are not addressed and employees who do not know how well they are performing at work and therefore has to ask human resources professionals for information on their performance instead of getting information from their managers. In some cases, employees are arbitrarily given ratings without a discussion between them and their respective line managers. This creates a very unhealthy relationship between them. It reminds the researcher of his own negative experiences in this regard and the abuse of managerial power.

The researcher's observations have shown him that managers tend to think they know how to appraise staff performance as though it happens automatically. Although it may come naturally to some, this is not always the case. Authors such as Delpo (2007), Munzhedzi (2011) and Russ-Eft (2010) confirm this.

For the reasons stated above, the researcher is of the view that performance management and appraisal sessions are an integral part of organisational life (Fletcher, 2008; Grote, 2011). The findings from this study are likely to contribute to the field of industrial and organisational psychology and will inform both human resources practitioners and managers of staff experiences of performance management appraisals. This study may also open opportunities for researchers, managers and practitioners to seek improved ways of conducting performance management appraisal sessions.

## **LITERATURE REVIEW**

The literature review provided a background to the development of and current thinking on performance management in general and performance management appraisals in particular. The following themes were relevant:

- challenges with regard to performance management
- the bilateral process between the line manager and the employee
- benefits of performance management appraisals
- objectivity and performance standards
- why some appraisals are rated inaccurately

These will be discussed in detail below.

## **Challenges with regard to performance management**

In the literature review key challenges pertaining to performance management and, by extension the appraisal thereof, were identified. Ittner and Larcker (2003) and Neely (1997) indicate some of the challenges for the performance management system to be:

- It did not link measures to strategy.
- It did not validate links with other stakeholders, including customers and investors.
- It did not set the right performance targets.
- Performance was measured incorrectly.

## **The bilateral process between the line manager and the employee**

The literature review revealed that the performance management appraisal is a bilateral and shared effort and that both the manager (appraiser) and the employee (appraisee) need to agree on the results (Delpo, 2007; Munzhedzi, 2011). However, as Winstanley and Stuart-Smith (1996, p.197) state: “performance management is still something which is largely done to the individual”. This is true in several South African organisations. The researcher’s professional observations corroborate this view.

## **Benefits of performance management appraisals**

The literature mentioned a number of benefits to the organisation which flow from the appraisal of performance. Performance management appraisal should not be seen as an end in itself but rather as a means of obtaining information upon which many management decisions may be made. According to Fletcher (2008) and Holpp (2012) the benefits of performance appraisals include:

- It strengthens the relationship between the employee and the supervisor by bringing them together to discuss the employee's progress. In the absence of a scheduled meeting, there is often very little performance feedback to the employee. If the supervisor is too busy to talk, the employee typically assumes that his/her performance is satisfactory. The other common occurrence is that the employee only hears complaints when something goes wrong. Neither alternative promotes a good understanding of work expectations.
- It is a means of obtaining feedback from employees which may improve work design, the work environment and career path planning, and it helps in identifying people with the potential to occupy future management positions and to get promoted or transferred.
- Training and employee development needs are identified.
- It is an outlet for communicating work-related problems.
- Obstacles to good work performance are identified and removed.

### **Objectivity and performance standards**

According to Falcone and Sachs (2007) and Holpp (2012), a sense of objectivity is important to avoid arbitrary, biased or capricious measurements. In addition, emphasis on objectivity means that many of the essential aspects of a job may be overlooked. The latter is of particular concern in many management and supervisory positions. Management or supervisory jobs are often characterised by numerous activities of short duration and ad hoc informal interactions, greater variety, more non-routine aspects, the need to take decisive action and a lower priority for administrative tasks.

### **Why some appraisals are rated inaccurately**

According to Pickett and (2000) and Wright (2010), transparency should always be encouraged. It is the only way employees are able to know how they are performing and how

they can improve. Without this, an improvement plan is not possible. According to Baker (1988) and Grote (2011), the debate on performance appraisals has focused on the practice of showing employees their performance ratings or not showing it to them. The one side argues that employees must be given the opportunity to see the ratings if trust and confidence in the system is to be maintained. Those who oppose this practice have argued that employees have a right to see and appeal or rebut ratings only when disciplinary action is being contemplated that might result in separation for substandard performance or improper conduct.

Research conducted by Culbert (2010), Falcone and Sachs (2007) and Holpp (2012), among others, has identified motivations for intentionally inflating ratings. These include:

- the belief that accurate ratings might have a damaging effect on the employee's motivation and performance
- to improve the employee's eligibility for a salary/merit increase
- to avoid airing the department's "dirty laundry" if the appraisal form is to be reviewed by others
- to protect good performers whose performance may be suffering because of personal problems

They found reasons for intentionally lowering employee ratings to include:

- it is a way of scaring better performance out of an employee.
- it is used to punish a difficult or rebellious employee.
- it is used to minimise the amount of a pay increase (if the appraisal is linked to reward) the employee has to receive.
- it has to comply with the organisational edict that discourages appraisers from giving high ratings.

The performance appraisal session is cardinal in employee performance feedback, growth and development. This becomes even more complicated, considering that line managers are experts in their fields, such as finance, information technology, sales and marketing, human resources and industrial psychology. It is therefore important that a study be undertaken on employees' experiences of performance appraisals.

The potential value of this study is that the insights gained are likely to benefit the field of Industrial and Organisational Psychology and managers in various organisations on how to conduct more effective performance management appraisals. It is hoped that this study will inform managers to conduct performance management appraisals that are fair and ethical and will facilitate professional growth.

## **RESEARCH DESIGN**

The research design is defined by Punch (2005, p.142) as the overall plan for a piece of research that includes four main proposals: (1) the strategy, (2) the conceptual framework, (3) the question of who or what will be studied, and (4) the tools that will be used for collecting and analysing empirical data. Durrheim (2006) and Mouton (2002) define a research design as a plan or blueprint of how one intends to conduct the research. It is this design and planned nature of observation that distinguish research from other forms of observation. The research approach, research strategy and research method of the current study will be discussed next.

### **Research approach**

This study is located within the social constructionist paradigm which emphasises language, the construction of meaning and multiple realities (Burr, 2003; Fosnot, 1996; Hoffman, 1994). In line with the social constructionist perspective, the qualitative research approach was adopted as the researcher believed it was the best way to address the research aims. The **qualitative** approach was chosen to obtain a deep and sensitive understanding and

appreciation of employees' experiences on performance appraisals, since this approach provides a means of accessing unquantifiable information about the actual people researchers observe and talk to (Berg, 2004; Welman, Kruger & Mitchell, 2005).

There is a lot of research about performance management. However there is very little known about the experience of the employee and the use of qualitative research to get to that particular experience of the employee. In this regard, this was an **exploratory** study. Exploratory studies are used when a researcher begins to work in a little researched area (Mouton & Marais, 1991; Williams, 2003). It is undertaken when relatively little is known about the research topic (Babbie, 2010; Singleton & Straits, 2010).

### **Research strategy**

The phenomenological research strategy was adopted for this study because it involves the researcher developing an understanding of a participant's reality in the way that the participant constructs it (Creswell, 2003; Leedy, 1997; McMillan & Schumacher, 1993). Social constructivism is in keeping with phenomenology (Dyson & Brown, 2006). This strategy is consistent with the aims of this research on exploring employees' experiences of performance management appraisals.

Below is a summary of the research design in tabular format.

Table 3.1: Summary of the research design

<b>Aspect</b>	<b>Topic/Approach</b>
Research topic	Employees' experiences of performance management appraisals
Research approach	Qualitative approach
Research paradigm	Constructivism
Research strategy	Phenomenological
Research goal	Exploratory
Sampling	Purposive, non-probability method
Data collection method	Semi-structured interviews
Data analysis method	Discourse analysis

### **Research method**

The research setting, entree and establishment of researcher roles, sampling, data collection method, recording of data, data analysis, data integrity and in the ethical considerations for this study will be discussed in this section.

### **Research setting**

The research setting was the sales division of one of the major banks in South Africa. Relationship Managers and Relationship Analysts in this South African bank are salespeople who bring in revenue for the company by attracting clients to the bank and providing them with transactional and investment products, credit and so on. Because they bring in

tremendous revenue for the bank and have confidential competitive strategies, they are highly marketable. In the South African banking environment where there is only four major banks, they have become highly sought after. The organisation therefore showed a huge interest in and support for this study.

### **Entree and establishing researcher roles**

The researcher contacted the participants by telephone and subsequently confirmed their involvement in the study by e-mail, whereafter an appointment was made for the semi-structured interviews at a time and venue that were convenient for the participants. They were advised verbally and in writing that their participation was voluntary and that they could withdraw from the study at any time.

### **Sampling**

According to Sarantarakos (2005), sampling is the process of selecting individuals, groups or texts for inclusion in a project. It is prompted by the desire of the researcher to illuminate the research question, and it is defined in terms of where and when the study will be conducted and who will participate in it. The ultimate reason for selecting an appropriate sample is to enable the researcher to assemble individuals who will be able to provide rich, textured and layered information about how they feel and think in terms of the study (De Vos, Strydom, Fouche, & Delpont, 2006; Krueger & Casey, 2000).

The purposive, non-probability sampling method was used in this study. This is a type of sampling where the units to be observed are selected on the basis of the researcher's judgement about which ones will be the most useful or representative. This is characterised by a sample that is compiled with a **purpose** in mind and is not necessarily representative (Babbie, 2010; Pernice, 1996; Singleton & Straits, 2010). The participants for this study comprised a sample of five staff members employed as segment head, client portfolio analyst,

credit manager, team assistant and administrator who had all undergone performance management appraisals. All the interviewees had been with the organisation for more than six years. The table below shows the demographic information of the participants.

Table 3.2: Demographic information of the participants

Gender	Race	Occupation level	Professional level in the organisation in terms of Employment Equity Act reporting	Level of education	Age			
					21–29 years	30–39 years	40–49 years	50–59 years
Male	Indian	Managerial	Senior management and middle management	Bachelor of Commerce (BCom) degree		1	1	
	African	Non-managerial	Junior and supervisory	Certificate in Banking		1		
Female	White	Non-managerial	Junior and supervisory	Certificate in Banking	1			
	Indian	Non-managerial	Junior and supervisory	Certificate in Banking				1

### Data collection method

To address the research aims of exploring employees' experiences of performance management appraisals, semi-structured interviews were conducted with the participants. The semi-structured interview as a data collection method is congruent with the social constructionist viewpoint (Chase, 2008). The researcher believed semi-structured interviews

would provide rich data and breadth of responses and would allow the participants ample time to relate their experiences about performance appraisals in their own words. Gerson and Horowitz (2002) are of the view that the semi-structured interview represents an opening up of the interview method for an understanding on how interviewees generate meaning in social life. It provides a greater degree of latitude to understand the context and content of what is said. This data collection method was selected to reduce interviewer bias and effect and because the participants' answers had to be compared to one another for discourse analysis (Kelly, 2006; Rubin & Babbie, 1993; Silverman, 2011).

Five semi-structured interviews were scheduled at a date, time and venue most convenient for the participants, either early or late in the day to minimise interruptions to company operations and productivity. This was done to increase the likelihood of success for this study by getting maximum participation. The interviews were scheduled for approximately an hour. However, the researcher was careful to allow this duration to vary in the interests of obtaining as much rich data as possible for the benefit of this study.

The interview questions were:

1. Can you describe, in as much detail as possible, your experience of your last performance management appraisal?
2. Kindly share with me as much as possible whether your manager communicated job expectations, what is important and what is not important, and the kinds of decisions an employee can make on his/her own at your last performance management appraisal?
3. Please share whether the performance management appraisal contributes to your career development? If so, how?
4. Please share how your manager dealt with both good performance and poor performance at your last performance management appraisal?

5. How would you describe an ethical performance appraisal? Do you believe your performance management appraisal was conducted ethically?
6. What advice/comments/solutions would you offer to your manager to conduct effective performance appraisals?

### **Recording of data**

With the permission of the participants, the semi-structured interviews were tape-recorded and transcribed verbatim. The tapes were stored where they are only accessible to the researcher. This was done to maintain the confidentiality of the participants and the quality of the recorded data.

### **Data analysis**

Data analysis is what unlocks the information hidden in the raw data and transforms it into something useful and meaningful (Monette, Sullivan & DeJong, 1994). Discourse analysis is one of the most popular approaches to data analysis in social constructivism (Terre Blanche, Durrheim & Kelly, 2006).

In social constructivism, there is a lack of interest in identifying some truth behind the text and it does not ask questions about which version of events is more accurate or more meaningful. Instead, it seeks to link accounts to actions. Texts are therefore examined for their effects rather than their veracity; the question is “What do texts do?” and not “What do texts say?” (Terre Blanche, Durrheim & Kelly; 2006).

Terre Blanche (2006) describes the process of discourse analysis as reading through the data repeatedly, breaking the data down into themes and categories, and building it up again into a compelling account of the phenomenon being studied. Potter (2010) believes that there is no single recipe for doing discourse analysis as it can be thought of as the development of sensitivity to the situated and constructed nature of discourse. The researcher agrees with this

view and makes a similar request to the reader to move from the prescriptive to the more reflective with regard to discourse analysis, bearing in mind the research aims of this study. Therefore the focus will be less on the coding and more on understanding the situated context.

In this study, Tesch's (cited in Creswell, 2003) eight steps of a systematic process of discourse analysis were used. These steps are:

1. The researcher gained a sense of the whole by reading all the interview transcripts carefully and noting down some preliminary ideas.
2. The most interesting document was chosen to be read. The researcher made notes in the margin, attempting to discern its meaning. At this stage, the information is not as important as the underlying meaning.
3. When the researcher had completed the task for several participants, a list of all the topics was compiled. Similar topics were clustered together and arranged into columns as "major topics, unique topics and leftovers".
4. This list was then used with the data. The topics were arranged and written next to the appropriate segments of the text. This preliminary organising scheme was tested to see if new insights emerged.
5. The researcher used the most descriptive wording for the topics and converted them into categories. He then endeavoured to reduce the total list of categories by grouping related topics together.
6. A final decision was made on the abbreviation for each category and codes were alphabetised.
7. Data material belonging to each category was assembled in one place and a preliminary analysis was performed.
8. If necessary, additional existing data was recorded.

In accordance with Tesch's (cited in Creswell, 2003), these steps ensured that the discourse analysis occurred in a comprehensive and systematic matter.

### **Strategies employed to ensure the quality and integrity of the data**

Babbie (2010) and Krefting (1991) define validity in qualitative research as gaining knowledge and understanding of the nature of the phenomenon that is being studied. Other methods of validation that were appropriate were incorporated to ensure rigour in a qualitative, explorative study of this nature. The two aspects that were identified were truth value and confirmability. These aspects will be described below according to their relevance to employees' experiences of performance management appraisals.

#### **(1) Truth value**

This is one of the most important aspects for the assessment of qualitative research. It is used to assess whether the researcher had established credibility or confidence in the truth of the findings for the participants and in the context in which the study was conducted. Truth value is obtained through the individual's experiences and is subject orientated, thus not defined by the researcher (Terre Blanche et al, 2006). The participants were asked whether the research presented an accurate presentation of their experiences and they agreed that the key themes were true. The researcher achieved this by ensuring that he used the same words the participants had used. As expected, there were no disagreements in this regard. The semi-structured interviews took place in May 2011.

The researcher holds two honours degrees in Psychology and Human Resources and is the human resources professional in the business unit with whom staff members (including the participants) have regular contact regarding issues pertaining to human resources matters. The fact that the researcher is a master's student who was undertaking a study in the organisation contributed to his perceived credibility as someone who is knowledgeable about

research in organisations and performance management. He was therefore considered credible in undertaking this study.

## (2) Confirmability

The qualitative researcher needs to strive for empathetic neutrality that implies an attempt to be non-judgemental and to report the research findings in a balanced way. It is acknowledged that although the qualitative researcher attempts to report in a value free and objective manner, he/she relies on interpretations and is value bound. Lincoln and Guba (1985) propose that the researcher should demonstrate neutrality through confirmability audits. The researcher can provide an audit trail consisting of

- raw data
- analysis notes
- reconstruction and synthesis notes
- process notes
- personal notes
- preliminary developmental information

The researcher has compiled a file of all the pertinent documentation used for this study. The file contains the following:

- interview transcripts of all the semi-structured interviews
- the researcher's he made after the semi-structured interviews, containing both his observations and details about his experiences
- the completed, signed consent forms of the participants
- the signed letter requesting permission to undertake the study at the organisation

This file has been kept safe and can be made available upon request. There was also a second reader with a master's degree in Research Psychology to ensure rigour in analysis and enhance trustworthiness. The feedback was that all was in order. Transferability was neither possible nor encouraged. It was also not an intention of this study.

### **Ethical considerations**

The researcher adhered to the principles of conducting ethical research, such as obtaining approval from the Head of Human Resources and the Regional Head to conduct the research. As informed by Bless and Higson-Smith (2000) and Mouton (2002), the researcher ensured that Informed consent was received from all the participants, and their voluntary participation, privacy, confidentiality and anonymity were ensured and safeguarded. All the recordings and notes were kept at the researcher's home in order to maintain the privacy and confidentiality of the participants.

As guided by Bickman and Rog (1998) and Wassenaar (2006), the researcher ensured that extreme care was taken to protect the participants from harm because this study involved participants sharing their experiences of performance management appraisals and thus of their line managers. Therefore, apart from the researcher, no one knows who participated in this study.

## RESEARCH FINDINGS

In this section, the research findings will be presented as themes and subthemes.

Table 3.3: Research findings

THEMES	SUBTHEMES
Theme 1: Performance appraisals are usually conducted mechanistically	Sub-theme 1.1: Scores from various sources are collated and there is minimal discussion  Sub-theme 1.2: Performance expectations are imposed on staff and are not negotiated
Theme 2: Employees have little control over certain aspects on which they are being rated	Sub-theme 2.1: The volatility that is present in the financial component of the performance scorecard is beyond their control  Sub-theme 2.2: Some clients are shared with other professionals in the organisation, which confuses accountability
Theme 3: There is support from the line managers in the form of action plans and personal development plans when employees struggle	
Theme 4: Employees' views on ethical performance management appraisals	Sub-theme 4.1: There should be realistic targets  Sub-theme 4.2: Line managers should also consider an employee's contribution to the organisation in totality, which includes deliverables beyond what is contained in the formal performance scorecard
Theme 5: Employees'	Sub-theme 5.1: Employees want consultation and transparency in the design of performance scorecards, instead of these being

proposals to line managers on how to conduct effective performance appraisals	imposed on them  Sub-theme 5.2: Employees want multiple appraisers to assess their performance
-------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------

**Theme 1: Performance appraisals are usually conducted mechanistically**

The participants reported that financial figures from their portfolios were collated and a final rating was then given. These financial figures concerned the performance of clients they looked after, percentage growth from month to month, and the number of products clients were using. The employees could access these financial figures on the organisation’s intranet. Collating these figures and then giving a final rating was a mechanistic exercise and there were very little discussion about the ratings.

It could be concluded that both the line managers and the employees had access to the same information. The employees knew as much as their managers about the performance of the business unit. Therefore, there did not seem to be power issues in terms of access to information. The researcher is knowledgeable about the organisational structure and believes that the fact that it is a flat structure with fewer reporting lines accounts for the fact that information is accessible at various organisational levels.

There did not seem to be any tension regarding language, particularly as far as access to information was concerned. Language reduced the power relationship with the managers, particularly as far as access to information was concerned.

*Sub-theme 1.1: Scores from various sources are collated and there is minimal discussion*

It emerged from the responses of the participants that the performance management appraisal meeting was not long. This was because every year at the end of the performance cycle, line managers normally filled a few days in their diaries with as many performance review discussions as possible to meet the submission deadlines. The consequence of this was that the performance discussions with employees tended to be very short, monotonous and lacked depth. The participants also stated that the performance management scorecard relied on facts which they themselves would be able to generate and thereby calculate their overall rating. Some actually went into the meeting with all the facts at hand and with the scores pre-populated. There was therefore no need for the manager to calculate everything with them as they would have been able to do it themselves.

“I had already pre-populated my own scorecard where I rolled up what the RMs (Relationship Managers) were doing on my scorecard. I knew exactly what was going on. I understand the business and I understand where we are.”

“I think the experience was good. We set aside time and it was exactly the way I anticipated and the way I do it with my staff. I know exactly where I am. I know exactly what my score should be as I know my figures and if I haven't done well, I know that my score will not be good. So there's very minimal things to discuss”.

From the construction above, it seemed that the participants had an I Know It All / Do It Yourself / Ritualistic discourse. The participants stated that the information discussed at the appraisal was what they could have retrieved themselves. Therefore the discussion did not provide them with information they would not have been able to get themselves. The employees can do without this performance discussion as it entails going through facts they already have. Therefore employees' experiences of performance management appraisals

might be that it is neither significant nor add much value. It appeared that the performance management sessions had become merely ritualistic.

*Sub-theme 1.2: Performance expectations are imposed on staff and are not negotiated*

The participants stated that they have no input into performance expectations. This concern had been raised with management many times over the years. The view was that it is a unilateral process where staff performance is communicated to them by their direct managers and is not really open for discussion. It was apparent that the employees did not consider performance management appraisals as a bilateral exercise. Because of their perceived lack of control over performance targets and expectations with management, the employees had an acceptance discourse with regard to the contents of the performance scorecards. This could be tantamount to learned helplessness (that is, the participants had learned to accept things as they are) since there was no negotiation with regard to performance scorecards.

There was also a glaring power discourse. It was interesting to note the “we versus management” words the participants used. This signified two groups. It was apparent that what management wanted may not necessarily have been the same things the participants wanted. Some tension was discernible in the discourse. The discourse illustrated that management was approachable when employees had concerns, but this tended to be concerns raised by staff that were not at the planning stage of performance management but when performance contracting took place.

**Theme 2: Employees have little control over certain aspects on which they are rated**

The participants stated that they were rated on aspects they did not have control over but which affected the portfolios they looked after. Clients were also shared among different professionals in the organisation, which confused accountability.

“We are rated on asset growth and the asset growth is dependent on the salespeople. If they bring in good quality business and if it comes to us, we can review, assess and approve. There are lots of businesses that may be declined from the onset and we may not even have a view of that. Therefore, we are totally reliant on individuals on different portfolios that roll up into one portfolio for which we are responsible.”

*Sub-theme 2.1: The volatility that is present in the financial component of the performance scorecard is beyond the control of employees*

The participants mentioned that a number of business clients had recorded poor financial performances as a result of changing interest rates and the recession. As a result, many clients' businesses had been liquidated. This had negatively affected the portfolios of many bankers. The participants stated that this area was beyond their control, but management allowed this to have a negative impact on their performance management appraisals.

“You would be given a portfolio of accounts to manage and you charge them a certain fee to make up for your balance sheet and certain rate to make up for liabilities, that is debits on cessions. We don't control the interest rates. If a client tells you that they are leaving the bank and going to a competitor for a better rate, we have no control over that.”

“We are on the credit side; we are rated on things that are beyond our control. On that basis, we are not rated on input we give as individuals.”

“We are rated on asset growth, provisions, that is all the accounts that have been handed over to CAT 3, which (are those) going for legal (recoveries). And there as well, if it was a bad credit lending, then I can understand but we get rated on circumstance. The recession was not our problem. If a business got liquidated and things went bad, we get rated on that. Our ratings get affected by that.”

Because of the participants' perceived lack of control over their portfolios, the learned helplessness discourse may also be apparent in the language used. It suggested victimhood and people wanting to be felt sorry for. In terms of the performance management appraisals, the participants could have viewed themselves as victims of circumstances. There was no sense of agency or stoicism from the discourse.

Technical terms were used in the interviews and one had to be very familiar with the banking environment to comprehend it. The speaker and listener discourse suggested that the respondents considered the interviewer as one of them as they used the same language which they used among themselves. This may have been done to maintain a sense of belonging and togetherness with the interviewer.

*Sub-theme 2.2: Some clients are shared with other professionals in the organisation, which confuses accountability*

Some of the participants mentioned that clients engaged with different professionals in the bank, irrespective of whether it was in the branches or the call centre. All these professionals therefore had the ability to affect the portfolio. Since service levels were not always uniform among professionals of the same organisation, this meant many variables existed over which they had no direct control. Therefore poor performance by one professional could negatively impact on the performance appraisal of another professional.

In terms of the performance management appraisal, the victimhood discourse was again identified. It was also interesting that the words "other professionals" were used, which meant that there was deference of ownership and accountability on performance outcomes. It seemed that other professionals were being blamed. The reader is directed to the evidence in the block below where it is noticeable that sales staff and call centre staff were blamed.

Looking at the text and the speaker–listener relationship in particular, it seems as though the participants were calling for help. An intervention is called upon to review the current situation. This could have happened because the researcher was a human resources professional in the business unit where the participants were working. The interview may therefore have been an opportunity to voice their feelings in this regard. A messianic discourse may be observed. However, the researcher believes that this would not have been the case had the researcher been an external person or someone who did not fulfil a human resources role.

“We’ve got a system called SIEBEL where everybody has access to it. You would go into it and put in a rate for a certain client or an ID number and leave knowing that there’s data quality and you knowing that everything is correct. The next thing the client may call into the call centre and the next thing the client’s ID number may be amended for some reason and data quality may no longer be the same, but it still remains your client. You get measured on data quality but everyone has access to your client’s details, which does not make sense.”

### **Theme 3: There is support from the line managers in the form of action plans and Personal Development Plans (PDPs) when employees struggle**

It was encouraging to see that the participants recalled positive experiences with their line managers when they had struggled and performed poorly. The language was cordial in this regard. The managers, as subjects, were spoken about in a respectful manner. The discourse was one of admiration and respect. This suggested that the relationships the employees had with their managers could not be said to be entirely negative or positive, but that it depended on what was happening that employees considered negative or positive. The employees experienced negative emotions about the setting of performance scorecards, but positive ones about being helped with performance issues.

The participants recalled discussions that had taken place where they could voice their views. Their experiences in skills development discussions during performance management appraisals were that the discussions were bilateral and were not imposed on them in the same manner as performance expectations were. Different thoughts and opinions came to light.

“I was sat down by a team leader who asked me in detail f my passion and what I would want to do, whether I was happy in my current role and where I would like to go. At this stage, I’m still enjoying what I’m doing. I’ve grown to love working with figures. I’m busy with my NQF 6 (qualification) which is equivalent to a Diploma in Banking.”

#### **Theme 4: Employees’ views on ethical performance management appraisals**

The participants were first asked what they considered to be ethical performance appraisals. The following question was whether or not they believed their performance management appraisal was conducted ethically. The researcher believes that the phrasing of these questions in this sequence was correct as different people could have different definitions of ethics. The emerging subthemes were that the participants believed their managers should use realistic targets and consider the individual’s overall contribution (in totality) in acknowledgement that employees have portfolios of varying sizes.

##### *Sub-theme 4.1: There should be realistic targets*

The participants regarded ethical performance management appraisals as comprising of realistic and manageable targets; the line manager’s consideration of the individual’s overall contribution to the team/department (in totality) and acknowledgement that employees have portfolios of varying sizes were therefore important.

It was evident that the participants believed they had to be appraised as individuals on a case-by-case basis and that it was important to consider factors that may not be included on the scorecard but nonetheless contributed positively to the department. Therefore the

performance ratings had to be moderated accordingly to give a holistic picture of the employee's contribution.

From the texts, it was clear that there was a human rights discourse. This should be seen in an organisational context. The participants voiced their need to be treated fairly and in a realistic manner. This activism did not come to the fore in the form of brandishing placards or toy-toting on the premises, but the research interview became the site for positioning this concern. The effect of some of the words and tones used alludes to the analysis that it was a cry for help for someone with authority or influence to intervene and look at the situation.

The messianic discourse is apparent again. As stated above, this was likely a consequence of the researcher being a human resources professional in the business unit. The participants could have regarded him as a saviour, hoping that he would use his role and access to management at the regional executive meetings to advance their interests. The interviews were therefore an opportunity for them to voice these feelings.

The learned helplessness discourse was again apparent. The participants chose to use the interviews to voice their concerns. They did not use the agreed upon organisational channels such as engaging management, through their unions, on the need to have realistic targets in performance management and appraisals. They chose a confidential, anonymous route to do this. This route was also one that required very little effort of their part as they did not have to be in a series of meetings.

“It is where I'm given targets that I'm in control of. If I don't perform, I would then be asked to respond. There must be areas that I'm totally responsible for, which should be a large weighting of my performance. They can also measure me on other areas like we have currently but these must be a much lower rating of performance. This is especially true on areas they have no control over; these are the areas that have the largest weighting.”

“You can get a small portfolio and an RM (relationship manager) might be doing very well there. You might have a massive portfolio and the RM will have to work three or more times harder and time-wise has to maintain that portfolio. I need to look at those variables. I also need to look at variables in terms of whether they have never had an analyst for a long period of time or had been waiting to employ an analyst. That also hampers them in terms of going out to clients and getting new business. I’ve got to look at that as a variable. I also need to know that when I employ a new RM to come on board and the type of portfolio he is taking over, and that I cannot measure him immediately and even after six months on that portfolio. I’ve got to give him time to find his feet, meet clients and then try to grow a portfolio. So I believe that those are the variables that can become very ethical when looking at a performance scorecard.”

*Sub-theme 4.2: Line managers should also consider an employee’s contribution to the organisation in totality, which includes deliverables beyond what is contained on the formal performance scorecard*

There was a general feeling by participants that it was important that the line manager looked at the overall contribution employees make to the business unit. The managers should not only look at figures when conducting performance appraisals as one portfolio is not the same as another portfolio. Some employees managed larger accounts, which enabled them to effortlessly bring in more revenue for the organisation. The managers had to take this into consideration and be fair to employees by looking at individuals’ overall work performance. The participants also performed duties that went beyond their role descriptions, such as volunteering to do work in the department and arranging functions. These inevitably took up time during the day which had to be acknowledged.

The participants experienced anger, tension and frustration about this issue. The human rights discourse resurfaced again in the words and tones they used. It was as though a huge injustice was taking place which the participants would like to see changed. There was a power

relationship at play and the perception was that it was only the managers who could remedy the situation.

“Yes, because if you think of what is being related, most of it is work related. But there are things that are not rated, like your contribution to the team. I mean, when you have team activities and team events, you know there are people who contribute and there are people who don’t. Like volunteers for instance ... there is work that people do voluntarily ... you don’t get any form of reward or recognition for it. It’s not something that you should do but if some things need to be done ... the helpfulness of people. That does not get rated. So you might be someone fantastic to work with and be friendly and helpful, but that does not count. So would you rather have people that just sit and say I’m not going to do it?”

“I think an ethical performance appraisal should be fair, obviously. That’s why we talk about ethics. The question is what is fair. I’ve always seen that we have people, and very good people, who are very consistent over a number of years and there is a year or a time where they do not show the results as we would like them in terms of a performance appraisal. Now, again there could be reasons for that. They could have taken an account or a number of accounts over that do not improve on the relative MIS (internal information system where all the accounts are loaded and analysed). I think from a fairness and ethical point of view, we need to look at the person, what the person has contributed in totality and sometimes shy away from things that are bringing them down and try to help them to improve the scores where they are outshining.”

### **Theme 5: Employees’ proposals to line managers on how to conduct effective performance appraisals**

The participants were asked to give their views on how line managers can conduct more effective performance management appraisals. Their views were that these sessions should be

open and transparent and that the managers should make use of multiple perspectives on the appraisal of staff performance.

*Sub-theme 5.1: Employees want consultation and transparency in the design of performance scorecards, instead of these being imposed on them*

The participants expressed their opinions that experiences of performance management appraisals could be improved by more open consultation and transparency in the design of performance scorecards instead of scorecards being imposed on them.

The text signifies that managers were considered to be essentially good people and were not seen to be out to harm employees. However, they had to consult and listen to staff about performance management.

“More consultation with the people that do the job.”

“It was always handed down to me but because it was always a good score, I never really ... I would want to change. But for some people who witnessed that, it hasn't been so great and there's very little they can do about it. Whatever the stats say, that's what they get. How are they going to prove to anyone else that it's any different? There should be like wiggle room, as they say.”

“Proper research, for instance they need to find out directly from us what tools we need to do the work. Like, for instance, HOGAN; it helps us to access clients' accounts and transaction history and whatever. They need to see how they can enhance HOGAN as we are the people that use it.”

“Whoever has designed it doesn't know A–Z what really happens because we deal with the clients every day. If they consulted more with us, they would know exactly what is expected.

If they gave us the tools that worked 100% for clients, we would be great.”

*Sub-theme 5.2: Employees want multiple appraisers to assess their performance*

The participants proposed that more than one manager should be involved in the performance appraisal process. The subjects (managers) were constructed as normal human beings with flaws like everyone else. It was therefore important to seek multiple viewpoints and realities constructed over an individual’s performance.

The power discourse was reflected. However, the participants seemed to want to decentralise this managerial power and ensure a broader distribution in this regard. It was felt that no single manager should have absolute discretion over the performance appraisal of an employee. The language was characterised by activism.

“An ethical way of doing it would be having more than one perspective on your performance. Obviously the performance I give to my direct line manager and the performance I give to the team as whole might be different. Umm ... so an ethical possible way to do it is by having two perspectives and then if there’s a big gap between the two, you would then look at why. Like now that I’m working for two managers, if the one has rated me very highly and the other has rated me wrong, then maybe there’s an issue there. That would be the fairest way to do it. We’ve got an operational and a direct line manager, and if the operations manager says that I’m never sending through stuff and they are always late and the other says that everything is great, then there’s something wrong there.”

“Obviously if you have a good working relationship with somebody, they might give you a good score purely because of your working relationship, like if you are friends or things like that.”

The above findings can be shown diagrammatically as follows:

## Summary of findings obtained

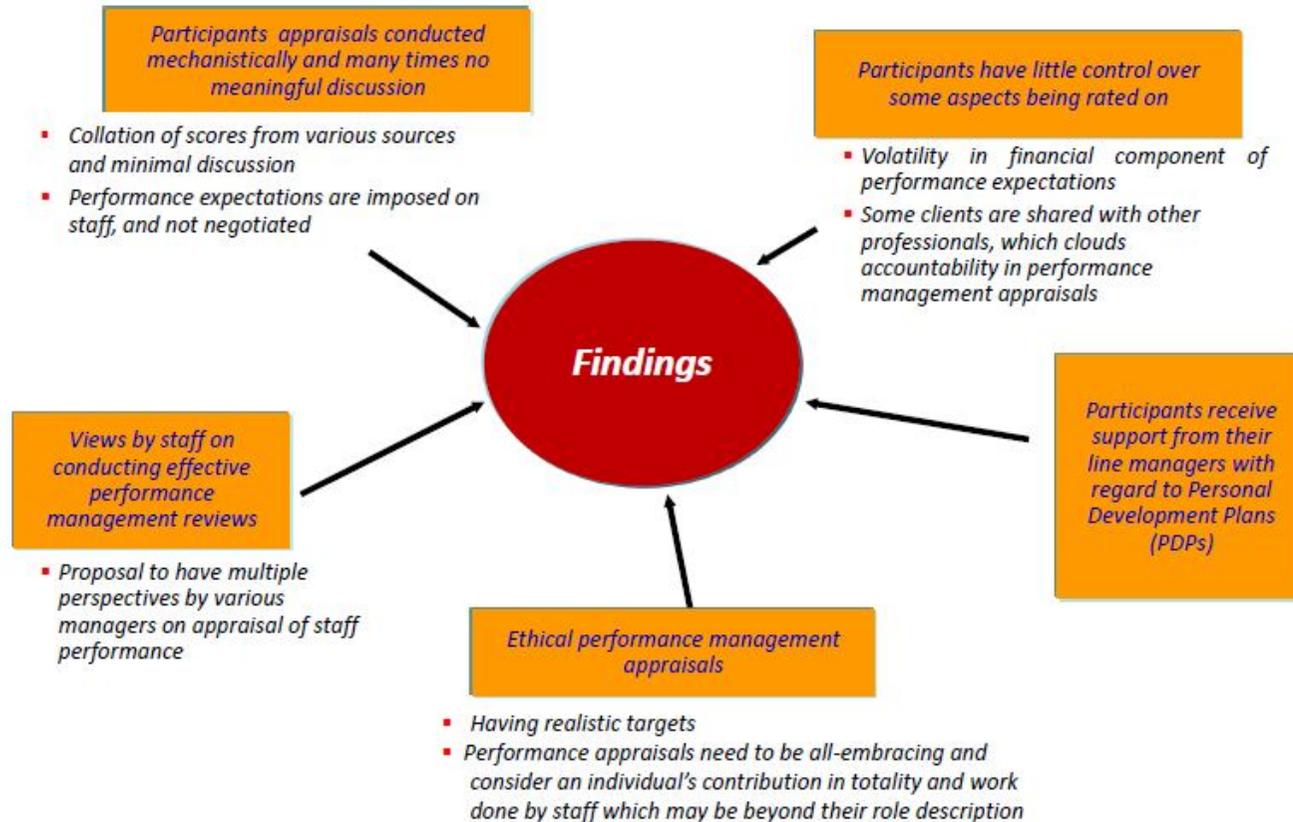


Figure 3.1: Summary of the research findings

## **DISCUSSION**

### **Main objective of the study**

The main objective of this study was to explore employees' experiences of performance appraisals by incorporating a literature review and an empirical study.

The specific objectives of the literature review were to understand

- performance management appraisals and factors that affect it
- employees' experiences of performance management appraisals

The specific objectives of the empirical study were

- to explore employees' experiences of performance management appraisals
- to formulate recommendations from the results for use by line managers in various organisations
- to formulate recommendations for further research in Industrial and Organisational Psychology.

### **Main contributions of this study**

There are few studies on the subject of employees' experiences of regarding performance appraisals. This means that little was known about the experience of employees with regard to performance appraisals. There was therefore a huge need for insight into the experiences of employees regarding performance appraisals, especially in South Africa.

The researcher's years of experience (as mentioned above) bear testimony to the fact that this is an area that is taken for granted. It is also consistent with his observations as a human resources professional that performance appraisals are generally conducted poorly, with the exception of a few managers.

Given the researcher's observations and the paucity of information in scientific literature on the subject, it was important to undertake this study as it will contribute to research, academia and the industry.

### **Integration of the research findings with the literature**

There were several findings from this study. The first was that performance appraisals are usually conducted mechanistically. Scores from various sources were collated and minimal discussion took place. Performance expectations were imposed on staff and not negotiated. The experiences of the participants in this study were similar to that of others in other studies and were therefore not unique. Pickett (2000:228) points out that senior executives in many countries indicate that they regard the performance review (particularly the part where they are required to have open and honest dialogue with the people who report to them) as one of the most difficult things they are required to do. The same survey, which included over 8000 respondents, found that nearly half of the participants said that their managers were not clear, frank or complete in telling them what they thought of their work performance.

Swan and Wilson (2007) and Wright (2010) state that performance management, and the appraisal thereof, ought to be a bilateral and shared effort and that both the manager (appraiser) and the employee (appraisee) need to agree on the results. However, results from this study as well as other studies indicate that the contrary is actually happening. Winstanley and Stuart-Smith (1996, p.197) state "performance management is still something which is largely done to the individual".

A second finding from this study was that employees had little control over certain aspects they were being rated on. The volatility in the financial component of the performance scorecard was beyond their control. Some clients were shared with other professionals in the organisation, which confused accountability during performance appraisals. This was not in keeping with the literature, which states that there has to be agreement between the line

manager and the employee on the aspects that the employee will be rated on. Aguinis (2009), Cardy and Leonard (2011), and Odiorne (1965) view performance management and appraisals as a management process whereby the supervisor and the subordinate jointly identify the individual's major areas of responsibility in terms of the results expected of him/her and use these measures as guides to operate the unit and assess the contributions of each of its members. There was therefore a disparity between the definition in the literature and the findings of this study that there was no agreement with regard to the financial component of the performance scorecard.

A third finding was that the employees experienced support from line managers in the form of action plans and completion and signing of Personal Development Plans when they struggled. From an organisation's point of view, performance appraisal offers employees an opportunity to fulfil their needs for ongoing feedback, motivation and development. Employees have a right to have those needs catered for as organisations should be humanised in recognition of the nature and needs of people. If they are catered for effectively, value can be added to the organisation. A further advantage of the appraisal process is that it adds greater objectivity to the judgement process if it is done properly. This enables better decision making and thus contributes to better performance management (Human Resource Management in Practice, 1994; Guerra-Lopez, 2008). In a study conducted by Jain (2004) it was also found that training, career development and promotion rank the highest in terms of employees' perceptions on the purpose of performance appraisal. There was therefore congruence between the literature review and the research findings with regard to skills development being critical in performance appraisal.

The fourth finding arose from a question posed to the participants about their views on ethical performance management appraisals, to which they responded that it was about having realistic targets. The participants also stated that line managers need to also consider an employee's contribution to the organisation in totality, which includes deliverables beyond what is contained on the formal performance scorecard.

According to researchers such as Falcone and Sachs (2007) and Holpp (2012), the aim of objectivity and performance standards should be to avoid arbitrary, biased or capricious measurements. Also, emphasis on objectivity means that many of the essential aspects of a job may be overlooked. The latter is of particular concern in many management and supervisory positions which are often characterised by numerous activities of short duration and ad hoc informal interactions, greater variety, more non-routine aspects, the need to take decisive action and a lower priority for administrative tasks. The research findings were therefore contrary to the literature because the participants' experienced that targets were unrealistic and line managers did not consider the employee's total contribution to the organisation, which included deliverables beyond the formal scorecard.

The fifth finding was that employees wanted consultation and transparency in the design of performance scorecards instead of these being imposed on them. They also wanted multiple appraisers to assess their performance.

The literature also supports the use of multiple appraisers. According to Culbert (2010), Fletcher (2002), Grote (2011), and Swan and Wilson (2007), there is an increasing tendency for organisations to use a combination of two or more appraisal methods. Whatever method is used, the appraiser(s) must be familiar with the job's objectives and must be sufficiently familiar with the employee to be able to assess whether his/her behaviour at work is effective and what the value of the employee is to the organisation. This requires the ability to observe at least a representative sample of both work behaviour and work performance data (that is, both the person and the work performed). Overall, the appraiser should be the person who is in the best position to observe work performance.

Therefore, the proposals put forward by the participants in this study for transparency in the design of performance scorecards, as well as having multiple appraisers to assess their performance, are in keeping with what is said in the literature.

## **Recommendations**

This exploratory research has met the objectives of the study and has initiated the exploration of the complexities behind employees' experiences of performance management appraisals.

This study has highlighted the need for managers to have lengthier and meaningful performance discussions with employees to ensure that both parties agree on performance expectations. There is also a need for line managers to ensure that performance standards are realistic, that employees are not rated on aspects that are beyond their control, and to consider an employee's contribution to the department in totality by taking into account deliverables that may be beyond the formal scorecard.

Managers need to continue using performance appraisal as an opportunity to support employees with regard to their skills development and career management.

## **Conclusions**

With reference to the aim of this study to explore employees' experiences of performance appraisals, the following conclusions can be drawn:

The employees stated that performance appraisals were conducted mechanistically in that scores from various sources were collated and there was minimal discussion; performance expectations were therefore imposed on staff and generally not negotiated. They had no control over certain aspects on which they were rated. These included, but were not limited to, the volatility in the financial component of performance expectations in the banking

industry. Some clients in the bank were shared with other professionals, which clouded performance management appraisals in terms of where accountability lies on certain issues of client satisfaction and management.

There was common satisfaction around development initiatives arising from performance appraisals in that the employees stated that action plans and personal development plans were crafted when employees struggled.

Objective standards, ethics and fairness were considered crucial in performance management appraisals. In this regard, the employees stated that improvement was required with regard to having realistic targets and that line managers had to consider an individual's contribution to the department/organisation in totality and that work done by staff may be beyond their role description.

It was also the employees' view that the line managers could conduct effective performance appraisals if these were more open and transparent. It was also proposed that they had to have multiple perspectives on the appraisal of staff performance.

What emerged from this qualitative study is in keeping with the current debates in the literature on performance management and appraisals.

### **Limitations of the study**

The researcher has perused no less than 40 journals and 60 books at various South African libraries and has come to the realisation that there is very limited information and research on the experiences of employees regarding performance appraisals in South Africa. What is available has a strong management bias. What cannot be denied is the paucity of literature on performance management appraisals from the viewpoint of employees in South Africa. It is very clear that many books were written for the manager as the target audience and not for the employee. This means that little is known about the experiences of employees regarding

performance appraisals.

Thomas (2003) discusses the degree of engagement between the researcher and participants in qualitative research. According to him, the more remote the connection between the researcher and participants, the less likely the researcher will influence the research or incidents he/she witnesses. The researcher in this study is a human resources professional who works with the participants in the same organisation. It is possible that the responses may have been influenced by the proximity and the researcher's role in the organisation with management, which may have not been the case with an external researcher.

The points above are not limitations per se but an acknowledgement that the researcher is subjective, is a research instrument and is involved in the process. Considering the above, the researcher carefully watched over validation to ensure rigour in this qualitative, explorative study. In this regard, truth value and confirmability are indicated as discussed previously in this article.

### **Future research**

The researcher recommends that future research studies be undertaken on the following:

- challenges with regard to performance management
- objectivity and performance standards
- coaching and collecting information on employee performance
- Identifying career development and training needs that arise from performance appraisals

In addition, further research is recommended among employees in different sectors of the economy other than banking and at different organisational levels to arrive at an even richer understanding of employees' experiences of performance management appraisals. The samples also need to be as diverse as possible. The age and tenure of employees in an

organisation may be explored to ascertain whether young employees are appraised and/or treated differently from older employees or those who have been with the organisation for longer. Further research could be conducted on expatriates working in multinational organisations in South Africa. As Hoffman (1994, p.107) says, “any position that sounds like a final theory or grand design should be rejected”.

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## **CHAPTER 4**

### **CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS**

In this chapter the conclusions, limitations and recommendations of the study will be presented. The conclusions drawn from the literature review and qualitative study will therefore be evaluated against the research aims stated in chapter 1 of this dissertation. In other words, the findings of the research and its contribution to the exploration of employees' experiences of performance management appraisals will be discussed and recommendations for future research and application in organisations will be made.

#### **4.1 CONCLUSIONS**

The conclusions of the study should be viewed in relation to the aims of the literature review and the qualitative study.

##### **4.1.1 Conclusions drawn from the literature review**

The specific aims relating to the literature review were to conceptualise:

- performance management appraisals and factors affecting it
- employees' experiences of performance management appraisals

The literature review for this study provided a background to the development of and current thinking on performance management in general and performance management appraisals in particular. The following are significant:

- challenges with regard to performance management
- the bilateral process between the line manager and the employee

- benefits of performance management appraisals
- objectivity and performance standards
- why some appraisals are rated inaccurately

These will be discussed in detail below.

#### *4.1.1.1 Challenges with regard to performance management*

In the literature review key challenges pertaining to performance management and, by extension, the appraisal thereof were identified. Cokins (2009), Kanyane and Mabelane (2009), Ittner and Larcker (2003), Messer and White (2006) found that some of the challenges were with the performance management system were:

- Measures were not linked to strategy.
- Links with other stakeholders, such as customers and investors, were not validated.
- The right performance targets were not set.
- Performance was measured incorrectly.

#### *4.1.1.2 Bilateral process between the line manager and the employee*

The literature identified that performance management appraisal is a bilateral and shared effort and that both the manager (appraiser) and the employee (appraisee) need to agree on the results. However, as Winstanley and Stuart-Smith (1996) believe that performance management is still something which is largely done to the individual”.

#### *4.1.1.3 Benefits of performance management appraisals*

The literature mentioned a number of benefits to the organisation which flow from the appraisal of performance. Performance management appraisal should be seen not only as an end in itself, but also as a means of obtaining information so that many other management decisions can be made. According to Fletcher (2008) and Holpp (2012), these benefits include:

- strengthening of the relationship between employee and supervisor by bringing them together to discuss progress. In the absence of a scheduled meeting, there is often very little performance feedback to the employee. If the supervisor is too busy to talk, the employee typically assumes that performance is satisfactory. Another common occurrence is that the employee only hears complaints when something goes wrong. Neither alternative promotes a good understanding of work expectations.
- It is a means of obtaining feedback from employees which may improve work design, the work environment and career path planning, as well as help in identifying people with potential for future management positions and promotions or transfers.
- It helps in identifying training and employee development needs.
- It provides an outlet for communicating work-related problems.
- It helps in identifying and removing any obstacles to good work performance.

#### *4.1.1.4 Objectivity and performance standards*

The literature also mentioned that a sense of objectivity is important in order to avoid arbitrary, biased or capricious measurements. In addition, emphasis on objectivity means that many of the essential aspects of a job may be overlooked. The latter is of particular concern in many management and supervisory positions.

Management/supervisory jobs are often characterised by numerous activities of short duration and ad hoc informal interactions, greater variety, more non-routine aspects, the need to take decisive action and a lower priority for administrative tasks (Falcone & Sachs, 2007; Holpp, 2012).

The following are important with regard to performance standards:

- It has an impact on success at work.
- It helps the organisation to differentiate between successful and unsuccessful performers.
- It should be within the control of the person being judged.
- It should be based on observations which are documented and work related.
- Performance expectations should be communicated to employees and feedback should be provided.
- The realities of the work to be performed should be recognised, particularly with regard to managerial/supervisory positions.
- The importance of the organisation culture should be recognised (that is, what is regarded as “successful” behaviour within the organisation).

#### *4.1.1.5 Why some appraisals are rated inaccurately*

The inaccuracy in performance ratings is most often in the form of either inflated or deflated ratings. An appraiser’s motives for this deliberate act of inaccuracy include the need to avoid confrontation with subordinates and creating written documents which may directly harm a subordinate’s future career (Aguinis, 2009; Falcone & Sachs, 2007).

Culbert (2010) and Wright (2010) believe appraisals are rated inaccurately as a result of measurement objectives that are not specific and precise. Holpp (2012) is of

the view that this results when the manager and employee do not have agreement on the goals and standards expected. Motivations for intentionally inflating ratings include:

- the belief that accurate ratings might have a damaging effect on the employee's motivation and performance
- to improve the employee's eligibility for a salary/merit increase
- to avoid airing the department's "dirty laundry" if the appraisal form is to be reviewed by others
- to protect good performers whose performance may be suffering because of personal problems

Reasons for intentionally lowering employee ratings are:

- to scare better performance out of an employee
- to punish a difficult or rebellious employee
- to minimise the amount of a pay increase (if the appraisal is linked to it) the employee receives
- to comply with the organisational edict that discourages appraisers from giving high ratings

Delpo (2007) and Holpp (2012) mention legal difficulties as the organisation can be sued when employees are victimised. To protect themselves and the organisation, managers need to do the following:

- Take precautions with procedures.
- Focus on job performance and not personality.
- Treat employees equally.
- Conduct performance management appraisals at least annually.
- Put it in writing.

Communicate with employees.

- Keep employee records confidential.

In summary, the main themes from the literature review above can be summarised and enlisted as follows:

- challenges with regard to performance management
- the bilateral process between the line manager and the employee
- benefits of performance management appraisals
- objectivity and performance standards
- why some appraisals are rated inaccurately

#### **4.1.2 Conclusions drawn from the qualitative study**

The specific aims relating to the qualitative study were:

- to explore employees' experiences of performance management appraisals
- to formulate recommendations from the results for use by line managers in various organisations
- to formulate recommendations for further research in Industrial And Organisational Psychology

With reference to the aims of this study, the following conclusions can be drawn:

This study has shown that there are many aspects to employees' experiences of performance management appraisals.

The participants stated that performance appraisals were conducted mechanistically in that the scores were collated from various sources and there was minimal discussion. Employees have access to the portfolio information and could pre-populate their performance scorecards beforehand. They therefore went into the performance appraisal knowing how well they are doing. They also stated that

performance expectations were imposed on staff and generally not negotiated. They had no control over certain aspects they were being rated on. These included, but were not limited to, the volatility in the financial component of performance expectations in the banking industry. Some of the bank's clients were shared with other professionals, which clouded performance management appraisals in terms of where accountability lay with certain issues on client satisfaction and management.

There was common satisfaction around development initiatives arising from performance appraisals in that the employees stated that action plans and formal Personal Development Plan documents are crafted jointly and signed off when employees struggled.

Objective standards, ethics and fairness are crucial to performance management appraisals. In this regard, the employees stated that improvement in terms of having realistic targets was needed and line managers had to consider an individual's contribution in totality and work done by staff which may be beyond their role description.

It was also the employees' view that line managers can conduct effective performance appraisals if these are more open and transparent. A proposal was put forward to have multiple perspectives on the appraisal of staff performance.

What has emerged from this qualitative study is in keeping with the current debates in the literature on performance management and appraisals.

### 4.1.3 Conclusions based on the integration of the literature review and the empirical study

Based on the literature review and findings of the empirical study, the following can be concluded.

Table 4.1: Integrated literature and research findings

Conclusions drawn from the literature REVIEW	Conclusions drawn from the EMPIRICAL STUDY
Literature supporting or refuting the theme	Main themes
<p><b>Conclusion 1:</b></p> <p>Much of the criticism stems from the fact that supervisors do not, or cannot, help employees to perform to standard. The reasons that are frequently given are: insufficient time, too much paperwork, too many employees to supervise, too many other duties and too many problems to solve that require immediate attention. If however the tasks are not performed, poor performance is not likely to improve, inefficiency will continue and it is unlikely that the system will produce valid measures of performance (Baker, 1988).</p> <p>Houldsworth and Jirasinghe (2006) echo this point and state that the outcome of a</p>	<p>Performance appraisals are usually conducted mechanistically:</p> <p>Scores from various sources are collated and there is minimal discussion. Employees have access to the portfolio information and could pre-populate their performance scorecards beforehand. They therefore went into the performance appraisal knowing how well they are doing.</p> <p>Performance expectations are imposed on staff and not negotiated.</p>

Conclusions drawn from the literature REVIEW	Conclusions drawn from the EMPIRICAL STUDY
Literature supporting or refuting the theme	Main themes
<p>performance appraisal should be that individuals feel that their contribution for the review period has been fully considered and recognised and that they have a sound basis for performance planning for the future. Managers should feel that the review has been thorough, that the individual understands and accepts how his/her contribution has been valued, and that the dialogue that has continued through the previous review period has been built on positively for the future. For far too many organisations, the focus of the design of the review process has been on the design of the forms that go with this and the support or guidance material for the reviewer and employee. Important as these are, they in no way compensate for the creation of an environment in which individuals welcome and use feedback of all kinds given by managers and leaders who are skilled in delivering good and difficult messages while maintaining motivation and engagement.</p> <p>It is believed that organisations need to deploy a performance management</p>	

Conclusions drawn from the literature REVIEW	Conclusions drawn from the EMPIRICAL STUDY
Literature supporting or refuting the theme	Main themes
<p>programme which includes such attributes as effective and open communication between employees; customers and other stakeholders in order to share assessment results and any new initiatives to improve performance; accountability of results which are clearly assigned and well understood; compensation, rewards and recognition that are linked to performance measures; targets that are linked to appraisals; and a performance measurement system that is positive (Amaratunga &amp; Baldry, 2002).</p> <p>A formal appraisal system is not a substitute for the day-to-day feedback which employees need to gain recognition and be able to adjust their work behaviour ( Guerra-Lopez, 2008).</p> <p>Longnecker et al (1999) state that people want and need performance feedback because the overwhelming majority of people want to know where they stand and what they need to do better. A benefit of performance appraisals is that it strengthens the relationship between the employee and</p>	

Conclusions drawn from the literature REVIEW	Conclusions drawn from the EMPIRICAL STUDY
Literature supporting or refuting the theme	Main themes
<p>the supervisor by bringing them together to discuss progress. In the absence of a scheduled meeting, very little performance feedback is often given to the employee. If the supervisor is too busy to talk, the employee typically assumes that performance is satisfactory</p> <p>In a study conducted by Longnecker and Fink (2001, p.12) with 50 top, middle and frontline managers from 10 different large organisations in the United States to identify the management development practices managers consider the most important in improving performance in periods of rapid change, it was found that the managers considered it critically important that their organisations and superiors help them clarify their roles, goals and performance expectations (85%); give ongoing performance measurement and feedback (77%); and make mentoring from senior managers an organisational priority and practice (75%).</p>	

Conclusions drawn from the literature REVIEW	Conclusions drawn from the EMPIRICAL STUDY
Literature supporting or refuting the theme	Main themes
<p>The experiences of the participants in this study were similar to that in other studies and were therefore not unique. Pickett (2000) observes that senior executives in many countries have indicated that they regard the performance review (particularly the part where they are required to have open and honest dialogue with the people who report to them) as one of the most difficult things they are required to do. In a survey that he conducted with over 8000 people, it was found that nearly half of the participants said that their managers were not clear, frank or complete in telling them what they thought of their work performance.</p> <p>The literature states that performance management, and the appraisal thereof, is a bilateral and shared effort and that both the manager (appraiser) and the employee (appraisee) need to agree on the results. However, results from studies indicate that the contrary is actually happening.”.</p> <p>There is therefore incongruence between the literature review and my research findings.</p>	

Conclusions drawn from the literature REVIEW	Conclusions drawn from the EMPIRICAL STUDY
Literature supporting or refuting the theme	Main themes
<p><b>Conclusion 2:</b></p> <p>The literature states that there has to be agreement between the line manager and the employee with regard to the aspects that the employee will be rated on. There is therefore incongruence between the literature and the findings of this study as it has been found that there is no agreement with regard to the financial component of the performance scorecard.</p> <p>Davis (2009, Mager and Pipe (1990), Munzhedzi (2011) and Rademan &amp; Vos, (2001); cast light on the factors that are beyond the control of the employee which lead to poor performance. These factors include:</p> <ol style="list-style-type: none"> <li>(1) poor policies and procedures,</li> <li>(2) inadequate job design,</li> <li>(3) faulty measures of performance,</li> <li>(4) ineffective communication of the performance standard,</li> <li>(5) inadequate tools and materials,</li> <li>(6) lack of knowledge or skills, and</li> </ol>	<p>Employees have little control over certain aspects that they are rated on:</p> <ul style="list-style-type: none"> <li>• The volatility that is present in the financial component of the performance scorecard is beyond their control.</li> <li>• Some clients are shared with other professionals in the organisation, which confuses accountability.</li> </ul>

Conclusions drawn from the literature REVIEW	Conclusions drawn from the EMPIRICAL STUDY
Literature supporting or refuting the theme	Main themes
<p>(7) ineffective training. In this regard, there is congruence between the literature and the empirical study with regard to policies and procedures and faulty financial measures of performance.</p> <p>According to literature if the supervisor and the employee determine that a performance discrepancy is due to causes beyond the control of the employee, the supervisor should take action to correct the problem. The objective is to remove hindrances to good performance and to maintain the employee's confidence in the appraisal system. Some of the methods to remove hindrances to good performance are to revise the performance standard and to improve the way performance is measured. The findings of the empirical study do not support the literature because the hindrances to good performance are not being removed.</p>	

Conclusions drawn from the literature REVIEW	Conclusions drawn from the EMPIRICAL STUDY
Literature supporting or refuting the theme	Main themes
<p><b>Conclusion 3:</b></p> <p>From an organisation's point of view, performance appraisal offers employees an opportunity to fulfil their needs for ongoing feedback, motivation and development. Employees have a right to have those needs catered for as organisations should be humanised in recognising the nature and needs of people. If they are catered for effectively, value can be added to the organisation. A further advantage of the appraisal process is that it adds greater objectivity to the judgement process if it is done properly. This enables better decision making to take place and thus contributes to better performance management (Davis, 2009; Guerra-Lopez, 2008).</p> <p>An interesting quantitative study was conducted by Jain (2004) on employees' perceptions on the purpose of performance appraisal. The participants were given seven options to rate and it was found that the</p>	<p>There is support from the line managers in the form of action plans and signing of formal personal development plans when employees struggle.</p>

Conclusions drawn from the literature REVIEW	Conclusions drawn from the EMPIRICAL STUDY
Literature supporting or refuting the theme	Main themes
<p>participants viewed the purpose of performance appraisal as follows;</p> <ul style="list-style-type: none"> <li>• salary increment – 86.4%</li> <li>• promotion – 33.3%</li> <li>• training – 25.8%</li> <li>• career development – 15.2%</li> <li>• staff development – 15.2%</li> <li>• reward – 7.6%</li> <li>• dismissal – 3%</li> </ul> <p>There is congruence between the literature review and the research findings with regard to skills development and personal growth being critical in performance appraisal.</p>	
<p><b>Conclusion 4:</b></p> <p>The literature casts light on objectivity and performance standards. According to Russ-Eft (2010) and Wright (2010) the aim of performance standards should be to avoid arbitrary, biased or capricious measurements Management / supervisory jobs are often characterised by numerous activities of short duration and ad hoc informal interactions, greater variety, more non-routine aspects, the need to take</p>	<p>Employees' views of ethical performance management appraisals:</p> <ul style="list-style-type: none"> <li>• Having realistic targets</li> <li>• Line managers need to also consider an employee's total contribution to the organisation which includes deliverables beyond what is contained in the formal performance scorecard.</li> </ul>

Conclusions drawn from the literature REVIEW	Conclusions drawn from the EMPIRICAL STUDY
Literature supporting or refuting the theme	Main themes
<p>decisive action and a lower priority for administrative tasks.</p> <p>The research findings are contrary to the literature because the participants' experiences were that targets are unrealistic and line managers do not consider an employee's total contribution to the organisation, which includes deliverables beyond the formal scorecard.</p>	
<p><b>Conclusion 5:</b></p> <p>The literature supports the use of multiple appraisers. According to Culbert (2010), Holpp (2012) and Swan and Wilson (2007) there is an increasing tendency for organisations to use a combination of two or more methods. Whatever method is used, the appraiser(s) must be familiar with the job's objectives and must be sufficiently familiar with the employee to be able to assess whether his/her behaviour at work is effective and what his/her value is to the organisation. This requires the ability to observe at least a representative sample of</p>	<p>Employees' proposals to line managers for conducting effective performance appraisals</p> <ul style="list-style-type: none"> <li>• Employees want consultation and transparency in the design of performance scorecards, instead of them being imposed on employees.</li> <li>• Employees want multiple appraisers to assess their performance.</li> </ul>

Conclusions drawn from the literature REVIEW	Conclusions drawn from the EMPIRICAL STUDY
Literature supporting or refuting the theme	Main themes
<p>both work behaviour and work performance data (that is, both the person and the work performed). Overall, the appraiser should be the person(s) who is in the best position to observe the work performance.</p> <p>Matlala (2011) conducted a research study on employees' perceptions of the fairness of an organisation's performance management system in a South African organisation. Using a sample of 20 participants at various employment levels, she found that they had negative perceptions of the fairness of the performance management system.</p> <p>Therefore, the proposals put forward by participants in this research study for transparency in the design of performance scorecards as well as having multiple appraisers to assess their performance are in keeping with the proposals made in the literature.</p>	

## **4.2 CONTRIBUTIONS OF THE STUDY**

In this section the contributions of this study to employees and managers, to the field of Industrial And Organisational Psychology, and to the researcher's life are considered.

### **4.2.1 Contribution to employees**

This study provided employees with an opportunity to voice their experiences of performance appraisals. This was done in an anonymous, confidential and secure environment. Such an opportunity rarely exists.

### **4.2.2 Contribution to managers**

The researcher's work experience as a human resources consultant bears testimony to the fact that performance appraisals are not always properly and meaningfully conducted. Performance appraisals is an area that is taken for granted as many managers do not believe that it is important to undergo formal training. Managers tend to believe that they are born with the knowledge and skills on effective performance management and improvement which, in my view, is not always the case. My observations are that performance appraisals are generally poorly conducted, with the exception of a few managers.

The findings from this study are likely to provide managers with insight into the area and improve the way they conduct performance appraisals.

### **4.2.3 Contribution to the field of Industrial and Organisational Psychology (IO) Psychology**

This study will contribute to a growing body of studies in the field of Personnel Psychology, which falls under Industrial and Organisational Psychology. It will also contribute to advancing knowledge on employees' experiences of performance appraisals in the South African context. In addition, this study will open the way for fellow students and academics to pursue future research studies as elaborated in the recommendations section of this dissertation.

### **4.2.4 Contribution to the researcher's life**

The researcher has had both negative and positive experiences of performance appraisals in his own professional life. Although some years have passed since the negative experience, it still outweighs the positive experience as it was extremely painful. This propelled the researcher's interest in this area.

It was therefore a cathartic and emotionally liberating experience to have had the opportunity to turn a sad and traumatic experience into a research study that will advance his professional life through the attainment of a master's degree and lead to his registration as an Industrial Psychologist. It has helped him to turn a lemon into lemonade in his life.

As the researcher's career advances in the years to come, he may be placed in a position of authority. These findings will serve as a reminder for him to use circumspection in his dealings with employees, especially with regard to performance appraisals.

### **4.3 LIMITATIONS OF THE STUDY**

The limitations of the literature review and qualitative study will be discussed in this section.

#### **4.3.1 Limitations of the literature review**

As stated previously, the researcher perused no less than 40 academic journals and sixty books and came to the realisation that there is a vacuum in the literature and research on employees' experiences of performance appraisals. The information that is available has a strong management bias. There is undeniably a paucity of information in the literature on the experiences of performance management appraisals from the viewpoint of employees. It is very clear that many books were written for managers as the target audience and not for employees. This means that little is known about the experience of employees regarding performance appraisals.

#### **4.3.2 Limitations of the qualitative study**

The researcher himself has been a victim of poor, unethical performance appraisal at a time of vulnerability in another organisation. This negative experience left a huge mark on him and influenced his choice of this research study in organisation life as he is still fascinated by this phenomenon. By extension, it can be accepted that the researcher wanted to see whether or not his experience of performance management appraisals could be corroborated by the experiences of others. Ely (1991, p.108) aptly states that the "aspect of human life that you are about to study will most likely to be your own". Some of the findings resonated with the researcher's own experience.

Thomas (2003) discusses the degree of engagement between the researcher and participants in qualitative research. According to him, the more remote the connection between the researcher and participants, the less likely the researcher will influence the research or incidents they witness. The researcher is a human resources professional and works in the same organisation with the participants. It is possible that the responses may have been influenced by the proximity of and the researcher's role in the organisation with management, which may not have been the case with an external researcher.

The points above are not limitations per se but an acknowledgement that the researcher was subjective, was a research instrument and was involved in the process. Considering the above, the researcher carefully watched over the validation of the data to ensure rigour in this qualitative, explorative study. In this regard, truth value and confirmability are indicated as discussed in chapter 1.

#### **4.4 RECOMMENDATIONS OF THE STUDY**

This exploratory research met the objectives and began the exploration of the complexities behind employees' experiences of performance management appraisals.

The researcher recommends that future research studies be undertaken on the following:

- challenges with performance management
- objectivity and performance standards
- coaching and collecting information on employee performance
- identification of career development and training needs arising from performance appraisals

In addition, further research is recommended among employees in different sectors of the economy other than banking and at different organisational levels to arrive at an even richer understanding of employees' experiences of performance management appraisals. The samples need to be as diverse as possible. The age and tenure of employees in an organisation may be explored to ascertain whether young employees are appraised and/or treated differently than older employees or those who have been with the organisation for longer. Further research could also be conducted on expatriates working in multinational organisations in South Africa. As Hoffman (1994, p.107) states: "... any position that sounds like a final theory or grand design should be rejected".

#### **4.5 CHAPTER SUMMARY**

In this chapter the conclusions, limitations and recommendations of this study were presented. The research findings of the literature review and qualitative study were assessed against the research aims set out in chapter 1.

The research findings and conclusions of this qualitative study were presented to provide an understanding of the complex nature of employees' experiences of performance management appraisals in terms of a sample of employees in a banking organisation in South Africa. The limitations of the study were explained in this context. Finally, recommendations were made for future research and organisational application.

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## **ANNEXURE A: PARTICIPANT INFORMED CONSENT FORM**

Dear participant: \_\_\_\_\_

Thank you for agreeing to participate in this research. Your willingness is highly appreciated.

As this research involves a personal contribution from you as an individual, the Consent Form's function is to give you an awareness of the likely content of the interview.

### **Purposes and function of this study**

I request that you participate in a semi-structured interview on your experiences of performance management appraisals. This information will form the research portion of the MA (Industrial and Organisational Psychology) degree which I am completing at the University of South Africa (UNISA). However, this information may be used in further academic papers within the field of Industrial and Organisational Psychology.

### **Right to participate**

You, as an individual, have the right not to participate. You also have the right to request that the interview be terminated and that the content be erased both during and after the interview.

### **Anonymity**

You, as a participant, will remain anonymous in the published paper(s). A pseudonym will be used instead of your name and all identifying details will be erased or hidden.

## Dissemination

The information gained during the course of the research may be used in a Masters dissertation at UNISA. It will be available at the UNISA library and available on request at other academic libraries. No monetary or other award (aside from academic award) will be gained by either myself (Tshepo Tsiu) or yourself as participant.

Once again, your co-operation is greatly valued. It is hoped that the insights gained from your experiences will benefit the field of Industrial and Organisational Psychology and managers in various organisations.

Yours sincerely

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Tshepo Tsiu

Researcher

Contact number: 073 806 3370)

I, \_\_\_\_\_, understand what is required of me and hereby give consent to conduct and publish this evaluation as stipulated.

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Signature

## **ANNEXURE B: THE SEMI-STRUCTURED INTERVIEW**

Interviewer: We will now kindly begin the interview. Are you comfortable to continue?

Participant: Response

Question 1:

Interviewer: Can you describe, in as much detail as possible, your experience of the performance management appraisal?

- Reflect and probe:

For example:

Can you tell me more about ...

What do you mean by....?

- Asking for examples:

Can you give me an example of that?

( Once the subject has exhausted this subject, the interviewer moves to the next question)

Question 2:

Interviewer: Kindly share with me as much as possible whether your manager communicates job expectations, what is important and what is not, and the kinds of decisions that an employee can make on his/her own?

- Asking for examples:

Can you give me an example of that?

Question 3:

Interviewer: Please share whether the performance management appraisal contributes to your career development? If so, how?

- Reflect and probe:

For example:

Please give an example or two.

Question 4:

Interviewer: Kindly share how your manager deals with both good and poor performance.

- Reflect and probe:

For example:

Please give an example or two.

Question 5:

Interviewer: Please take me through whether you believe that the performance management appraisal is conducted ethically?

- Clarifying what is meant, if necessary
- Asking for examples.

Question 6:

What advice / comments / solutions would you offer to your manager in conducting effective performance appraisals?

Interviewer: We have come to the end. Thank you for your time, co-operation and participation in this research process.