

**IMPROVING PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEMS IN
THE DEPARTMENT OF HEALTH, LIMPOPO PROVINCE**

by

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DEPARTMENT OF HEALTH, LIMPOPO PROVINCE**

I declare that the above dissertation/thesis is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.



SIGNATURE

2015-12-05
DATE

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It would have been extremely difficult for me to reach the end of this academic journey at the University of South Africa without the support of certain individuals who fortified me as I was studying towards this Master's degree.

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ABSTRACT

The proposed study intends to establish how procedural the reward systems are being implemented in the Limpopo Department of Health and whether claims of biases are founded.

The study is aimed to determine the system's influence on the organisation's ability to track poor performance and to manage it. It also provides a refreshed view of the current pitfalls in the implementation of the programme, and subsequently provides indications of remedial action to recover the purpose of the performance management and development system.

The study furthermore assesses the impact of performance management practices and explored the best implementable practices for effective performance management systems and best service delivery by the Limpopo Department of Health. A qualitative research approach that included interviews with HR and line managers was utilised and a quantitative research approach that included questionnaires from ordinary employees was followed. The findings are that the system cannot be linked to employee output, but an obvious benefit is employee rewards.

The literature review shows that there is a general poor understanding of performance management and development system in the public service. It (Literature review. Chapter 2) further establishes that there are several challenges that hinder the effective implementation of performance management and development system in the public service. Other findings of the study include that there is a challenge of biased ratings (subjective assessment), and a setting of unrealistic performance targets which are unrealisable by employees.

The main finding of the study is that lack of training poses a serious challenge in implementing performance management and development systems. Many respondents indicated that employees need to be brought to awareness about the implementation of the model so that both management and employees can work towards the Department's vision. Some suggested that management should realise our needs and arrange training for capacity building. Another employee agitated that "I am not involved in any performance management because this is used for financial gains. This is another corrupt activity?" The above-mentioned statements clearly show concerns of employees in their overall performance.

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CHAPTER 1

INTRODUCTION AND BACKGROUND

1.1 Introduction

Individual performance is critical to the execution of institutional strategy and the achievement of strategic objectives. Institutions tend to put more focus on the formulation of strategies than on the strategy implementation, which requires good performance by all employees (from junior employees to management) in the institution. Human effort in the execution of formulated strategies and the need to direct such effort towards the strategic objectives of that particular institution should be paramount (Munzhedzi 2011).

The study focuses on improving the performance management and development system in the Department of Health in the Limpopo. This chapter provides a background, rationale and the problem statement for the study to put the research problem in context.

1.2 Background to the study

It is appropriate to begin the study by providing the relevant context and relating how one came to decide on the topic, its relevance and significance (Auriacombe 2001:30). Performance management system (PMS) has been one of the most positive and crucial developments in the area of management since the 1980s (Armstrong 1995:430). Recent years have seen renewed interest in assessing public sector performance, productivity and service delivery in South Africa. In search of improved quality and productivity in the public service, the South African government introduced several initiatives such as the following.

1.2.1 White Paper on Human Resource Management (1997)

Before the introduction of the White Paper on Human Resource Management in the Public Service of 1997, the South African public service was perceived to be discriminating in nature in terms of personnel management practices (Erasmus, Swanepoel, Schenk, Van der Westhuizen & Wessels 2005: 177). The conditions under which previously disadvantaged groups, including blacks and women were appointed, promoted and worked were less favourable than those of white males. The main reason the White Paper on Human Resource Management in the Public Service of 1997 was introduced was to produce a diverse, competent and well managed workforce which is capable of and committed to delivering quality services to the people of

South Africa (Department of Public Service and Administration 1997:2). Unlike before the democratic dispensation instituted in 1994, the new public service has values and principles which are derived from section 195 of the Constitution of South Africa of 1996 which includes fairness, equity, accessibility, transparency, accountability, participation and professionalism. The White Paper stipulates that if an employee is not satisfied with the final assessment, such an employee may be given a chance to appeal the decision. Ensuring fairness and objectivity can be done through intervention by the immediate supervisor or the manager.

Van der Walt and Du Toit (1999:386) concur with the principles in the White Paper and highlight other notions such as accommodating diverse cultures and values in order to have effective performance management. According to this White Paper, there must be a work plan that covers a specific period explaining the employee's responsibilities which are designed according to the strategic objectives to be achieved. And this work plan must be followed by performance reviews of all employees on a regular basis.

1.2.2 White Paper on Transforming Public Service Delivery (*Batho Pele*) of 1997

Over the years the government of South Africa has been synonymous with red tape, inefficiency, lack of customer service and bad attitude (Van der Waldt 2004:87). But the public service in South Africa is being radically changed through a policy called *Batho Pele*, meaning people first. The policy has set out eight principles which aim to change or transform the behaviour of public servants and politicians in their interactions with the citizen to hold these officials and political office bearers accountable. In accordance with the *Batho Pele* principles, all public service institutions must at all times put service to the people first and also improve the way they have been rendering services. The principles as set out by the White Paper on Transforming Public Service Delivery (*Batho Pele*) of 1997 are consultation, service standards, access, courtesy, information, openness and transparency, redress, and value for money (Department of Public Service and Administration, 1997:15).

Van der Waldt (2004: 89) argue that when public service institutions adhere to the above steps in rendering services to the public, there may be improvements in the delivery of services. Quality services rendered *might also go up through the adherence of the above steps together with the principles of Batho Pele* in the implementation of service delivery programmes.

1.2.3 Public Service Regulations of 2001

Part VIII of Chapter 1 of the Public Service Regulations of 2001 provides that the executing authority, in consultation with their department, should determine a system that links individual performance to institutional goals. Part III of chapter 4 in the Public Service Regulations also states that the performance of all members of Senior Management Services (SMS) should be managed through performance agreements. It is further stipulated in the regulations that a supervisor must monitor, supervise and assess the subordinate's performance on a regular basis using the prescribed format of performance assessment.

The Public Service Regulations of 2001 further stipulate that an executive authority (ministers in national departments or members of executive councils in provincial departments) shall determine the system of performance management and development for employees in the department other than employees who are members of the SMS. The executive authority in every department must establish an appropriate performance assessment instrument for different occupational categories or levels in order to assist the management to decide on probation, rewards, promotion and skills development of employees. Unsatisfactory performance must also be managed well in terms of the Public Service Regulations of 2001 by means of developing plans to improve the employee's performance.

Public service institutions should ensure that they enhance results-oriented institutional efficiency as well as accountability in the use of resources. All performance management programmes should be directed at ensuring that more and better services are delivered at the lowest possible cost (Van der Waldt 2004: 93).

After the introduction of the Framework on Public Service Management (1999) (hereafter referred to as the Public Service Management Framework), the Public Management and Development System Policy was adopted and it intended to inculcate a culture of performance and improved productivity in the public service. The reasons for introducing a performance management system in the public sector included monitoring; reviewing and assessing performance; training and developing underperformers; promoting and encouraging a sense of responsibility in staff; and identifying and managing underperformance (Amos, Ristow, Ristow & Pearse, 2008:286).

The Department of Health is one part of the public service delivery machinery that is tasked with the implementation of the basic and crucial mandates of government, which is to provide health services. The study was undertaken at the Department of Health in Limpopo, which has its head office in Polokwane. The population that was used for this study included the staff component of the health branch, with a total number of 498 employees.

Goel (2008:15) states that to understand the context of performance management one has to know the origin of performance management, although no-one knows exactly when formal methods of reviewing performance were first introduced. Performance management emanates from earlier approaches and elements of earlier approaches such as rating, objectives-setting and review, performance pay and a tendency towards trait assessment, were incorporated in the late 1980s. Although in practice the term has often simply replaced “performance appraisal”, performance management is significantly different from previous approaches.

Lopez (1968:28) says that formal employee performance evaluation programmes are thought to have originated in United States military establishment shortly after the birth of the republic, when senior officers were required to submit evaluation reports of their junior officers. According to Weiss and Hartle (1997:51), the appraisal system used previously during 1930s and 1940s did not cover the important new issues of focus on continuous improvement and greater employee development. As a result, performance appraisal problems were experienced in United States during 1989. The ineffective appraisal system was replaced by an on-going performance management process by an industrial gas manufacturer in the United States. The structure, the purpose and objective of performance management emanated from this context.

Mogotsi (2002) undertook a study towards a master’s degree in Public Administration with the topic “The role of PM amongst administrative staff at the University of the North”. The research problem under investigation was to understand whether the University of the North (University of Limpopo) as an institution of higher learning does display professional and credible public service delivery, both nationally and internationally. The purpose of the study was to deal with the issue of performance management among administrative staff at the University of the North, and to deal with low morale, dissatisfaction, demotivation and the declining culture of work performance and accountability.

Mogotsi (2002) also highlighted the essence of performance management as being linked to institutional targets and objectives. He argues that individual targets and objectives must be linked to those of the institution. The need for a common language is paramount to attain the required level of effectiveness and efficiency.

Mogotsi (2002) concluded that management should introduce clear policies and procedures that will guide the administration sector of the institution in what is expected from it to enhance the level of productivity, quality and customer service delivery. While Mogotsi's study enriches the body of knowledge of a performance management system within the context of a parastatal as it is embodied within a university environment, it does not sufficiently answer the challenges related to the performance management system in the public service as contributing to improved productivity as undertaken in this study.

Another empirical study by Ravhura (2006) for a master's degree of Public Administration evaluates performance management at the Department of Education in the Limpopo. The study assessed the performance management system on its methods of application and implementation and the processes involved. The findings of the study recorded that training and awareness about the performance management system was lacking, and that insufficient funds were being allocated for the purpose of the performance management system in the Department of Education within the Limpopo. Based on these findings, Ravhura (2006:82) further recommends that the Department of Education in the Limpopo should provide training to the staff responsible for the performance management system implementation.

According to Mundzedzi (2011) other relevant recommendations include the need for the departmental staff to become aware of the PMS and the allocation of a sufficient budget for the performance management system process. However, it must be cautioned that Ravhura's budget recommendations may not be possible, since it was derived from the Department of Public Service and Administration's framework, which provides that the budget for performance bonuses be limited to 1,5% of the wage or remuneration bill. Pay or salary progression (notches) is limited to 2% of the wage bill of the department.

The department may only exceed the budget with the approval of the executive authority (ministers in national departments or members of executive councils in provincial departments). In this regard, Ravhura's (2006) study does not sufficiently handle the questions of whether the

performance management system of the Department of Health in the Limpopo contributes to improved productivity.

1.3 Research problem

The malpractices with the implementation of the performance management policies defeat the purposes for which it was created, which is to improve performance. The performance management and development system cycle is reduced to a momentary event at the end of the reporting period and therefore gives rise to false reflection of the true state of affairs. The performance management development system is not seen as a tool for service delivery but rather an “extra cash” exercise (South Africa 2011).

The goal of the performance management and development system is interpreted as just awarding salary increases to employees without the necessary link to the outcome of performance. There seems to be known poor performers that have not been corrected over a period of time, which discourages improvement by fellow employees. This would result in wasteful expenditure from payment of rewards that are in discord with the performance report of the department.

1.4 Aim of the study

- 1) The aim of the study is to investigate challenges encountered by employees in the Department of Health, of the Limpopo during their performance appraisals and provide measures to improve the performance management system.

1.5 Objectives of the study

In order to successfully respond to the research problem, study objectives have been set. According to Auriacombe (2001:49), the research objectives have to explain how the researcher plans to solve a research problem. The objectives of the research must be precise and clearly defined. In view of the foregoing, the following are the objectives of this study:

- 1) To identify the challenges related to performance management during performance management and development system implementation faced by the Limpopo Department of Health;

- 2) To assess the impact of performance management practices and explore best implementable practices which would lead to an effective performance management system and best service delivery by the Limpopo Department of Health.
- 3) To explore whether the performance management system in the Department of Health contributes to the improvement of productivity as intended.
- 4) To recommend solutions that can increase effectiveness of human resource performance in the Limpopo Department of Health.

1.6 Research questions

- 1) What challenges does the Department of Health experience in implementing the Performance Management and Development System?
- 2) How does the employer link the implementation of the system to the total departmental output?

1.7 Research methodology

According to Serantakos (1998), research methodology is a way to find solutions to a given problem on a specific matter or problem, also referred to as a research problem. The methodology involves the researcher using different criteria for solving the given research problem. This research adopted both qualitative and quantitative research approaches. A quantitative research method is a method according to which a researcher should have a clearly defined research question to which objective answers are sought and all aspects are carefully and precisely designed before data collection. Quantitative research can be used to generalise concepts more widely, to predict future results or to investigate causal relationships (Goddard & Melville 2004:28).

According to Mouton (2001:13) qualitative research refers to collecting, analysing and interpreting data by observing what people do and say. Whereas, quantitative research refers to counts and measures of things, qualitative research refers to the meaning, concepts, definitions, characteristics, metaphors, symbols and descriptions of things. Qualitative research is much more subjective than quantitative research and uses very different methods of collecting information, mainly individual, in-depth interviews and focus group (Redman & Morry 2009:27).

As the main purpose of research is to explore challenges encountered by employees in the Department of Health during performance appraisals and provide measures to improve performance management system, an in-depth analysis of the beliefs and perceptions of employees regarding the current performance management system and the development system was undertaken.

1.8 Research design

De Vos, Strydom, Fouche and Delport (2002:124) define a research design as a blue print or detailed plan of how a research study would be conducted in such a way that maximum control would be exercised over factors that could interfere with the validity of the research questions. This study followed both quantitative and qualitative research approaches. The population of this study comprised of the Limpopo Department of Health's employees, and the sample was selected by means of a probability sampling in the form of random sampling technique. Data were collected through questionnaires and interviews.

1.9 Data collection method

According to Leedy (2001:120), data collection is the way in which facts about a problem and its outcomes are collected. Data collection methods often used in programme evaluations include literature searches, file reviews, natural observations, surveys, expert opinions, and case studies. Data are information obtained during the course of an investigation. In this study, questionnaires were used to obtain data relevant to the study's objectives and research questions.

1.9.1 Interviews

Interviews are a method of data collection, information or opinion gathering that specifically involves asking a series of questions. Typically, an interview represents a meeting or dialogue between people where personal and social interaction occur. However, developments in computer and information technology have resulted in other formats, for example internet interviews. Interviews are typically associated with both quantitative and qualitative social research and are often used alongside other methods. Although interviews can be generally defined and have some commonality of meaning, they can vary enormously in terms of the context or setting in which they are carried out, the purpose they serve and how they are structured and conducted. This gives rise to many different types of interviews. Most commonly,

interviews are conducted on a face-to-face basis and they can take a variety of forms (Davies 2006).

Welman, Kruger and Mitchell (2005:166) state that in semi-structured interviews the researcher has a list of themes and questions to be covered, although these may vary from one interview to the next. Semi-structured interviews consisting of open-ended questions were conducted with 10 respondents of top management and middle management. The main reason for interviewing only top and middle management was that, most of most of these officials are very experienced and they are serving as supervisors in the department. Departmental payroll lists were used to identify participants. The total number of officials employed in Limpopo Department of Health Capricorn District is 498 and 10 were selected from top and middle management. The focus of the interviews were to explore different challenges related to the performance management system and their potential implications for overall service delivery.

1.9.2 Questionnaire

A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Mouton 2001:65). A questionnaire contains both closed and open-ended questions. Questions that can be answered with either a single word or short phrase are closed-ended questions, whereas open-ended questions allow the respondent to provide a long answer to a particular question. The researcher used a questionnaire to collect data from the respondents (Leedy 2001:124).

The structure of the questionnaire consisted of closed-ended questions, the first part of the questionnaire dealt with biographical data, the second part was on the understanding of performance management and development systems, the third section was on the effectiveness of performance management systems and the fourth section was on the perception of employees regarding the performance management system. A departmental payroll list was used to identify participants. The Total number of employees in the Limpopo Department of Health, Capricorn District at the time of research was 498 and 40 participants were randomly selected.

Questionnaires were distributed to 40 respondents at the Limpopo Department of Health. Permission was obtained from the head of department to distribute questionnaires and conduct interviews. The researcher randomly distributed questionnaires from one office to another and collected them immediately after completion.

1.9.3 Population

According to Serantakos (1998:110), population is generally a large collection of individuals or objects that is the main focus of a scientific query. It is also known as a well-defined collection of individuals or objects known to have similar characteristics. All individuals or objects within a certain population usually have common, binding characteristic or traits. A population is also defined as a group of individuals or items that share one or more characteristics from which data can be gathered and analysed (Leedy 2001:74).

In this research, population refers to the Limpopo Department of Health employees, specifically at the head office, which is situated in Polokwane. In order for data to be collected, the given population of the research study was given the opportunity based on their availability and proximity to the researcher to represent the entire population.

1.9.4 Sampling

According to Burns and Grove (2005:115), sampling is the act, process, or technique of selecting a suitable sample, or a representative part of a population for the purpose of determining parameters or characteristics of the whole population. A sample is a portion or a subset of the research population selected to participate in a study, representing the research population. The target group was the employees at the Limpopo Department of Health, consisting of 498 employees, of which 50 (40 by questionnaires and 10 by interviews) participated in this study. Ten top and middle management employees were interviewed. The reason for interviewing top and middle management officials was that the researcher wanted to explore challenges and proposed ideas from management officials on how current performance management systems may be improved. Forty questionnaires were distributed to general workers, admin officers, and deputy managers because they are the ones reviewed by supervisors (top and middle management).

De Vos et al (2002:200) state that a sample must form ten percent of the population to be representative of the population. A stratified random sampling technique was used to select 50 respondents. David and Sutton (2004:151) explain stratified sampling as when the population is broken down into categories and a random sample is taken of each category. These proportions

of the sample sizes are the same as the proportion of each category of the whole. The strata in this case were employee levels and gender in the department (from top management level to junior level), and the payroll list was used to select the participants.

Table 1.9.4.1 below shows the sample drawn from Limpopo Department of Health according to employee position

Employee level	Employees in each level	10% of employees per level	% of the population
Executive managers	15	1	3%
Senior managers	31	3	6%
Managers	126	13	25%
Deputy Managers	105	11	21%
Admin officers	183	18	37%
General workers	38	4	8%
Total	498	50	100%

1.10 Data analysis

Data analysis usually involves two key steps, namely, (a) reducing the collected data to manageable proportions and (b) identifying patterns and themes in the data (Mouton 1996: 161). In this study data were collected in the form of questionnaires and interviews, which were read and checked to eliminate spoiled ones. Questionnaires were read to identify the respondents' major attitudes in relation to the study and interviews were analysed. Phenomenological research identifies significant statements to generate meaning. It attempts re-telling the respondents' stories in such a way as to develop themes or trends on the subject of investigation (Creswell 2003:190-191). Qualitative data analysis involves reading descriptive data, making notes on the trends found in the data and developing some descriptive categories (Roberts & Greene 2002:763). Unlike quantitative data, there are no exact formulas for analysing qualitative data.

Microsoft Excel and charts were used as system tools for analysing quantitative data and qualitative data conducted through interviews were read, interpreted and analysed based on participant's opinions.

1.11. Significance of the study

According to Mouton (2001), the significance of the study establishes why the proposed research matters and makes an important contribution to a new body of knowledge. The findings of this study are of particular significance to the department being studied. On publication, the findings of this study will provide a significant reference and elucidation of the status quo in terms of the system. It gives indicators of the relevance of the system to the department, and its capacity to implement. The study provides recommendations for use in future practical guidelines and tools. Recommendations also indicate the required interventions for performance improvement.

1.12. Delimitation of the study

According to Mouton (2001), the scope of the study refers to the parameters within which the study is placed in the region or place where the research took place. The study was conducted with employees in Limpopo Department of Health, which has its head office at Polokwane in the Capricorn District. For the purpose of this study the Department of Health District offices such as Mopani, Vhembe, Waterberg and Sekhukhune District were excluded due to the fact that they are not in close proximity to the researcher and major decisions on performance management procedures are derived from head office.

1.13. Definition of terms

1.13.1 Performance Management System

PMS is a system that ensures maximum performance in the institution to reach desired results (improved productivity) (Simeka Management Consulting 2004:11).

1.13.2 Performance management

Performance management is a holistic approach and process towards the effective management of individuals and groups to ensure that their shared goals and institutional objectives are achieved (Nel, Welner, Haasbroek, Poisat, Sono & Schults 2008:493).

1.13.3 System

System is defined as a series of subsystems consisting of interrelated procedures that help achieve a well-defined goal (Ferreira, Erasmus & Groenewald 2009:22).

1.13.4 Efficiency

Efficiency is the ability to accomplish a task with minimum expenditure of time and effort (Reed & Swain 1997:321).

1.13.5 Employee

The Labour Relations 66 of 1995 as amended defines a state employee as any person (except and independent contractor) who works for the state or any person and who is entitled to receive remuneration in exchange for services performed.

1.13.6 Policy

Policy is a body of rules and regulations that are usually found in acts, ordinances and by-laws. The aim of policy is to provide guidelines to managers on how to manage performances (Amos, Ristow, Ristow, & Pearse 2008:289).

1.13.7 Training

Training is defined as a systematic and planned process to change the knowledge, skills and behaviour of employees in such a way that organisational objectives are achieved (Van Dyk, Loedoiff & Haasbroek 2001:147).

1.14. Outline of chapters

The chapters in this study are presented as follows:

Chapter 1: Outlines the problem statement, the aim of the study, the scope of the study, the significance of the study and the definition of the key terms.

Chapter 2: Presents a literature review on the available body of research and relates it to performance management and development systems.

Chapter 3: An overview of performance management and development systems in South Africa, in particular Limpopo and other provinces.

Chapter 4: Outlines the research design for this study. This chapter covers the population, sampling and data collection.

Chapter 5: Analyses and interprets the data collected in the study. The data is statistically presented in a chart form.

Chapter 6: Summarises findings and provides an overview of the study by presenting summary of major findings, conclusions and recommendations pertaining to the study.

1.15. Ethical considerations

Ethics in research is discussed here with the view to indicating the ethical context within which the study was conducted. Ethics refer to standards of conduct to ensure moral behaviour. A fundamental question here is whether the study itself is ethical. In social sciences, issues to consider in assessing whether a study is ethical include harmful labelling of people, causing serious psychological distress or withholding needed treatment (Miller, Birch, Mauthner & Jessop 2012).

1.15.1 Informed consent

Respondents were informed of the purpose of the investigation and the procedure that would be followed. Respondents have to get adequate information and all the procedures to be followed during the investigation. The respondents were assured that participation in the research was voluntary and they should not feel pressured to take part if they did not feel like it (Miller et al 2012).

1.15.2. Confidentiality

The researcher did not reveal the identity of participants or any confidential information obtained during the study without their permission. Participants were not forced to take part in the research, but their participation was discussed with them (Miller et al 2012).

1.16. Conclusion

This chapter presented background of the study, the problem statement, the research purpose and objectives, the research questions and the significance of the study, delimitations and definition of concepts. This is aimed at outlining the type of study to be conducted and the findings and how they are going to be used.

CHAPTER 2: LITERATURE REVIEW

IMPROVING PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEMS

2.1 Introduction

Chapter 1 introduced the study by describing the problem this investigation is designed to deal with. This chapter undertakes a literature review on performance management to provide an understanding of what areas of the field have been pursued. Before the literature on a PMS is discussed, the literature review as such is explained to shed light on the approach. Definitions of Performance Management by several scholars are detailed below to inform a broad understanding of the concept.

Neuman (2006:111) observes that the literature review is based on the assumption that knowledge accumulates and that people learn and build on what others have done. According to Mugenda and Mugenda (2003:29), a literature review helps the researcher to avoid unnecessary and unintentional duplication and demonstrates the researcher's familiarity with the existing body of knowledge on the subject.

The benefits of conducting a literature review in a study have been highlighted by many scholars including Kothari (2004) and Stilwell (2000). In Stilwell's (2000:173) words "a good literature review needs to indicate the different views, agreements, disagreements and trends of thought on the topic of research and be accurately portrayed and acknowledged in the text".

According to Leedy (2001:25) literature review is defined as to look again at the literature (the reports of what others have done in a related area: an area not necessarily identical with but collateral to one's area of study. The purpose of a literature review is to find out what other researchers are saying about the particular study so that another approach would be introduced in order to close the gaps on the previous study.

2.2 Performance management in the public service

According to Armstrong (1995:429), performance management is a means of getting better results from an institution, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements.

Armstrong (2001:1) also defines performance management as "a strategy and integrated process that delivers sustained success to organisations by improving the performance of the people who

work in them and by developing the capabilities of an individual contributor and teams". The Department of Provincial and Local Government, Municipal Planning and Performance Management Regulation (2001:24) defines performance management as a strategic approach to management which equips leaders, managers, workers and stakeholders at different levels with a set of tools and regulatory techniques to regularly plan, continuously monitor, periodically measure and review performance of the institution in terms of indicators and targets for efficiency, effectiveness and impact.

Mondy, Noe and Premeaux (2006:330) define performance management as the process through which managers ensure that employees' activities and outputs are congruent with the organisation's goals, while Van der Waldt (2004:39) defines performance management as all those processes and systems designed to manage and develop performance at the level of public service, specific organisations, components, teams and individuals.

According to Fernandez (2005:261), performance management is an integrated system that involves institutional design, work planning, assessments, and feedback designed with a view to maximising performance at the individual and team levels of motivating and developing staff. This is emphasised by Torrington and Hall (2009:100), who claim that performance management is a framework in which performance can be directed, monitored and refined by human resources, and that the link can be audited.

A performance management system is an authoritative framework for managing employee performance that includes a policy framework and a framework relating to all aspects and elements in the performance cycle, including performance planning and agreement, performance monitoring, review and control, performance appraisal and moderating, and managing the outcome of appraisals (Simeka Management Consulting, 2004:12).

A performance management system gives guidelines on how everything to do with performance management should be done, from goal setting and deciding how to measure accomplishments to providing regular assessments. A performance management system is also a process that begins by translating overall institutional objectives into clear individual objectives that will be set as targets for individual employees on a quarterly or annual basis (Amos et al 2008:286). The performance target of individual employees also sets the agenda for supervisors and individual employees regarding the monitoring and reviewing of performance. It is in those set performance

targets and requirements that the satisfactory or non-satisfactory performance of employees is determined. After such determinations, good performance may be rewarded and poor performance may be improved through appropriate improvement measures, such as training. Good performance refers to a performance where an employee achieves the set performance targets and bad performance refers to a performance where an employee fails to achieve the set performance targets. This researcher believes that Performance Management is the means applied to harness available resources to improve performance, productivity and service delivery.

2.3 Development system

Development is one of the activities to enhance employees' competencies and to improve performance. Nellmapius (1996:01) wrote that development is general and future-orientated. It attempts to enhance personal and organisational potential so that coping with future changes and challenges become easier. It occurs on and off the job and ranges from activities such as short assignments and projects. Erasmus and Van Dyk (1999:02) define the concept of employee development as directed at creating learning opportunities and making learning possible within an institution.

2.4 The implementation of performance management systems in the public sector management

Public sector (service) organisations differ from their private sector counterparts. There is no profit-maximising focus, there is little potential for income generation, and generally speaking, there is no bottom line against which performance can be measured (Martinez 2001). Reports from an Australian organisation revealed that a performance management system had a more positive impact on performance than it did on employees. The work groups that were already performing well benefited from PMS, whereas those that were not, had a more negative attitude to PMS and was less positive about its impact on performance (Harper & Vilkinas 2005).

Barry (1997) reports that Mecklenburg County PMS individualised each component of the work task to suit the particular needs of the department. It involves three steps: performance planning, performance coaching and performance summary. Hall (2002) also reports that most American counties have institutionalised approaches for improving organisational performance. Performance management is one tool that provides for implementing the Government Performance and Results Act (GPRA) of America. GPRA is a law that focuses on interpreting

strategies and resources to get the outcomes needed for unique missions. The focus of the GPRA through the President's Management Agenda (PMA) is a citizen-centred government that is accountable for results.

Reports from an Australian organisation revealed that Performance management system had a more positive impact on performance than it did on employees. The work groups that were already implementing the law, benefited well from a performance management system, whereas those that were not, had a more negative attitude to a Performance management system and was less positive about its impact on performance (Harper & Vilkinas,2005). Herholdt (2007) conducted a study on the evaluation of a PMS within a division of a larger institution in the public sector, focusing on the Department of Health and Human Services of Tasmania in Australia. The research questions undertook to find out whether the performance management system manifests complete operational effectiveness. In this international research, the study found that a performance management system is a complex and integrated process, and if critical prerequisites are not satisfied during the initial stages of its implementation, the institution is unlikely to enjoy the competitive advantage of the system. In this regard, Herholdt (2007) recommends that in order for a performance management system to be successful, an audit of the impact of performance management system implementation has to be conducted continuously, although there is no specific indication regarding the frequency of continuous audits.

The study by Herholdt (2007) provides several significant lessons to public sector institutions. Public services institutions are increasingly recognising that planning and enabling individual performance have a critical effect on institutional performance. It is therefore of paramount importance for institutions to remove outdated systems of performance appraisals and adopt the new PMS which is able to help in linking institutional strategic objectives with individual performance targets.

2.5 Studies on performance management from global perspective

2.5.1 Performance management development system findings from Russia

There are many approaches in the question of performance management in the public sector in Russia. Many specialists consider that public management is somehow "different"; that the same rules that apply to the private sector could not apply to the public, or at least not in the same way. For instance, government agencies do not have a bottom line or profit margin. However, recent

efforts attest, as this study shows again and again, that this is not true. The bottom line for most government and commercial organisations it is their mission. Both government and private organisations have to resolve one question: how to include customers, stakeholders, and employees in their management efforts to reach the balance among the needs and opinions of all these groups (Zaytseva 2010).

The main findings of the studies conducted in Russia on performance management and development systems in both private and public sectors showed that it is not that easy to define who exactly the customer of government agencies is, especially for federal ones.

However, it is not impossible. Despite the fact that Russia has already spent more than ten years moving to the market economy, the socialist traditions and approaches still prevail. They remain immovable in the area of performance management in the public sector in Russia, starting with the question: “Who is the customer?”, and finishing with the question: “How can we reach better performance of civil servants?” There was no formal system of performance management of civil servants in the Soviet Union. The problem of performance was partially resolved through “socialistic competition” and management of the incentives of civil servants performance. This approach has not yet been reviewed (Zaytseva 2010).

We can assert that there are different objectives of performance management system in the companies of different property types. Private companies cannot reach their mission by managing in a vacuum. More specifically, the roles of customers, stakeholders and employees in an organisation’s day-to-day performance are vital to its success and must be incorporated into that success. So, private companies have to manage performance as the unending process, receiving better results on less pay.

In government organisations in Russia, customers are still not taken into consideration. Usually public organisations have more than one mission and at least two types of customers. For example, the Ministry of Energy has both an enforcement and service mission and consequently different customer bases. In order to avoid a conflict between missions, a special system of mediated performance management was elaborated. This system keeps high professional standards, but is not fully connected with the day-to-day results. At the basis of this system are the approaches to classifying, paying and promoting staff. Instead of concentrating on outputs, or outcomes, financial results, service quality or client surveys on customer satisfaction, this system

measures the level of professional qualification as an integral attribute, evaluating the preparedness to show good results on service quality, outputs and outcomes (Zaytseva 2010).

There is a crucial difference between performance measurement systems in the public and private sectors in Russia, especially with respect to specific indicators. Private companies tend to measure both tangible and intangible fields of activity. The main indicators usually are: level of customer satisfaction, level of efficiency, quality and quantity (such as completion) characteristics, timelessness and costs. In other words, the aim of the performance measurement system in private organisations is to cover an organisation's total span of activities and expenditure. In the public sector an organisation's main indicators are the level of collected experience (which is usually substituted by seniority) and accumulated skills and knowledge. Civil servants are expected to constantly develop their skills and knowledge to better correspond to real line job requirements. Professionalism (in this case knowledge of the content of the job), creativity, organisational and management skills are valued as most important among performance measurement indicators. The whole process is called "attestation", meaning that employees have to prove their qualification and receive testimony from their colleagues and Attestation Commission (Zaytseva 2010).

The general trend in performance measurement systems changes its orientation to more extensive measurements. Measurements include more levels, more fields of coverage and more management functions. At the same time the Russian approach to appraising civil servants remains unchanged since Soviet times. Both systems also vary on adopted measurement cycles. In the private sector performance appraisal is done not less than once a year. Results of performance appraisal are closely correlated with the financial management cycles: budgeting, reviewing and evaluating (Zaytseva 2010).

There is a significant limitation in using performance information in public organisations compared to commercial ones. Private companies establish the system with budget and performance-related pay. They use very complicate systems of measures and indicators that allow them to reward employees for personal success. Monetary rewards play a crucial part in comparison to nonmonetary means. Employees can feel this direct dependence between individual effectiveness and pay while receiving annual bonuses and changes in pay. According to the "The Law of Attestation of Public Servants", the attestation procedure is completed not

more often than once in two years, and not less than once in four years. This frequency is related to the main outcome of the attestation, namely grade adjustment. In reality attestation is done once in four years with one exception. An administration can use the procedure as a tool to ground a dismissal (Zaytseva 2010).

Both systems also vary on adapted financial management cycles. According to the traditional Russian approach, attestation is done once in four years. Results of attestation are not connected with the annual financial results of an organisation, although financial efficiency should remain as the main concern of each organisation. As a result, the financial aspect of public sector outputs is lost during the attempts to reach good results in managing civil servants' performance. We could maintain that technical efficiency is likely to be enhanced only if real competition and competitive pressure exists. Public organisations have to be subjected to real and ongoing competitive pressure (Zaytseva 2010).

The only instrument that allows some correlation between success and paying in the public sector in Russia is grade change. As discussed above, attestation is used to measure the individual levels of qualification of civil servants. The results of attestation influence the grade changes of an employee. This system classifies positions according to differences in required qualification and responsibilities and ranks these positions into occupational groups. Each group has a salary schedule and is called a grade. There are 17 grades in Russia. They are the same in all the economic sectors and regions of Russia. It means that there are no adjustments based on cost-of-living analyses and differences in industry branches. Each grade contains a flat salary amount and does not contain incremental steps. To change their salary, a civil servant has to receive a grade change. Employees typically receive grade changes after attestation once in four years (Zaytseva 2010). In practice the progress through increments is usually automatic based on their length of service. It is easy to see that this approach results in very rigid and standardized system of performance related pay. Ideally those grade changes should depend on annual results and individual achievements and not on qualification and level of technical expertise.

2.5.2 Performance management in Australia

Writing about performance management in Australia, specifically in universities, Lonsdale (1998:318) notes the evolution of both performance appraisal and performance management through successive generations. Looking forward, he argues that “management of quality”, will need to be replaced by “management for quality” and this involves “management for performance”. The many concerns raised about performance management is perhaps best summarised by Compton (2005:47): “There has been an enormous amount of research conducted on performance management, making it one of the most praised, criticised and debated human resource practices”.

2.5.2.1 Use of performance management system (PMS) in the Australian public service

In the Australian Public Service (APS), the usage of performance agreements as part-and-parcel of the PMS, is compulsory for Senior Executive Service (SES). In the APS, emphasis is placed on the design of performance agreements, which should:

- reflect an understanding of performance expectations and what is to be achieved over the specified time period
- identify roles and responsibilities, at the generic and role-specific levels;
- include strategies for training and capability and career development; and
- reinforce opportunities for the whole of government work and cross departmental collaboration

The APS also focuses on linking rigorously developed performance agreements as tools for planning, review and assessment to on-going and informal and formal feedback centred on performance improvement (Australian Public Service Commission 2009:7).

Performance agreements are therefore required to; include outcomes and deliverables that are clear and specific; identify lines of accountability; spell out desired behaviours (including those embedded within the APS Values and Code of Conduct); ensure that criteria for performance assessment are clear, agreed and consistently applied.

In addition to the above emphasis, the APS recognises that the “people side” of performance management is of utmost importance. A system’s effectiveness will be limited if its

implementation is emphasised at the expense of the on-going people management aspects. These include using performance outcomes throughout the year to assist in the identification of developmental needs, to recognise where performance excellence is achieved, and to identify where underperformance is occurring and improvement is required. Additional APS literature and reports emphasise that a PMS can only be effective if other organisational factors are in place. These would specifically include the integration of organisational, business and individual planning and performance as part of the integrated approaches to performance contracting and management (Australian Public Service Commission 2009:7).

In addition, the APS emphasises the importance of the “currency” of the PAs. In other words, PAs should not be cast in stone once they have been included. Instead, they should be reviewed periodically in response to changing circumstances in priorities. Notwithstanding the above otherwise sound general principles, the Australian Public Service Commission has noted some important implementation challenges in the public service. Firstly, the commission found that alignment with goals and organisational priorities was uneven. Secondly, there was a need to improve the credibility of the PMS as a whole. In this regard, important aspects to deal with would include perceptions about unfair distribution of performance rewards, ensuring clarity on what constitutes good performance, and promoting a better appreciation of how the system can to help staff improve their performance (Australian Public Service Commission 2009:7).

2.5.2.2 Performance appraisal and performance management: historical perspective

The vast majority of research into performance appraisal (PA) and performance management emanates from developed countries, mostly from the USA and some from Western Europe, in particular the UK (Fletcher 2001). The first formal monitoring systems in the UK were implemented in the 1950s (Houldsworth & Burkinshaw 2008). Performance is managed through commitment to the organisation in the “soft” model, resulting in improved work output. Such commitment comes about when employees are trusted, trained, developed and allows control over their work (Guest 1987).

In 1995 the Hay Group produced a practitioner-based framework for understanding the evolution of performance management. At its most simplistic, it shows performance management as a once-a-year event with little impact on the organisation. At its most sophisticated, the model shows performance management to be perceived as a major integrative force where job design,

organisational priorities, training and development and reward systems are linked, and Performance management is seen as a driver and reinforcer of organisational change (Houldsworth & Burkinshaw 2008:72).

By the late 1990s, according to Armstrong and Baron (1998), PMSs were shifting away from those that measured quantifiable objectives and outcomes to stronger developmental focus. However, this view is contradicted by Pollitt (2006) and Houldsworth and Burkinshaw (2008), who suggest that the pendulum has swung away from PMSs with a developmental focus to systems that integrated metrics as part of their system. Performance measurement according to Pollitt (2006) has become almost universal in northwest Europe, while in his view, performance management is still evolving.

2.5.2.3 Criticism of Performance Management

Connell and Nolan (2004) define performance management as a strategic approach to integrating human resource activities and business policies. Hendry, Bradley and Perkins (1997) argue that the reason many organisations lack a holistic or comprehensive and integrative PMS is because companies do not understand that performance management forms an integral part of strategic planning and implementation.

Busi and Butitici (2006) suggest the difficulties are threefold:

- 1). such an approach requires an *a priori* knowledge base to support both the understanding of the research problem and its implications in context;
- 2). attaining such a knowledge base is difficult, given the varied nature of PM;
- 3). Its inter-disciplinary interest results are different.

Despite these concerns, there is a strong body of evidence to suggest that performance management is a crucial link between HRM systems and process and organisational strategic direction (Nankervis & Compton 2006).

Despite recent research suggesting that performance management is a key component in high performance work practices (Zacharatos, Barling & Iverson 2005), there are still many practitioners who are cynical about performance management processes (Nankervis & Compton 2006). In particular, their dissatisfaction often focuses on the application of the performance appraisal tool and the often judgmental process of performance review (Beer 1981; Parker 2003).

Research by Fletcher (2001) shows that most UK organisations express dissatisfaction with their PMS due to system failure to deliver valid performance ratings and to develop and motivate people. In examining these two approaches, Fletcher (2001) questions whether organisations can accommodate these potentially opposing aims. Accordingly, the performance management tool can be viewed positively as a developmental experience if linked to career progression and training and development, or negatively as an exercise in monitoring and control.

2.5.2.4 Perceived benefits of a performance management system

The following are some of the benefits in Australia as indicated by Morris (2011):

- Improved communication between managers and academics was also seen to benefit the system.
- The development of a performance culture in which people strive for excellence.

2.6 Virginia's experience with performance management

Over the years, most US states have implemented some form of performance management: programme level performance management, agency or department level, performance management, and/or state-wide centralised performance management. "Despite their popularity, PMS have not been as successful as initially projected" (Hill & Andrews 2005:255).

Virginia has been widely respected as having successfully implemented a centralised state-wide PMS (Kissler et al 1998; Hou, Moynihan & Ingraha 2003, The Pew Center on the States 2008). It has created an environment in which performance reform has not been a mere message, but a new organisational value that has withstood political transitions and tough budget cycles (Hill & Andrews 2005:255-256). In 2008, the Pew Center assigned Virginia an A grade for its performance management approaches (The Pew Center on the States 2008).

Virginia's PMS is composed of four components; each component provides essential information to policy-makers, legislators, and taxpayers. The first three components are executive in nature, and the last is executive and legislative. These four components, similar to the National performance management commission recommendation are: strategic planning; performance measurement; programme evaluation and performance budgeting (Virginia Department of Planning and Budget 2010).

In Virginia, the first component, strategic planning, is conducted on a four-year cycle and begins with each agency defining its own internal goals using a variety of needs and issues assessment tools. After this initial process of goal definition has taken place, agencies draft their own strategic plans, which are then presented in a strategic briefing session to representatives from the governor's office, the applicable cabinet secretary, representatives from the Department of Planning and Budgeting, and any necessary employees from the presenting agency. This process allows state decision-makers the ability to provide feedback and guidance to the agency before budget proposals are completed.

The second component of the Virginia PMS is performance measurement, or how Virginia collects, reports, and tracks resources used, work produced, and the results created. In Virginia, staff members use a web-based system to collect input, output, efficiency, quality, and outcome results achieved at a variety of levels.

This is the way that performance information is communicated throughout the state system. According to Hill and Andrews (2005), state administrators also recently added a new component to the performance measurement system and began collecting data on the performance of capital projects and capital investment management.

The third component is programme evaluation. The central Budget and Planning Department and agency level staff perform a variety of performance evaluations to collect and analyse programme performance and to attempt to define why certain outcomes were achieved. In addition to the programme evaluations conducted by Budget and Planning Department staff and certain intra-agency staff, the state auditor's office conducts monitoring and audits programme performance information for accuracy and completeness.

The final component is performance budgeting. Performance budgeting is the process through which Virginia shares planning, measurement, and evaluation information during the budgeting process. Agencies are required to submit performance proposals that outline how budget requests align with both the governor's and agency strategic goals and objectives as part of their budget requests. Legislative budget committees take requests into consideration during budget hearings and negotiations. Budget proposals must include clear demonstrations of how the proposed funding would affect outcomes and show the link funding has to performance outcomes.

Virginia's four components of its PMS "are designed to work together to manage the performance of state government" (Hou, Moynihan & Ingraham 2003:477). According to the Virginia Department of Planning and Budget's website (2010), there are three goals that guide the functioning of the PMS: managing strategy, improving performance, and communicating results. According to Hill and Andrews (2005:263), much effort has also been made to ensure that the "language of performance" is kept in common across agencies.

Virginia's current performance management system (PMS) has been operational since 1995, although state agencies have been required to submit performance goals and measures with budget submissions since the early 1980s. The Strategic Planning, Research, and Evaluation Section of the Department of Planning and Budget, carries out the tasks associated with its PMS.

One of the major reasons Virginia has had success with performance management reforms is due to its implementation process that was "largely based on formal orders and legislation" (Hills & Andrews 2005:261). The legislation that implemented the PMS was created over several years and dictates that state agencies participate in the above outlined performance management activities, and submit the required documentation to officers such as the state auditor, the performance management committee, and to legislative budgeting committee officials (Hill & Andrews 2005). This legislative approach underpins much of the basic PMS and protects it from periods of political change within the executive branch, ensuring that even if there is little gubernatorial interest in performance management, all reforms will not be lost.

2.7 Performance management and development system findings from Minnesota

The review of performance management literature reveals that the basic assumptions and components of performance management are similar despite differences in vocabulary or even level of system implementation. "A common assumption across this literature is that management matters to performance and effectiveness, and that performance is the ultimate goal of public management systems and actions," (Moynihan & Pandey 2005:422).

Scholars researching performance management have identified essential components of a performance management model. "Management control researchers have long proposed that by aligning strategy, structure, and systems, organisational performance should improve" (Epstein & Manzoni 2002:3). Central to the idea of performance management is performance measurement, because without the establishment of both baseline performance data and well

thought-out and meaningful programme metrics, performance cannot be assessed (Harbour 1997).

Trust in provincial, local and state governments has gradually decreased during the last decades in the United States of America. To deal with this issue, the United States of America National Performance Advisory Commission introduced a framework for the state and local government in 2010. With the help of this framework, state governments will focus more on achieving results and providing quality public services to gain the citizen's trust. The National performance management Advisory Commission (2010) discussed in its report four key practice areas that comprise "the performance management cycle":

2.7.1 Performance measurement

Performance measurement is the heart of any functioning PMS. As Radin (2009:505) wrote, "It is difficult to travel far into the public policy community without confronting activities that profess to involve something called performance measurement".

Holzer and Callahan (1993:334) asserted that measurement helps answer such questions as, is an organisation, team, or individual doing the job? Is a programme creating unintended side effects or unanticipated impacts? Is it responsive to the public? Is it fair to all, or does it favour certain groups, inadvertently or deliberately? Does it keep within its proper bounds of authorised activity? Is it cost-effective? In short, is it productive?

In choosing performance measures, competency is of the utmost importance. In the PMS, decisions are made using performance data that theoretically indicate programme performance. Therefore, without the correct measures, decision-making will happen with information not necessarily the most germane to the decision at hand. "Two fundamental questions a performance measurement system needs to address are 'How well is the service provided?' and 'What is the result of the service?'" However, these two questions are only appropriate after organisations have asked "'Where do we want to be?' and 'How do we get there?'" (Roth 2008:53).

2.7.2 Budgeting

Performance budgeting is simply using performance information in the budgeting process. For many years, it was standard government practice to simply fund programmes, agencies, or

functional areas based on previous years' allotments or expenditures, without using performance data to guide budget decisions. Therefore, performance budgeting was created as a way to relate spending to performance and to better, more productive budgeting decisions. In addition to being a helpful decision-making tool, performance budgeting also has a very pragmatic aspect to it, as it links the budget to performance and therefore forces managers and administrators to take performance and planning initiatives seriously. Performance budgeting has been cited as a best practice by the Government Finance Officers Association (1998:4), a professional association of government budget and finance professionals from across the United States and Canada, who present budgeting as an opportunity to:

- establish broad goals to guide government decision-making
- develop approaches to achieve goals
- develop a budget, married to benchmarks that will fund goal achievement
- evaluate performance and make adjustments

2.7.3 Management

Management is one of the most important components of the performance management cycle. It is through the process of continuous programme improvement that change is implemented and improvements are made. However, this can also be one of the most difficult parts of performance management due to the fact that change is very difficult to affect within bureaucratic structures that tend to slow the rate of change. Performance measures are used to determine whether continuous progress is being made.

2.7.4 Programme evaluation

Programme evaluation is the method by which programmes or functional areas are evaluated based on outputs, outcomes and processes. Programme evaluation usually takes the form of reports composed of various data collected and reconciled against programme goals and objectives to determine programme efficacy. This is the portion of the PMS that monitors policy execution.

Mattessich (2003:3), the executive director of Wilder Research, defines programme evaluation as “a systematic process for an organisation to obtain information on its activities, its impacts, and the effectiveness of its work, so that it can improve its activities and describe its

accomplishments”. He further states that essential information for evaluations to take place includes participant/client information, service data, documentation of results or outcomes, and perceptions about your services. Additional evaluation information can include demographic information on the service area or market area that you serve, data about needs in your community and other communities, comparable measures from organisations similar to yours, financial/cost information, or information that identifies the people you serve.

2.8. Role players in performance management

The above section reports on research conducted in other countries with regard to performance management and development system. This section considers the role of managers/supervisors, subordinates and human resource units in the implementation of performance management.

2.8.1 Supervisor’s role

The supervisor’s role in the PMS firstly involves making ratings at the end of an appraisal period. Secondly, they counsel, mentor, coach, and judge performance. Thirdly, they commit to and understand the PMS, and skills in setting expectations, standards, and goals.

Fourthly, they should be skilled in communication, listening, and providing goals. Fifthly, they should be firm when required and emphatic when required; and, finally, management must provide role models for others, taking time and effort to make the system work. This is underscored by Walters (1995:69), who states that the role of the supervisor in performance management as the host of the meeting, therefore he or she should prepare the meeting place, ensure that there are no physical barriers to inhibit the discussions and to appropriately position the participants during the meeting.

According to Leonard and Hilgert (2007:375-377) the supervisor is responsible for firstly evaluating the subordinate, as he or she is in the best position to observe and judge how well the subordinate has performed the job. Secondly, he or she should establish performance expectations on standards. Thirdly, he or she should provide regular feedback on employee performance and, fourthly, keep accurate record of the subordinate’s performance.

2.8.2 Employees’ role

Walters (1995:69) argues that both supervisor and subordinates should prepare for the meeting independently. Each should gather relevant information such as job descriptions, information

concerning previous training and development, any previous performance review documents, information concerning recent performance reviews, and relevant personal data such as health and attendance records.

Therefore, it is necessary that employees should participate actively during the implementation of the performance management and development system. They should: be actively engaged in setting performance standards; actively take part in performance reviews and assessments; be positive when accepting results of the performance reviews and assessments, whether negative or positive; be involved in developing their personal performance plans, ensuring their developmental needs are met (Walters 1995:69).

2.8.3 Human resource units

According to Barton (1994:146), human resource department should perform the following duties:

- Research into the institution's appraisal needs
- Develop systems and preparation of submissions to top management
- Distribution of performance management policy and design of appraisal forms in conjunction with other parties, such as supervisors, union representatives, and employees to be appraised
- Issue instructions to appraisers and organise any training of appraisers and employees to be appraised
- Set time periods for completion of each stage of the process
- Control the stockpile of appraisal forms and information
- Monitor issuing of forms, their completion and return by appraisers

Clark (1988:233) argues that the role of human resource departments is to design the appraisal system, train those who are involved in its implementation, and act as a data collector and storer of data.

After the completion of the appraisal period the HR units should first analyse information resulting from the appraisals. Secondly they should investigate job performance problem areas in conjunction with the appraisers or supervisors and arrange counselling, if necessary. Thirdly,

they should liaise with others units where required, such as training, the unit of occupational health departmental managers to ensure that any necessary follow up action is taken.

Fourthly, they should keep record and monitor individual progress. Fifthly, they should evaluate and review the system periodically to ensure its validity and reliability is being maintained. Sixthly, they should take corrective action such as the re-design of the system if evaluation shows this to be necessary, and monitoring current developments, such as legislation, new systems, and outside help (Commerce Clearing House Australia Limited 1988:111-112).

From the above it can be concluded that the supervisor plays a leading role in the performance management process. His or her role in the implementation of performance management is to set performance standards or targets expected to be achieved by a subordinate; to assess the subordinate's performance frequently; provide regular feedback on the subordinate's performance; to administer the performance management process by keeping accurate records of the subordinate's performance; to provide mentoring and coaching to subordinates, and; to provide logistics support to performance management interviews. HR departments play a supportive role to the managers or supervisors and subordinates. Their role is important for the successful implementation of the PMS. Therefore it can be concluded that the role of HR departments is to coordinate a PMS for the entire institution; to develop a policy on performance management; to design review and assessment forms; to train both supervisors and subordinates on the PMS, policy and how to complete the relevant forms and to keep record of all reviews and assessments.

The next section considers the importance of performance management training towards implementing an effective PMS.

2.9 Remedial interventions to avert disputes arising from implementing the system

Performance management focuses on ways to motivate employees to improve their performance. The goal of the performance management process is performance improvement, initially at the level of the individual employee, and ultimately at the level of the organisation. However, along the way disputes arise. This section discusses some of the remedial intervention that helps to avert disputes arising while implementing the system.

Some of the recommendations made in a study by Munzhedzi (2011) can be used as remedial interventions. Such recommendations are:

- PMS training on the purpose and objective of the system should be conducted annually for all departmental employees;
- The PMS division, Training division and Employee Awareness Programme division should work together to deal with the lack of skills and other problems associated with underperformance;
- Performance targets of both the individual employees and the Department should be clearly defined.

2.10 Performance management training

The previous section dealt with the role that is played by various stakeholders in performance management. This section focuses on training in performance management. This includes training of supervisors and subordinates. The role of training in determining the successful implementation of performance management and development cannot be overemphasised.

Fletcher (2008:98) states that the effectiveness of performance appraisal is related to the training effort put into it by the institutions concerned. Training assists managers and other employees to understand what the thinking behind the PMS is, what it is trying to achieve, and how it is structured and implemented. It further assists in introducing and explaining the forms and paperwork involved. This will assist in allaying anxieties and debating issues during the implementation of performance management (Fletcher, 2008:99). He claims that at the start of the training session it is important that a senior management member speaks briefly in support of the PMS to indicate high-level commitment to it and to emphasise that it is a worthwhile activity.

Training in the PMS should encompass principles of performance management; processes of the system; skills development in formulating objectives and performance measures; understanding bias-free rating; the role of managers and supervisors in handling performance management enquiries; procedural issues relating to confidentiality, handling and storage of system documents and dealing with grievances and common questions and answers relating to the new system (Jorm & Agere 2000:79).

2.10.1 Training supervisors

According to Fletcher (2008:101) supervisors do not have great confidence in their ability to handle appraisal interviews effectively and tend to cling to the paper work. Some have an exaggerated idea of what appraisal involves and what it demands of them. Therefore, training on performance management for supervisors is about providing confidence and about teaching specific skills. He claims that it is vital that training is arranged to ensure that there is enough time for participants to see that they are capable of doing a good job and that training be delivered as close as possible to the time of the first appraisals. Training should reflect the dimensions on which the appraisals have to be assessed; should provide exercises to help course participants to correctly identify the behaviour relevant to each dimension and assess them appropriately; and should outline the main rating and assessment errors (Fletcher, 2008:101).

This is supported by DeCenzo and Robbins (1999:310), who argue that the training of appraisers can minimise common errors such as halo (a mistake or bias in evaluating an individual's performance) and leniency, because supervisors can practice observing and rating behaviours.

Jorm and Agere (2000:80-81) wrote that course material for supervisors and managers should include

- understanding the principles of performance management;
- understanding benefits and processes of the new system;
- drawing departmental work plans from the business plan;
- skills development in formulating objectives and performance measures;
- providing on-going coaching to employees;
- recognising, managing and improving unsatisfactory performance;
- conducting objective appraisal interviews
- completing the appraisal form and using the rating scale fairly and accurately.

2.10.2 Training subordinates

According to Fletcher (2008:109-110), if employees have a significant role in the appraisal process, they should be given some training to make it effective. He argues that the content of

appraisal training can include the following: firstly, background briefing, which includes the aims of the system and how it runs; secondly, how to prepare, which includes completion of a self-appraisal form as an integral part of the process; thirdly, providing guidance on objectives, which includes training on how objectives should be framed; fourthly, discussion of self-assessment, which includes the strengths and weaknesses of self-assessment and reviewing its place in appraisals; fifthly, how to combat anxiety, which includes training on cognitive-behaviour techniques to reduce anxiety; sixthly, assertiveness training, which includes assisting appraisees to put their own point of view across to a supervisor without being emotional or defensive; seventh, how to respond to criticism; and eighth, how to get action, which includes encouraging the appraisee to take the initiative in following up action recommendations to ensure that they are implemented. Jorm and Agere (2000:81) state that the course content of the training manual for employees should include firstly, understanding the principles of performance management; secondly, understanding the benefits and principles of the new system; thirdly, skills development in formulating objectives and performance measures; fourthly, developing draft performance work plans, and fifthly, participating in performance management interviews.

Fisher (1995:185) claims that performance appraisal training should be given to both appraiser and appraisee. He recommends that the training should include guidance and training on competencies, the preparations of performance agreements and plans, the preparation for conducting reviews, ratings and completion of review forms. It can be deduced that training gives supervisors confidence when implementing the system. It makes them aware of possible rating errors and how to avoid such errors. Training also helps managers or supervisors to understand the PMS better.

Training on performance management helps subordinates to understand the aims and objectives of the system. It combats the anxiety that the subordinate might have about the system. It further helps subordinates to draft performance plans and tells them how reviews are conducted and how to complete the relevant forms.

2.11 Performance management from regional countries (African) perspective

2.11.1 Performance management in Nigeria

Performance management is a new concept in human resource management. In Nigeria the performance of staff of executing agencies or public enterprises is limited to budget monitoring and annual performance evaluation. However, experts are of the view that there is no link between employee performance and financial data (Pollitt & Bouckaert 2004).

Performance management is a comprehensive approach for planning and sustaining improvements in the performance of employees and teams to meet standards. In the public sector, annual budgets and annual performance evaluations are used to manage performance-outcomes and behaviour. These deal with the past and not the future.

The absence of PMS has contributed to the high rate of business failures in the public sector. The adoption of PMS will make public business effective, efficient and sustainable. This will turn around the Nigerian public sector and enable it to achieve the national goals and remain an influential institution as “an instrument of public service delivery and development” (Kauzya 2001:3).

It is the obligation of the top management in any organisation to organise a participatory performance appraisal system that would handle all the appraisal activities in the human resource department in the organisation. The need for appropriate appraisal systems cannot be overemphasised in a complex organisation like a university because modern management is today run on a results-based management approach (Akinyele 2010).

According to Akinyele (2010), a performance appraisal system is the only tangible metric way by which an organisation can know the level of performance of its diverse employees. It should be the tool used to evaluate employees' performance and decision support system used for renewing employees' contract. This will ensure that the right employees are retained for the right job. The system should be used to evaluate the employees that are ready for promotion and other motivational rewards. The system should also be used to evaluate the employees who should be coached and prepare them for deployment, transfers on new assignments.

The major factor should include among others the frequency of the appraisal, accurate record system, employees' performance measurement, self-appraisal approach, employees' performance

review, employees' strength and weaknesses, the system as an employee's motivator, the system should be able to provide feedback to employees, the system should be void of bias and the process and procedures for the system should be rateable (Akinyele, 2010).

2.11.2 Performance management in Uganda

Performance management is a continuous process of identifying, measuring and developing the performance of individuals or teams and aligning that performance to the strategic goals of the organisation (Aguinis 2009). A study by Lutwama, Roos and Dolamo (2013) reported that the concept of performance management is relatively new in the Ugandan health sector and lacks documented proof of practice. Uganda has implemented health sector reforms for nearly two decades to improve access and strengthen health care systems. Among the reforms implemented is the decentralisation of responsibility for delivery of health services and management of health care workers from the central Ministry of Health (MoH) to the local governments.

Human resource management challenges have been reported in Uganda. Among these challenges is weak performance management of health care workers. The value for money audit for the health sector programmes that was carried out in Uganda in the year 2006 revealed a number of weaknesses in performance management of health care workers in the districts. The audit revealed significant staffing gaps with many of the 112 districts in Uganda failing to attract and retain qualified health care workers (Lutwama et al 2013).

Performance management challenges of health care workers are not only unique to Uganda. For example, in Mali the performance management of health care workers is almost non-existent, evidenced by lack of job descriptions, poor training needs analysis, subjective support supervision and appraisal systems (Dieleman, Toonen, Toure & Martineau 2006).

According to the Ministry of Health of Uganda (2009), despite the health sector reforms, the health services are not yet up to the required standards. The inadequate performance management might be one of the contributing factors to the deterioration or stagnation of some of the important health indicators under the third health sector strategic plan.

Up to the time of Lutwama's study, the performance management of health care workers in Uganda was not adequately documented. The study investigated the performance management of health care workers in Uganda, specifically to identify the current practices used to manage the

performance of health care workers and to propose strategies for improvement. The following are the proposed strategies from the study.

2.11.2.1 Proposed strategies for improving performance management in the health sector of Uganda

Based on the findings from the study, Lutwama et al (2013) recommended the following strategies for improving performance management in Uganda.

2.11.2.1.1 Understanding the context of performance management in the health sector

The district health service managers must continually scan the environment where the health care workers are operating to identify factors that may affect performance management. They also need to prepare and educate health care workers on processes involved in performance management. In addition, the health service managers should ensure that the individual performance of health care workers is aligned to the mission and objectives of the health sector.

2.11.2.1.2 Performance management planning

The health service managers should establish and agree on the performance expectations of the workers. They have to ensure that all health care workers are clear on benchmarks they will be evaluated upon. Performance plans should be made for each individual worker and should be agreed and signed by both parties.

2.11.2.1.3 Performance review

The performance assessments must be based on targets that were agreed upon during the performance planning meetings. The health service managers should use these performance planning meetings as an opportunity to identify the development needs of their workers. There has to be on-going feedback and coaching throughout the performance cycle.

2.11.2.1.4 Performance feedback

On-going two-way communication should be encouraged throughout the performance cycle. The health service managers must provide regular and constructive feedback to the health care workers regarding their performance. This feedback should be properly documented for future reference. In addition to the feedback the health care workers receive from their managers they should also get feedback from other sources such as the clients and suppliers.

2.11.2.1.5 Coaching

The health service managers should focus on improving their current performance and support the health care workers to build their capabilities for the future.

2.11.2.1.6 Staff training and development

The health service managers must institute mechanisms to keep health care workers abreast with up-to-date knowledge and skills in their profession. There should also be equity in the management and administration of training opportunities at both local and national government levels.

2.11.2.1.7 Rewards and recognition

The health service managers have to create links between performance appraisal results and the reward system in the districts. The rewards and recognition system should be devolved uniformly right from the National Ministry of Health to the health facility levels.

2.12 Conclusion

Performance management has the potential to reform public organisations in ways that will allow managers to manage more efficiently and achieve greater outcomes for their constituencies. An effective PMS for South African public and private sectors should include strategic planning, performance budgeting, employee objectives and learning, continuous improvement of programme operations, customer feedback, and programme evaluation components as highlighted in the literature. Using performance measures, these fundamental performance management components can inform managers and other stakeholders of the results or public value created as a result of government functions. According to the literature, PMS' are growing in sophistication and are continuously undergoing adjustment to fit the needs of the large organisations served.

Performance management reforms are refocusing dialogues concerning public management and are being used as communication tools to provide the public with a sense of government value. The literature from the different countries has shown that performance management is a comprehensive approach to planning and sustaining improvements in the performance of employees to meet the standards. The absence of PMS will contribute to the higher rate of failures in sector organisations.

It is clear that PMSs are products of both management research and the larger political, cultural, and organisational systems in which they operate. Despite the fact that there are differences in the PMS', there is an overall conclusion that these experiences in performance management have increased state government performance and provided better outcomes for citizens.

CHAPTER 3

AN OVERVIEW OF PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM IN SOUTH AFRICA, IN PARTICULAR THE LIMPOPO PROVINCE AND OTHER PROVINCES

3.1 Introduction

Chapter two provided a literature review on improving performance management and development system in other countries outside South Africa. This chapter studies performance management and development system in South Africa. The study focuses on performance management and development system specifically in the Department of Health, Limpopo where the research was conducted. The chapter also includes discussions about other provinces and their municipalities and how they implement performance management and development systems. The improvement of performance management and development system is also considered.

3.2 Geographical background of Limpopo

The province of Limpopo is situated in the north of the Republic of South Africa. It shares borders with the provinces of Gauteng, Mpumalanga and North West; it also shares borders with the Republic of Mozambique, Zimbabwe and Botswana. The province covers an area of 123 910 km² with an estimated population of 5,23 million. Limpopo accounts for 10,6 percent of the population in the Republic of South Africa, which is currently estimated at 49,3 million. This makes Limpopo the fourth most populated province in the country after Gauteng, KwaZulu-Natal and Eastern Cape respectively (Statistics SA 2009).

3.3 Performance management and development system in Limpopo

3.3.1 Performance management and development system at the University of Limpopo

As mentioned in chapter 1, Mogotsi (2002) undertook a study to understand whether the University of the North as an institution of higher learning does display a professional and credible public service delivery both nationally and internationally. The purpose of the study was to deal with the issue of performance management among administrative staff at the University of the North, and to handle low morale, dissatisfaction, demotivation and the declining culture of work performance and accountability.

Mogotsi (2002) highlights the essence of performance management as being linked to institutional targets and objectives and argues that individual targets and objectives must be linked to those of the institution. The need for a common language is paramount to attain the required level of effectiveness and efficiency.

Mogotsi (2002) concludes that management should introduce clear policies and procedures that will guide the administration sector of the institution in what is expected of it to enhance the level of productivity, quality and customer service delivery. The study enriched the body of knowledge of the PMS within the context of a parastatal as expressed within a university environment, but it does not sufficiently answer the challenge of the PMS in the public service contributing to improved productivity as undertaken in this study.

3.3.2 Performance management and development system in the Limpopo Department of Education

Another empirical study by Ravhura (2006) for a Master of Public Administration degree evaluates performance management at the Department of Education in Limpopo. The study assesses the PMS on its methods of application and implementation and the processes involved. The findings of the study recorded that training and awareness about the PMS was lacking, and that insufficient funds were being allocated for the purpose of the PMS in the Department of Education within Limpopo. According to the findings the study further recommends that the Department of Education in Limpopo should provide training to its staff that is responsible for the PMS implementation.

Other relevant recommendations include the need for the departmental staff to become aware of the PMS and the allocation of a sufficient budget for the PMS process. However, it must be cautioned that the issue of the budget recommended by the study may not be possible since it was derived from the Department of Public Service and Administration's framework, which provides that the budget for performance bonuses be limited to 1,5% of the wage or remuneration bill. Pay or salary progression (notch) is limited to 2% of the wage bill of the department. The department may only exceed the budget with the approval of the Executive Authority (Ministers in national departments or Members of Executive Councils in provincial departments) (Ravhura 2006).

3.3.3 Performance management and development system in the Limpopo Province Department of Roads and Transport

Masoga (2007) considered the implementation and management of human resource management development programmes to promote the performance of public servants in the Department of Roads and Transport in Limpopo. Since the focus was on the need for training and development of the public servants, the study found that the newly appointed public service employees do not receive sufficient orientation or training. While the study further found that ad hoc or haphazard training is sometimes provided to the new employees, results are not always evaluated to determine whether the objectives of such training are achieved. Based on these findings, Masoga (2007) concluded that there is a need for a systematic orientation and training of newly appointed employees if the overall performance is to be improved. Performance evaluations should be conducted to determine the training outcome and link such to the institutional results. Erasmus et al (2005:269) argue that when it is found that the performance level of an employee is weak or lacks certain competencies, the PMS provides that training and development interventions be made.

Maila (2006:26) concurs that the key focus of the PMS is that it is development-oriented, hence the provision for training to deal with the skills shortage in terms of their personal development plans and competency profiles. Maloa (2001:33) also maintains in his study that observing work performance and providing feedback about it should be a routine part of a performance management process.

The author argues that feedback or performance reviews are based on observed and verifiable work-related behaviours, actions, statements and results. An observed performance by a supervisor is more likely to result in an objective rating of a subordinate than an unobserved one. Feedback also helps both subordinates and supervisors to plan for the future in terms of performance.

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objective rating on a subordinate than an unobserved one. Feedback also helps both subordinates and supervisors to plan for the future in terms of performance.

3.3.4 Performance management and development system in the Limpopo Province Provincial Legislature

Furthermore, a study conducted by Mabelane (2007) entitled “The practice of performance management in the Limpopo Provincial Legislature” in partial fulfilment of the Master of Public Administration degree has relevance for the understanding of a PMS. The research problem under investigation was “whether existing administrative arrangements allow the provincial legislature to conduct its functions efficiently and effectively in line with the PMS”. The purpose of the research was to explore and investigate the challenges that confront the implementation of Performance Management in the Limpopo Legislature and to provide possible mechanisms to overcome the challenges.

Throughout the discovery of the practice of performance management in the Limpopo legislature, Mabelane (2007:57) found that there is bias and favouritism towards officials with political connections, friendships and other forms of relationships. The study found that the PMS policy of the Limpopo Legislature does not handle actual performance challenges of employees, but is used as a tool to provide employees with annual notch increments. The investigation also found that the performance of all employees is found to be satisfactory without any knowledge of whether employees have reached their quarterly or annual targets.

In light of these findings, Mabelane (2007:64) recommends that the following should be taken into consideration to enhance the PMS within the Limpopo Provincial Legislature:

- Managers should be vigilant in implementing the PMS policy.
- A performance evaluation committee should be established to evaluate the work of the manager to avoid subjectivity.
- The legislature should develop measures to train and retain its highly performing employees.
- The employees’ benefits, such as allowances for high performers, must be attractive.

- The legislature should develop a policy that ensures that salaries of employees who perform well are increased even if they are in the same position.
- The management of the Limpopo Provincial Legislature be retrained and capacitated on leadership and management styles.

Herholdt (2007) conducted a study on the evaluation of a PMS within a division of a larger institution in the public sector, focusing on the Department of Health and Human Services of Tasmania in Australia. The research undertook to find out whether the PMS manifests complete operational effectiveness. In this international research, the study found that a PMS is a complex and integrated process, and if critical prerequisites are not satisfied during the initial stages of its implementation, the institution is unlikely to enjoy the competitive advantage of the system. In this regard, Herholdt (2007) recommends that in order for a PMS to be successful, an audit of the impact of PMS implementation has to be conducted continuously, although there is no specific indication regarding the frequency of continuous audits.

The study by Herholdt (2007) provides several significant lessons to public sector institutions. Public services institutions are increasingly recognising that planning and enabling individual performance have a critical effect on institutional performance. It is therefore of paramount importance for institutions to remove outdated systems of performance appraisals and adopt the new PMS that is able to help in linking institutional strategic objectives with individual performance targets.

According to Ravhura (2006:3), the performance appraisals system was often seen by managers as an irritating administrative chore and as an unfair and arbitrary system of policing by supervisors. Another weakness was that the system did not encourage discussion between managers and subordinates, which has often led to protracted disputes. The system of appraisal was not linked to results or areas of responsibility, but was based on an assessment of generic behaviour and events (South Africa, Department of Public Service and Administration 1999:50). However, the study by Herholdt (2007) should be carefully considered since this study was undertaken in a different environment under the conditions of the Australian public sector and not in South Africa (and in particular Limpopo) as undertaken by this study.

According to Ravhura (2006:3), the previous system of personnel evaluations had the weakness that it required more time from managers for writing reports, filling in forms and holding

assessment meetings. During the time of personnel appraisals officials were unclear about the purpose of their jobs beyond execution of tasks on duty sheets. The rank promotion was implemented selectively (South Africa, Department of Public Service and Administration 1999:50). The PMS was introduced in the public service in 2001.

The literature review included in this study reflects a rich body of knowledge on aspects of the PMS within Public Administration as a major field of study. The reason the PMS was introduced in the public service includes the improvement of performance and the reaching of the set targets. It is pivotal to evaluate whether the PMS indeed contributes to the improvement of productivity. The evaluation should also cover areas of PMS weaknesses and how it should be improved with reference to the Limpopo Department of Health.

3.4 Problems and challenges experienced in the Limpopo region with the implementation of the Department of Correctional Services Performance and Career Management Policy

At the end of each assessment year, the DCS in the Limpopo region institutes an internal audit on assessment documents before the final recommendations are endorsed. This audit is carried out by internal officials who work with performance management in the different management areas that fall within the region. This is normally a cross-audit where officials audit areas where they are not based to ensure objectivity. There is also no direct exchange where an auditor from management area A audits management area B and vice versa within the Limpopo region. The last audit was conducted during 2012 for the assessment of year 2011/2012. All audit findings and recommendations were consolidated. It was found that there were problems in all management areas. The procedure that the auditors followed was to bring the findings to the attention of the audited management area and they received a date by which they had to finalise or rectify the identified mistakes. This practice of quality control is also supported by Armstrong (1999:176), who states that quality control can be achieved by careful initial training, by managers reviewing how performance agreements and reports are completed, and by the HR function monitoring the implementation of the scheme. Following the first complete cycle, a survey was conducted to elicit the views of both managers and staff on how the PMDS is working. The following follows all identified challenges of non-compliance that were identified during the audit. Department of Correctional Services Limpopo region 2012 Internal Audit report findings are discussed in detail as follows.

3.4.1 Assessment forms not signed

One of the findings in the PMDS audit report of 2012 was that assessment forms were not signed. This means that those who should have signed might not accept the contents of the documents. It might also indicate that the documents were not completed at the right time or that employees don't know and understand how to finalise their forms (Ndou 2013:69).

3.4.2 Assessment forms not fully completed

Assessment forms comprise of different sections that must be completed. Incomplete assessment forms are not acceptable as this makes it difficult to administer them. These forms that are not properly completed can lead to a situation where the PMS is compromised since some of the information is only completed after the process was finalised. This could be due to the fact that some employees did not know how to complete their forms (Ndou 2013:69).

3.4.3 Summary motivation not signed

The summary should be completed by the supervisees. It also makes provision for the supervisor to comment and then both the supervisor and the supervisee should sign the document. This document is also used by the supervisor during presentation to the moderating committee. The moderating committee is responsible for moderating the performance assessment of the supervisor and supervisee. Unsigned summary motivations might mean different things that might compromise the whole PMOS process. The unsigned summary motivation might either mean that the supervisee does not agree with it or that the supervisor developed it or presented it without the knowledge of the supervisee. This might lead to unnecessary grievances, and it is therefore important to ensure that the correct procedure is always followed and that the summary motivation is completed and signed by both the supervisor and the supervisee (Ndou 2013:70).

3.4.4 Electronic calculator not used properly

The Microsoft Excel program assists in ensuring that the calculations of scores on assessment forms are done properly before the document is downloaded. In most cases these documents are tampered with or formatted incorrectly, which ultimately affects the calculator on the Excel document. This problem can affect the assessment results if it is not picked up. It might result in points awarded on a person's performance review being too high or too low. If this happens, it

compromises the whole process that can then be flawed because the final results will not be a true reflection of the performance of the individual (Ndou, 2013:70).

3.4.5 Incorrect assessment template used

Since 2007, different templates have been used because of developments that have taken place over this period. The introduction of Occupational Specific Dispensation (OSD) for different categories of employees in the Department of Correctional Services brought about different assessment documents since the assessment tools for these different categories are different even though the system is the same. In the case where a person uses an incorrect form that does not cover the aspects of his or her category, such assessment will not be correct. In cases where this was identified, officials were requested to make use of the correct forms. If the wrong template is allowed, the results are compromised and the final score given will not be a correct reflection of the actual performance in the Department of Correctional Services (Ndou 2013:70).

3.4.6 No work plans included

As already indicated, work plans are always developed from the job description of each employee. These documents form part of the assessment packages because they determine what should be achieved during that performance year. These are the main source documents since the rating given in terms of performance must always be based on what has been achieved during the year. During the audit it was established that some documents did not have work plans, although the moderation had already been conducted. This indicates that there are employees who don't know which forms to complete or how to complete their assessment. When there is a grievance at the end of the process, it will be difficult to compare what has been awarded on performance without a work plan (Ndou 2013:70).

3.4.7 Incorrect dates entered

In the assessment documents there are a number of areas where the date is very important because it determines what was supposed to be done have been done in time. In some cases the dates entered were the same throughout the document. This might mean that the agreement, all performance meetings, mid-term review and the final assessment were completed on the same day. This is an indication that some employees don't understand the Performance Management and development process. Looking at all the non-compliance issues identified during the 2012

PMOS audit exercise for the Limpopo as highlighted above, it can be seen that problems exist with regard to the PMS in the Department of Correctional Service in Limpopo. By dealing with these problems the Department will be able to get a true reflection of its current performance (Ndou 2013:70).

3.5 Government intervention in five Limpopo departments that were put under administration 2011-2012

The National Treasury updated the committee on the interventions into Limpopo initiated in December 2011 in terms of section 100(1)(b) of the Constitution. The interventions were in respect of the provincial Departments of Provincial Treasury, Education, Health, Public Works and Roads and Transport. In the 2011/12 financial year, the Limpopo Provincial Government had accumulated unauthorised expenditure of R2,7 billion, and by October 2011 it was in a dire financial position, having exhausted its overdrafts with both the commercial and Reserve banks. Despite warnings from National Treasury, the Provincial Treasury did not deal with the situation. The specific problems in each of the departments under administration were outlined (Godi 2012).

Three of the departments had received qualified audits, the Department of Health had a disclaimer and Provincial Treasury received an unqualified financial audit, but had severe performance problems. Human resources problems were apparent, particularly in the Department of Education where excess and “ghost” teachers were costing around R1 billion a year. Accruals were high because the departments had insufficient cash flow and financial systems. All showed violation of supply chain management procedures, irregular expenditure in goods and services, and lack of internal controls. This was compounded by the failure of the Provincial Treasury to manage banking and cash properly and to monitor expenditure, budgets and infrastructure. Various key posts were vacant and existing staff were not always capable (Godi 2012).

The Department of Education had received a qualified audit in 2010/11, and its biggest problem was with the management of the human resources functions. There were 2 400 excess teachers, at least another 200 teachers who were registered, but unable to be accounted for physically, costing R1 billion a year, and accumulated unauthorised expenditure was R2,2 billion. Accruals were at R189 million and the Department projected overspending. The Department of Health had an audit disclaimer in 2010/11 because of insufficient audit evidence for commitments of R2,9

billion. It had R400 million of irregular expenditure of goods and services, contraventions of supply chain regulations, R138,2 million unpaid accruals and problems with assets. It had accumulated unauthorised expenditure of R340 million in March 2011. It had spent 59,2% of the budget by October, but was projecting to overspend. The Department of Public Works had a qualified audit for 2010/11 because of problems with asset management, inability to verify assets, and numerous violations of supply chain regulations, including awarding tenders without the proper bid processes, modification of existing contracts to increase tender values and awarding tenders without checking the interest of the bidders. The Department of Roads and Transport also had a qualified audit for 2010/11 because it had no contract management systems in place, was unable to verify commitments of R84,5 million and the internal control systems were lacking, with the accounting officer failing, in particular, to exercise sufficient oversight over the Limpopo Roads Agency (Godi 2012).

There was an accumulated unauthorised expenditure of R67 million by the end of the March 2011. The Limpopo Provincial Treasury, although it received an unqualified audit, had not performed its functions adequately in numerous respects, including banking and cash management, and its dysfunctional public finance functions led to poor expenditure monitoring, budget planning, and infrastructure monitoring. Various key positions had not been filled, and even when staff was in place, they had capacity challenges. Executive committee (Exco) had endorsed illegal procurement processes and there was evidence of illegal payments and irregular lease agreements. There was no risk management function (Godi, 2012).

3.6 Auditor General report on the provincial audit outcomes of Limpopo 2012-2013

After five departments were put under administration in 2011, the Auditor General conducted an audit for the financial year 2012-2013 and there were six areas that were identified to receive more attention. Only the human resource management area is relevant to this study (Auditor General South Africa, 2012:14)

3.6.1 Human resource management

The average overall vacancy rate in the province was 22% at year-end, while that of senior management was 55% and that of the finance units 23%. Of particular concern is that despite the stability at the level of head of supply chain management, findings on procurement management still show a regression, which is an indication of the lack of the requisite skills and competencies

of the incumbents appointed in this position. The most common findings on the management of vacancies and acting positions were senior management positions that were vacant for longer than 12 months and employees acting in positions for more than 12 months. It was found that in some cases senior managers did not have signed performance agreements, or managers were paid service bonuses without signed performance agreements in place. Competencies of key officials and consequences for poor performance are part of the root causes identified, which prevents the provincial administration from improving its overall audit outcomes (Auditor General South Africa 2012:14)

3.6.2 Quality of annual performance reports

Auditees are required to measure their service delivery against the performance indicators and targets set for each of their predetermined performance objectives and to report on it in the annual performance reports. Annual performance reports are audited to determine whether the information in these reports is useful and reliable.

3.6.3 Status of auditees with findings on annual performance reports

The number of departments with findings on either usefulness or reliability of information increased since the previous year, 2010-2011, while those of the public entities showed a marginal improvement. The departments of Agriculture, Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA), Sport, Arts and Culture and the provincial legislature regressed from no findings to findings on the annual performance report. The Capital Hill Investment, Kulungisa (Pty) Ltd, Mapulaneng Investments and VDC Investments failed to prepare the annual performance reports (Auditor General South Africa 2012:22).

3.6.4 Findings on the quality of the annual performance reports

Auditors measured the usefulness of reported information against the criteria of presentation, consistency, relevance and measurability. The findings are mostly attributable to officials who lack the knowledge and skills to report on performance information. Overall, no adequate attention has been paid on reporting of performance information and, consequently, there has not been noticeable progress (Auditor General South Africa 2012:22).

The most common findings on usefulness were the following:

- Indicators or measures were not well defined.
- Reported information was not consistent with planned objectives, indicators/measures and targets.
- Changes to planned performance information were not approved.

Findings on reliability relate to whether the reported information could be traced back to the source data or documentation and whether the reported information was accurate, complete and valid when compared to the source. With proper training, officials can improve their record keeping systems and be more knowledgeable about what is expected when reporting on performance information (Auditor General South Africa 2012:22).

3.7. Performance management and development system in other provinces

3.7.1 Performance management and development system in the Department of Social Development: Father Smangaliso Mkhathshwa Centre

According to the study conducted by Paile (2012:3), performance management and development systems within the Gauteng Department of Social Development were introduced in July 2004. Since then supervisors and subordinates have been in conflict with each other during and after the annual assessment period. Every year during the annual assessment period, the centre experiences tension among staff members, which leads to conflict among the staff and between supervisors and subordinates, stress among staff members (supervisors and subordinates), low morale and a lack of commitment among staff.

During the year 2008/2009 the problem escalated to a point that some staff members refused to be reviewed on a quarterly basis. This was because they were aggrieved by the previous annual assessment processes and outcomes. Some alleged that they formally lodged grievances with the Department to which there has been no response or solution. The aim of Paile's (2012:4) study was to investigate how performance management can improve employees' performance at the Father Smangaliso Mkhathshwa Centre.

The findings indicated that managers use performance management as a tool to control and discipline subordinates, whilst subordinates use performance management as a means of getting extra money through performance bonuses. This could be the reason that performance

assessment period is viewed as a period of high tension between supervisors and subordinates (Paile 2012:3).

3.7.2 An evaluation of Performance Management in the public service: Gauteng Health Department

According to the study conducted by Letsoalo (2007:10), the aim of the study was to evaluate performance management in the public service, particularly the Gauteng Department of Health, and to find out about the attitudes of employees towards PMS. Data were collected from two health care institutions, Natalspruit Hospital and Tamabo Memorial Hospital, were analysed and subjected to scrupulous statistical analysis. The findings of the study highlighted the significance of performance management and provided insight into the perceptions and components of performance of management. The way in which performance management is implemented at Natalspruit Hospital and Tambo Memorial Hospital is known. The attitude and perception of employees towards the performance management and development system is also known.

The results indicated that performance management is not effective and was not properly implemented in the two hospitals. A strong correlation was found between the ways in which PMS is implemented and the attitude of employees towards it. The hospital to which the employees belong, their positions and their salary level also played a role. This suggests that the more PM is properly and fairly implemented, the greater the impact on service delivery as the employees will have a positive attitude towards it. The study recommended that there should be continuous training on the performance management and development systems within the hospitals. The findings of the study showed that PMDS is not implemented similarly. This means that the understanding and interpretation of a performance management policy also differs. Therefore, continuous training regarding the system will assist in reminding managers, supervisors and staff what is expected from them as far as permanent management is concerned.

It was recommended in the study that the Gauteng Department of Health should try by all means to attract and retain more employees to eliminate shortage of staff. The participants indicated that the shortage of staff is the main contributing factor to ineffective performance management, which leads to poor service delivery.

3.7.3 Implementation of performance management and development, KwaZulu-Natal

According to the study conducted by Singh (2010:116), the Performance Management and development system has been in effect since April 2002. The main purpose has been to improve productivity and organisational performance. The study wanted to examine linkages between performances of the Senior Management Service and the performance of the KwaZulu-Natal Department of Education to ascertain whether the Department's goals are being achieved. Performance management and development systems for senior managers in the South African Public Service was introduced in 2002 with a view to improve productivity, individual and organisational performance.

3.7.3.1 In terms of improving performance, the following recommendations were provided from the study conducted in Kwa-Zulu Natal

3.7.3.1.1 Fixed-term performance contract

A team approach to Performance Management should be adopted. A manager cannot be performing satisfactorily if the entire team under his/her charge is performing poorly. Similarly, the corollary is that the organisation cannot perform poorly if all the individuals are performing above expectation. There has to be semblance of synergy and congruence between the performance of the individual and the performance of the individual. As discussed above, it is recommended that the results obtained by the organisation must be incorporated into the final assessment of the individual. Besides the Head of Department, all other Senior Managers are not bound by five-year fixed term contracts. It is recommended that all Senior Managers be subjected to a five-year performance contract that is renewable and their continued employment and tenure would be dependent on their performance over the previous five years. When public officials are employed for life their performance wanes, their morale and the morale of the organisation is affected.

Security of tenure comes with its own set of problems. Hughes (2003:163) states: "If public servants do not expect to be employed for life, they should have fewer morale problems than those earlier employees who thought that they would be". Employees treat the organisation as their fiefdom, mediocre performance becomes the norm and pay progression is taken for granted. A fixed-term contract with specific performance targets will ensure that individual performance is high, resulting in much higher organisational performance than in instances where there is no

fixed term contract. It would reward those managers who are prepared and weed out those laggards who see the public service as a place for an easy life.

3.7.3.1.2 Assessing competency

The suitability of core management criteria must be revisited and competency assessment should not form part of the appraisal process. Daley (1992:178) states that skills and abilities can be used as criteria for assessing performance, however, behaviours are inadequate to differentiate between different performance levels. It merely indicates what is necessary to perform a job adequately. Skills development is a core element of the PMDS and the Department and having a provincial skills development units staffed with both professional and administrative personnel is essential to dealing with the developmental needs of the senior management members. Particular attention should be paid to recruiting highly specialised personnel who can deal with the developmental needs of personnel, across the education spectrum.

Funding for this may be easily available through accessing the Skills Development Fund levy. These Skills Development Units can be operative at both Head Office and district levels. Managers must undergo competency assessment prior to appointment and half/way through the fixed five-year contract another assessment should be conducted to ascertain the progress made and to provide further training and development where necessary. It should be done by external agencies for development purposes. Managers who fail to make progress despite having undergone training and development programmes should have their contracts terminated. This action would not in any way constitute unfair labour practice (Labour Relations Act 66 of 1995, section 186).

3.7.3.1.3 External moderators

The element of bias in any appraisal or PMS is omnipresent. To ensure that there is fairness and objectivity in the individual assessment process it is recommended that external moderators be engaged to provide such a service. Since after five years the continued tenure of a manager will be based on performance, an external arbiter's role becomes ever so important.

3.8 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 (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).

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 the following:

3.8.1 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.

3.8.2 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.

According to 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:

- The need to provide feedback to the employee.
- How serious a failure would be for the organisation and the employee?

- The time required to produce a measurable result
- Deadlines, target dates and production schedules to be met.
- Events generated by other parts of the organisation.
- Other factors that may be unique to the job, the employee or the organisation.

3.9 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 judgment 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 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:

- showing the employee the results of a sample of his/her performance
- personal conferences and reviews
- day-to-day comments, such as “that’s good work”
- encouraging self-evaluation
- posting performance statistics
- using automatic recording devices to measure output
- quality control programmes
- graphic displays of performance measures.

Holpp (2012) holds a different view and believe in reinforcing good performance through rewards and recognition. The argument he puts 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.

3.10 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).

3.10.1 Causes beyond the control of the employee

Inadequate performance can be caused by circumstances and conditions beyond the control of the employee (Mager & Pipe 1990). These may include

- poor policies and procedures
- inadequate job design
- faulty measures of performance
- ineffective communication of the performance standard
- inadequate tools and materials
- lack of knowledge or skills
- ineffective training

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 employer and need to be factored in the employee's Performance Management appraisal.

3.10.2 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).

3.10.3 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 (Falcone & Sachs 2007).

3.10.4 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).

3.10.5 Why is performance management essential?

Performance management deals with the challenge organisations face in defining, measuring, and stimulating employee performance, with the ultimate goal of improving organisational performance. Performance management has come to signify more than a list of singular practices; rather, it is seen as an integrated process in which managers' work with their employees to set expectations, measure and review results and reward performance, to improve employee performance, with the ultimate aim of positively affecting organisational success (Mondy et al 2002). This same emphasis is found in the literature on strategic Human Resource Management (HRM) emphasising the importance of so-called high performance work systems (Appelbaum et al 2000).

According to Roberts (2001), Performance Management involves: the setting of corporate, departmental, team, and individual objectives (sometimes labelled "policy deployment"; the cascading down of strategic objectives to a meaningful set of targets for every individual involved); the use of performance appraisal systems, appropriate reward strategies and schemes;

training and development strategies and plans; feedback, communication and coaching; individual career planning; mechanisms for monitoring the effectiveness of PMS; interventions and even culture management. Thus, performance management involves the day-to-day management, and the support and development of people.

3.11 Conclusion

Existing literature about performance management in the public service has been reviewed. Areas of studies that were pursued by different scholars were explored in detail. Chapter 3 covered studies on performance management and development system from Limpopo and other provinces, reports from the Auditor General of South Africa that resulted in five of the department put under administration in 2010 and the intervention made by government were also discussed. Poor performance management has always been at the centre and most departments did not comply according to audit reports. PMDS is a tool that is used in all South African provincial departments, as such few departments outside Limpopo were compared to the Limpopo Department of Health, on whether there is consistency in terms of system implementation and to check on how well can the implementation of PMDS in the Limpopo Department of Health be improved.

The following chapter explains the design and research methodology.

CHAPTER 4

RESEARCH DESIGN AND RESEARCH METHODOLOGY

4.1 Introduction

Chapters 2 and 3 presented a literature review on performance management and development systems in South Africa and other countries on similar topics. Chapter 4 presents the research method that was used in the study to collect data. This chapter begins with the theoretical basis of the qualitative and quantitative methodology. This is followed by a description of the design of the study, including interviewing of informants and data collection.

4.2 Research aims and objectives

- To identify the performance management related challenges during PMDS implementation faced by the Limpopo Department of Health.
- To assess the impact of PMS in the Limpopo Department of Health.
- To explore whether the PMS in the Department of Health contributes to the improvement of productivity as intended.
- To recommend solutions that can increase effectiveness of human resource performance in the Limpopo Department of Health.

The empirical study deals with the following main research questions as outlined in chapter 1:

- What challenges does the Department of Health experience in implementing the PMDS?
- How does the employer link the implementation of the system to the total departmental output?

4.3 Research design and research methodology

4.3.1 Study setting

The study was conducted in Limpopo which is situated in the north of the Republic of South Africa. Although there are several districts in Limpopo: Vhembe, Mopani, Sekhukhune, Waterberg and Capricorn district respectively, this study will only be conducted in the Capricorn District only, see figure 4.3.1.1 below.

Figure 4.3.1.1 Limpopo Province Districts



<http://www.localgovernment.co.za/provinces/view/5/limpopo>

4.3.2 Research design

De Vos, Strydom, Fouche, and Delport (2002:124) define a research design as a blue print or detailed plan on how a research study will be measured, or outlined, for conducting a study in such a way that maximum control will be exercised over factors that could interfere with the validity of the research questions. The research design is the researcher's overall plan for obtaining answers to the research question guiding the study. De Vos et al (2002:126) state that designing a study helps researchers to plan and implement a study in a way that will help them obtain the intended results, thus increasing the chances of obtaining information that could be associated with the real situation. Social research needs a design or a structure before data collection or analysis can commence. A research design details what has to be done to complete the project and how the work plan will flow to achieve the outcomes of the project.

The function of a research design is to ensure that evidence obtained enables the researcher to answer the initial question as unambiguously as possible. Obtaining relevant evidence entails specifying the type of data or information needed to answer the research question, to test a

theory, to evaluate a programme or to accurately describe some phenomenon. A research design deals with a logical problem - not a logistical problem. Too often researchers design questionnaires or begin interviewing far too early, before thinking through what information they require to answer their research questions. Without attending to these research design principles at the beginning, the conclusion reached will normally be weak and unconvincing and fail to answer the research question (Leedy 2001:125).

The research design for this study is as follows: qualitative and quantitative research; the population of the study includes the Limpopo Department of Health employees; probability sampling in a form of random sampling technique will be used. Data were collected through questionnaires and interviews.

4.3.3 Qualitative and quantitative research

According to Mouton (2001:13) qualitative research refers to collecting, analysing, and interpreting data by observing what people do and say, whereas, quantitative research refers to counts and measures of things, qualitative research refers to the meaning, concepts, definitions, characteristics, metaphors, symbols and descriptions of things. Qualitative research is much more subjective than quantitative research and uses very different methods of collecting information, mainly individual, in-depth interviews and focus group (Redman & Morry 2009:27).

This study will use the qualitative method to collect and gather data from the participants, through questionnaires and interviews.

4.3.3.1 Population

According Serantakos, (1998:110) population is generally a large collection of individuals or objects that is the main focus of a scientific query. It is also known as a well-defined collection of individuals or objects known to have similar characteristics. All individuals or objects within a certain population usually have common, binding characteristics or traits. A population is also defined as a group of individual or items that share one or more characteristics from which data can be gathered and analysed (Leedy 2001:74). Population is the totality of all subjects that conform to a set of specifications, comprising the entire group that is of interest to the researcher and whom the researcher results can be generalised. Therefore, in this study the population refers to the Limpopo Department of Health at Capricorn district level only, which is 498 employees.

4.3.3.2 Sampling

According to Burns and Grove (2005:115) sampling is the act, process, or technique of selecting a suitable sample, or a representative part of a population for the purpose of determining parameters or characteristics of the whole population. A sample is a portion or a subset of the research population selected to participate in a study, representing the research population. The target group was the Limpopo Department of Health, with a total number of 498 employees. De Vos, et al (2002:200) stated that a sample must form ten per cent of the population to be representative of the population.

In sampling, a distinction can be made between probability and non-probability sampling. In probability samples there is a probability that any element or member of the population might be included in the population, whilst in non-probability sample some elements have no chance of being included. Probability sampling includes simple random samples, stratified random samples, systematic samples and cluster samples. Non-probability sampling includes accidental or incidental samples, quota samples, purposive samples, snowball, self-selection samples and convenience samples (Welman, Kruger & Mitchell 2005:56).

The advantage of probability sample is that it allows one to indicate the probability with which sample results deviate in differing degrees from the corresponding population values (Welman & Kruger 2001:47). The study utilised probability sample due to its advantages.

Stratified random sampling was used to select 50 respondents. David and Sutton (2004) explain stratified sampling as when the population is broken down into categories, and a random sample is taken of each category. These proportions of the sample sizes are the same as the proportion of each category of the whole. The strata in this case were the employee levels and gender in the department (from top management level to junior level). The payroll list was used to select the participants. Top management and middle management participated in the interviews because the assumption is that they are more knowledgeable and have decision-making powers with regard to improving the performance management system, general workers and administrative officers participated by completing questionnaires, because these are officials who are mostly reviewed on their performance in the department.

Table 4.3.3.2.1 below shows the sample drawn from the Limpopo Department of Health according to employee position

Employee level	Employees in each level	10% of employees per level	% of the population
Executive managers	15	1	3%
Senior managers	31	3	6%
Managers	126	13	25%
Deputy managers	105	11	21%
Admin officers	183	18	37%
General workers	38	4	8%
Total	498	50	100%

4.3.4 Research methodology

According to Serantakos (1998) research methodology is a way to find out the result of a given problem on a specific matter or problem that is also referred as research problem. In methodology, the researcher uses different criteria for solving/searching the given research problem. Different sources use different type of methods for solving the problem. In research methodology, the researcher always tries to search the given question systematically in his/her own way and find out all the answers till conclusion (Goddard & Melville 2004:142). If a research does not work systematically on a problem, there would be less possibility to come to the final result. For finding or exploring research questions, a researcher faces lots of problems that can be effectively resolved by using correct research methodology (Goddard & Melville 2004:145).

The study was conducted using a number of methods, amongst which included survey questionnaire and face-to-face interviews. The methods will vary depending on the type of audience. The target audiences are general workers, admin officers, middle management and

senior management in the Department of Health, Limpopo. The total number of sampled participants was 50 (40 questionnaires and 10 interviews).

4.3.4.1 Survey questionnaires

A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Mouton 2001:65). A questionnaire contains both closed- and open-ended questions. Questions that can be answered with either a single word or short phrase are close-ended questions whereas open-ended questions allow the respondent to provide a long answer to a particular question. The researcher will use questionnaires to collect data from the respondents (Leedy 2001:124).

The structure of the questionnaire consisted of closed-ended questions, the first part of the questionnaire dealt with biographical data, second part was on the participant's understanding of performance management and development systems, the third section was on the effectiveness of performance management system and the fourth section was on the perception of employees regarding the performance management system. The payroll list was used to randomly select forty participants in the Department of Health.

4.3.4.2 Interviews

Interviews are a method of data collection, information or opinion gathering that specifically involves asking a series of questions. Typically, an interview represents a meeting or dialogue between people where personal and social interaction occur. However, developments in computer and information technology have resulted in other formats, for example, internet interviews. Interviews are typically associated with both quantitative and qualitative social research and are often used alongside other methods. Although interviews can be generally defined and have some commonality of meaning, they can vary enormously in terms of the context or setting in which they are carried out, the purpose they serve and how they are structured and conducted. This gives rise to many different types of interviews. Most commonly, interviews are conducted on a face-to-face basis and they can take a variety of forms (Davies 2006).

Welman et al (2005:166) state that in semi-structured interviews the researcher has a list of themes and questions to be covered, although these may vary from one interview to the next.

Semi-structured interviews consisting of open ended questions were conducted with 10 respondents of high and middle management. The focus of the interviews was to explore different PMS related challenges and their potential implications on overall service delivery.

4.4 Data processing

After data have been collected, a number of stages followed in readiness for data presentation and analysis, data editing, coding, definitions of data lists, preparation for data file, data entry, and data cleaning. Kannae (2004:60) defines data processing as involving the preparation of data for the analysis, and he further describes data editing as a process of examining the complete questionnaires and data collection sheets for correction of errors and mistakes. The errors could include omissions and commissions.

1. Coding of data

The data that were collected were coded giving symbols for each type of variable. Kannae (2004:60) defines data coding as the assignment of symbols for each category of variable in the study. For instance, 1 = male, and 2 = female. The coding was done after the field work.

2. Post coding

A code book will also be prepared for all the data which were collected, which gave specific meanings of each numeric code. A data file for data entry was prepared where all the data were entered, and a format of Statistical Package for Social Sciences (SPSS) data software format was used.

Kannae (2004:61) suggests that SPSS has the following undertakings:

- ✓ Assigning identity numbers to each case.
- ✓ Preparation of variable list and names.
- ✓ Assigning of codes to response categories.
- ✓ Assignment of variable and variable labels.
- ✓ Determination of column width.
- ✓ Determination of type of variable 9.
- ✓ Giving a name to the data file.

3. Data entry

Kannae (2004) defines data entry as the process of creating a data file and keying in data. Data will finally be entered into the prepared file. The file was divided into columns and rows. Then data are to be cleaned, which involves running preliminary frequencies of all the variables to make sure that variable names and response categories/values are correct and valid. Kannae (2004) supports this by stating that data cleaning is vital because incorrect or invalid values will introduce some margin of error into analysed data, thus making it less credible.

4.5 Ethical considerations

For Punch (2005:276), “all social research involves ethical issues, as social research involves the collecting of data from people as the subjects under study”. The main ethical principles in research would include issues such as no harm to respondents, informed consent, privacy and confidentiality, cooperation, competence of researchers, and publication of findings. In this study, the following ethical issues were relevant: informed consent, privacy and confidentiality, and the publication of results. All respondents that took part in this study are to be informed about their rights.

Anonymity and confidentiality of respondents were preserved by taking precautionary measures to protect the right to privacy by not indicating their names. To protect this right, the following method was followed: only a code would identify the respondent; and names and dates would not be used in any reports when publishing results. Also, research results would be made available to respondents on request.

4.6 Conclusion

Once the research problem had been defined, it was necessary to decide on the approach to use when investigating the problem. In this study, the focus was on utilising the qualitative research method, emphasising an exploratory and descriptive design to performance management and development systems in the Department of Health. The defined population for this study included employees from the Limpopo Department of Health at Capricorn district level and excluded other districts.

In this chapter, the data collection methods have been discussed, which included survey questionnaires, interviews, and observations. The procedure to follow after data has been collected such as data processing, which includes editing, coding, definitions of data lists, data files preparation, and data cleaning has been discussed. Ethical considerations were also highlighted in this chapter to ensure that participants are well informed about their rights to participate and not to participate in the intended study. Permission will also be obtained from the Department of Health, Limpopo to conduct the identified study.

The following chapter explains data analysis.

CHAPTER 5

DATA ANALYSIS AND INTERPRETATION

5.1 Introduction

Chapter 4 discussed the research design and methodology which also included appropriate data collection methods. The primary focus of this chapter is to present the findings and to analyse the research data obtained. The analysis is based on the research data collected through the various methods discussed in chapter 4, including a questionnaire and interview. Responses from several questions asked in the questionnaire are discussed in detail. This chapter intends to also provide possible solutions to the problem statement as highlighted in chapter 1 which seeks to understand whether the PMS of the Department of Health in Limpopo contributes to the improvement of productivity. The profile of the respondents is also briefly discussed. Data are statistically presented in a figure form.

5.2 Analysis of a data from questionnaire

SECTION A: BIOGRAPHIC INFORMATION

This section in the questionnaire covered age group, the participant's level of qualification and work experience in the public service. The reason why the research covered above-mentioned aspects is because they are important, as they would provide views from different genders, level of experience in public service dealing with performance appraisal and the level of qualification is instrumental.

Figure 5.2.1 Gender

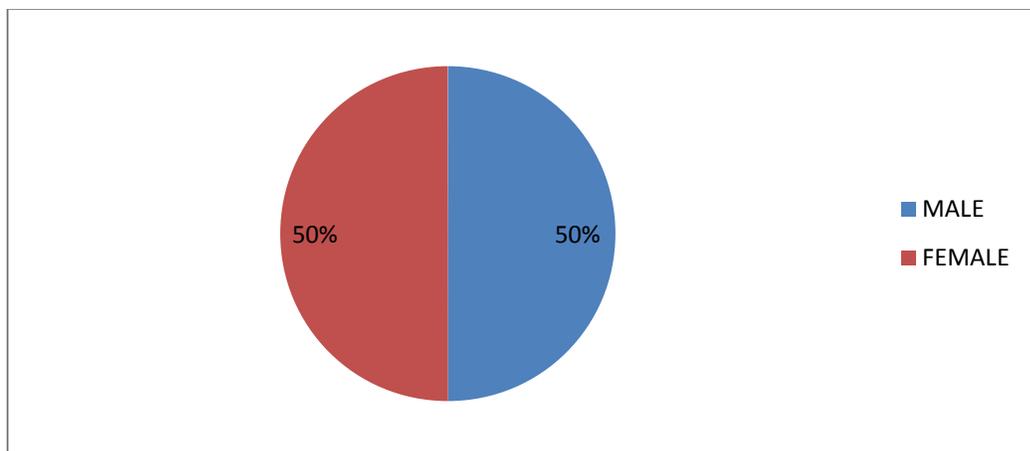


Figure 5.2.1 shows that 20 (50%) of male respondents and 20 (50%) female respondents completed the questionnaire. This shows level of fairness as it provided perspectives regarding performance appraisal from different genders.

Figure 5.2.2 Age

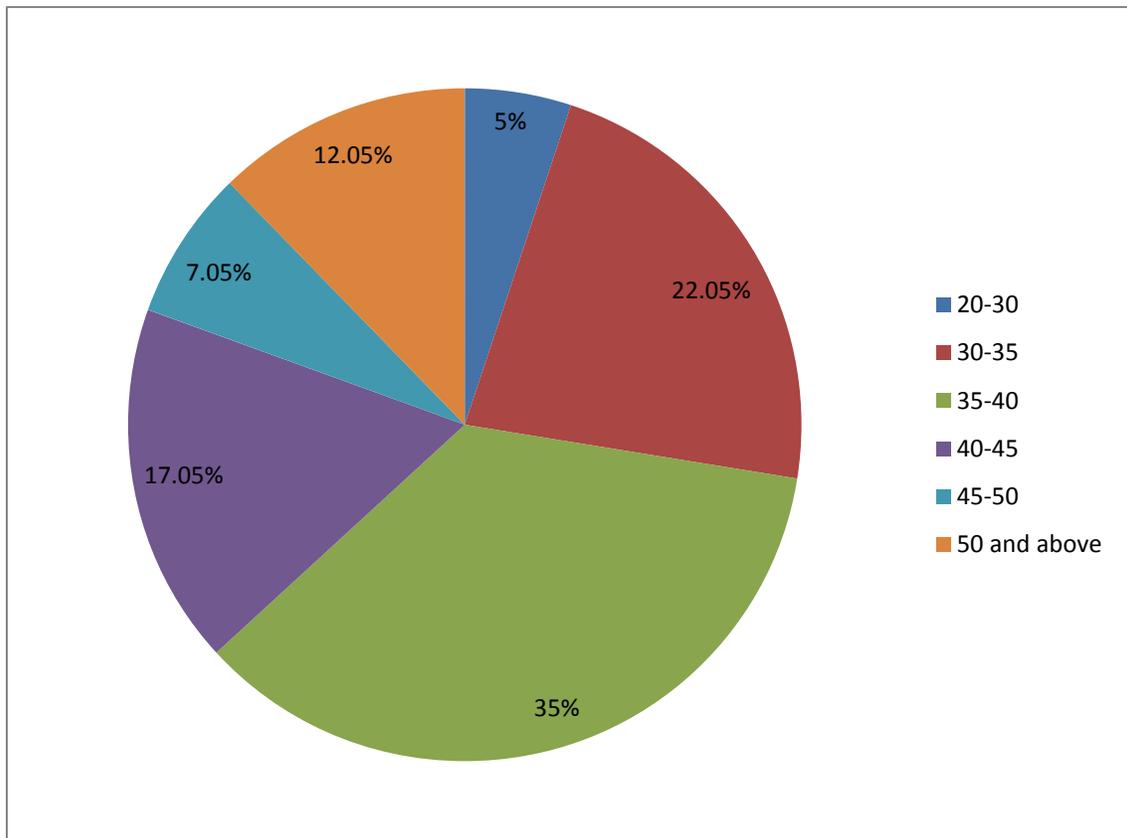


Figure 5.2.2 reveals that 2 (5%) of the respondents are between the age of 25 to 30 years, 9 (22,5%) are between 30 and 35 years, 14 (35%) are between the age of 35 to 40 years, 7 (17,5%) from the age of 40 to 45 years, 3 (7,5%) of the respondents are between the age 45 to 50, 5 (12,5%) of the respondents are between the ages 50 and above. This means that majority of the employees at Department of Health, Capricorn district are between the ages of 35 and 40.

Figure 5.2.3 Level of education

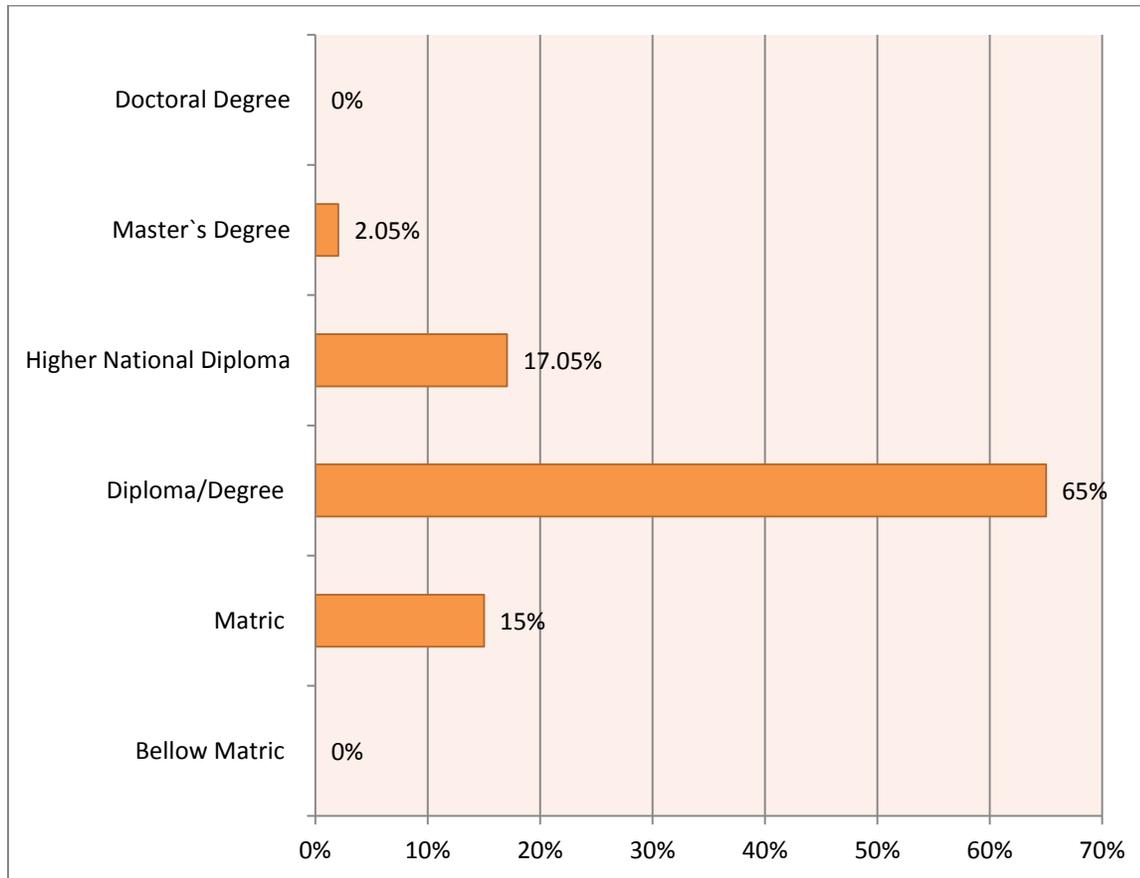


Figure 5.2.3 shows that none of the respondents are below matric, 6 (15%) completed matric, 26 (65%) obtained a degree or diploma, 7 (17,5%) obtained a Higher National Diploma, 1 (2,5%) obtained a master's degree and none of the respondents obtained a doctoral degree. This means the majority of the employees are educated and have either a diploma or degree, which has played a pivotal in the study.

Figure 5.2.4 Employee level in the organisation

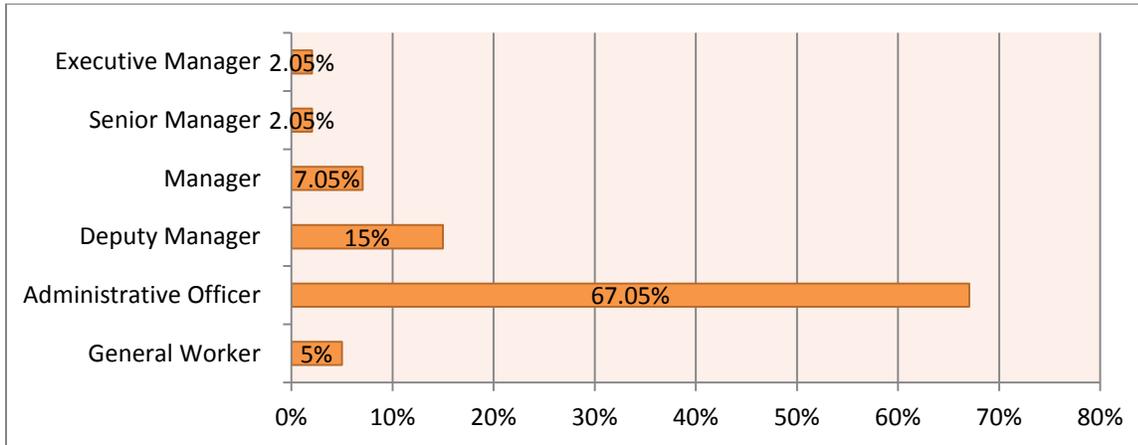


Figure 5.2.4 shows that 2 (5%) of the respondents are general workers, 27 (67,5%) of the respondents are administrative officers, 6 (15%) of the respondents are deputy managers, 3 (7,5%) of the respondents are managers, 1 (2,5%) of the respondents is a senior manager, 1 (2,5%) of the respondents is an executive manager. This means that most of the participants are administrative officers and contributed immensely on the study due to the fact that they have been reviewed on several occasions.

Figure 5.2.5 Employee work experience in the department

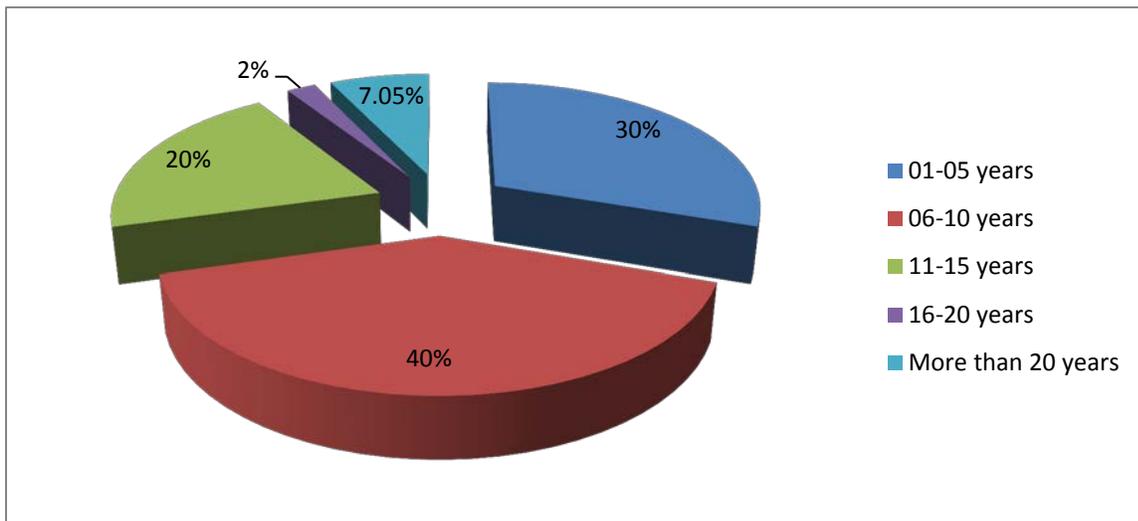


Figure 5.2.5 shows that 12 (30%) of the respondents have experience of about 1 to 5 years in the department, 16 (40%) of the respondents have 6 to 10 years' experience in the department, 8 (20%) of the respondents have experience of between 11 and 15 years in the department, 1

(2,5%) of the respondents has between 16 and 20 years' experience, 3 (7,5%) of the respondents have more than 20 years' experience in the department. This means that participants have been exposed to the performance management system as is conducted on a quarterly basis and none of them has indicated not to have experience.

5.3 SECTION B: UNDERSTANDING OF PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

This section covered the participant's knowledge of PMDS, whether they were trained on PMDS or not, PMDS achievements in their current department, reasons for having PMDS in the department and whether performance goals for employees are set. The factors mentioned above are very significant towards the study.

Figure 5.3.1 Employee's knowledge of PMDS

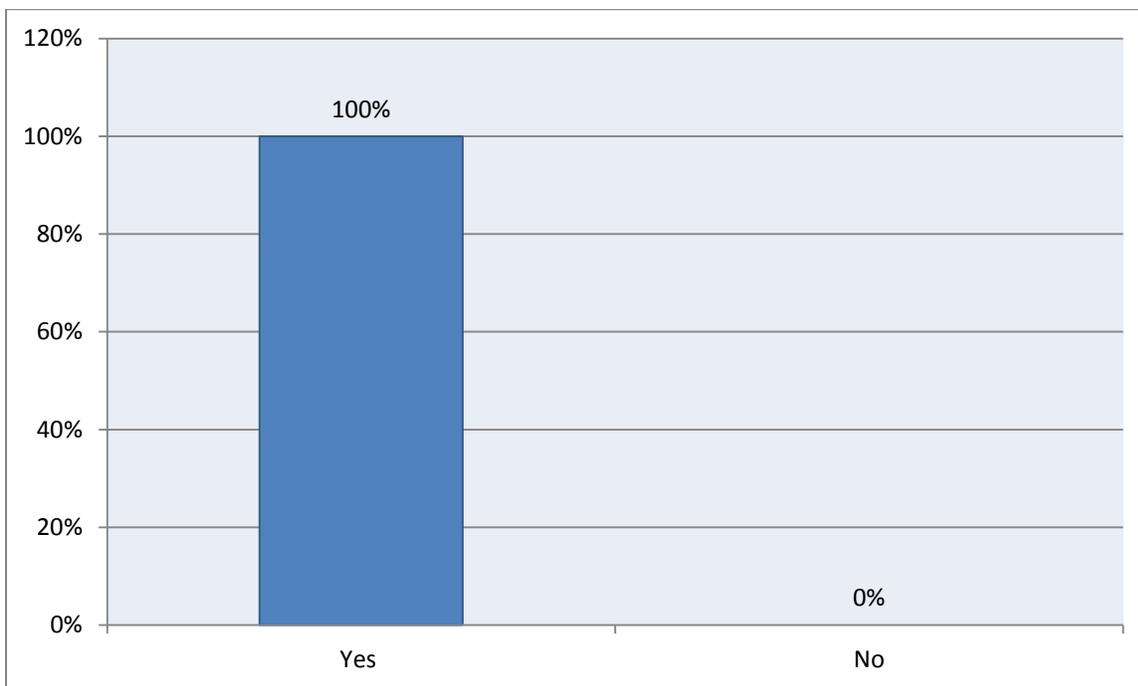


Figure 5.3.1 shows that 40 (100%) of the respondents knows about PMDS, none (0%) of the respondents does not know about PMDS. This means that participants understood clearly what the PMDS is all about and this contributed a lot to the study.

Figure 5.3.2 Training on PMDS

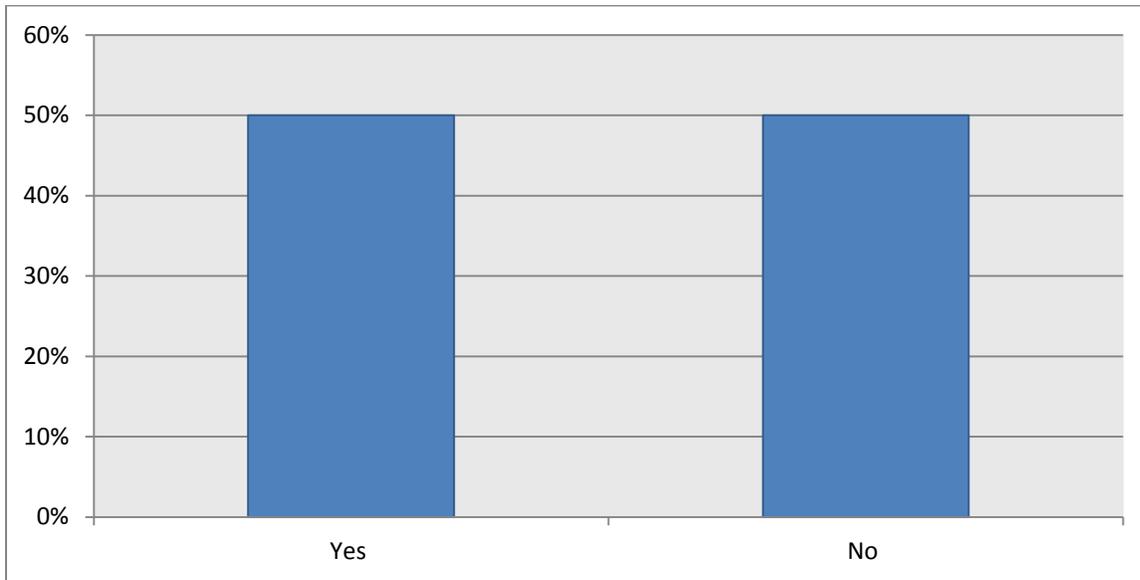


Figure 5.3.2 shows that 20 (50%) of the respondents were trained in PMDS, 20 (50%) of the respondents were not trained in PMDS. This means that half of the officials needed to be trained and this would also improve performance in the department and understanding of performance appraisals by employees.

Figure 5.3.3 PMDS achieve the objectives for which it was intended

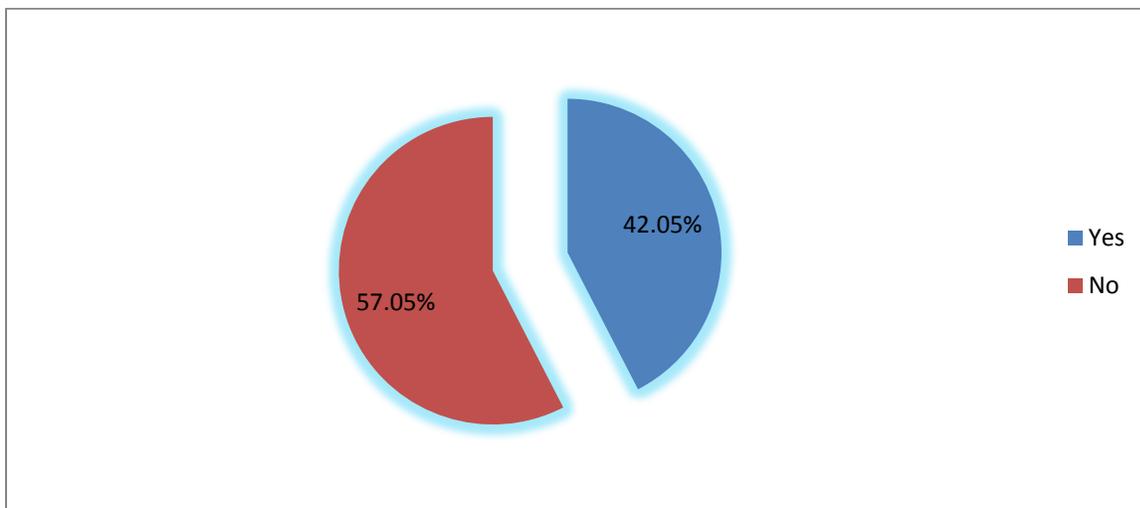


Figure 5.3.3 shows that 17 (42,5%) of the respondents believe that PMDS achieve the objective which it was intended for, 23 (57,5%) are of the belief that PMDS does not achieve the objective it was intended for.

Figure 5.3.4 Employees link their implementation of the system to the total departmental output

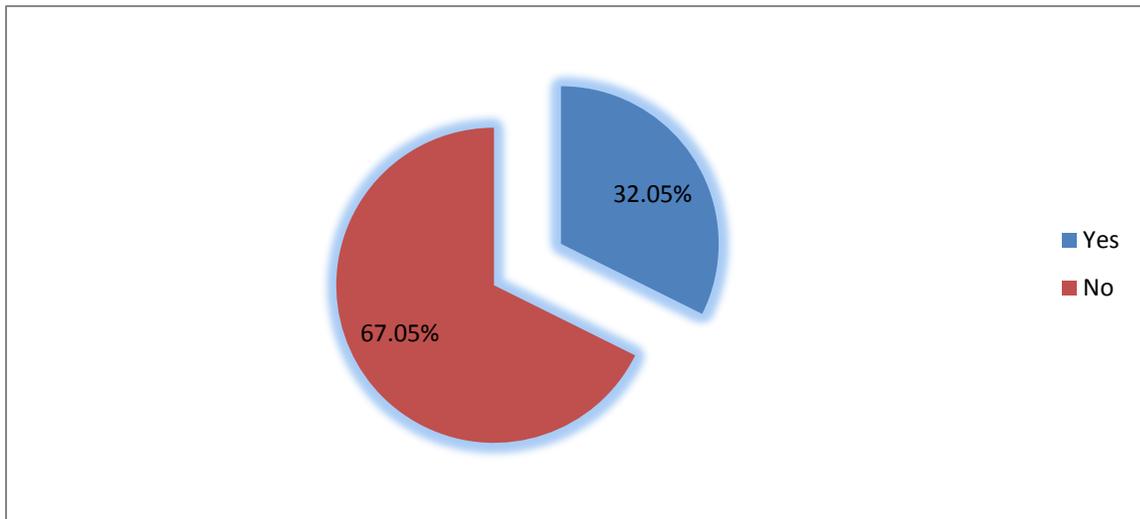


Figure 5.3.4 shows that 13 (32,5%) of the respondents believe that individual employees link their implementation of the system to the total departmental output, 27 (67,5%) of the respondents do not agree that individual employees link their implementation of the system to the total departmental output.

Figure 5.3.5 Employee's level of understanding of PMDS

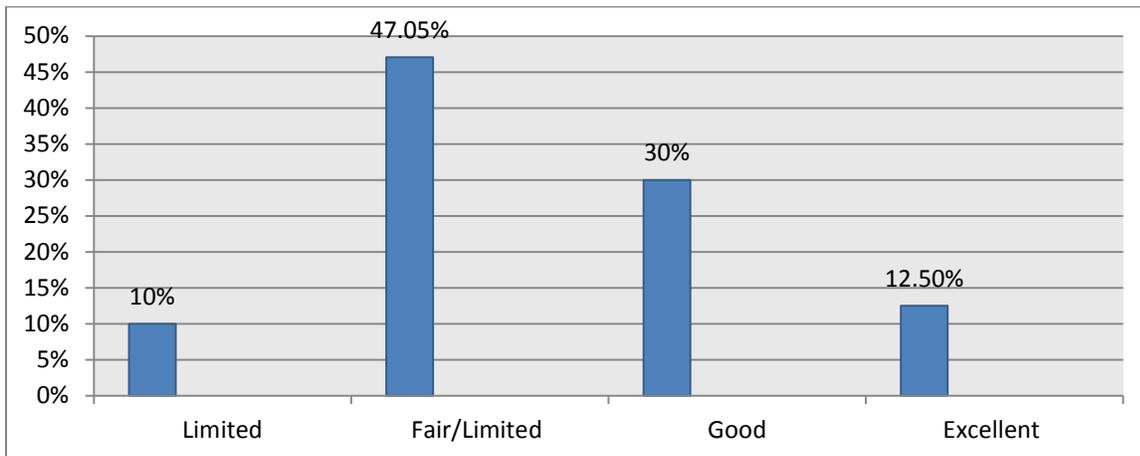


Figure 5.3.5 shows that 4 (10%) of the respondents said the employee level of understanding of PMDS is limited, 19 (47,5%) said it is fair/acceptable, 12 (30%) of respondents said it is good and 5 (12,5%) of the respondents said employee level of understanding of PMDS is excellent.

Figure 5.3.6 Setting of Performance Goals/Requirements for individuals

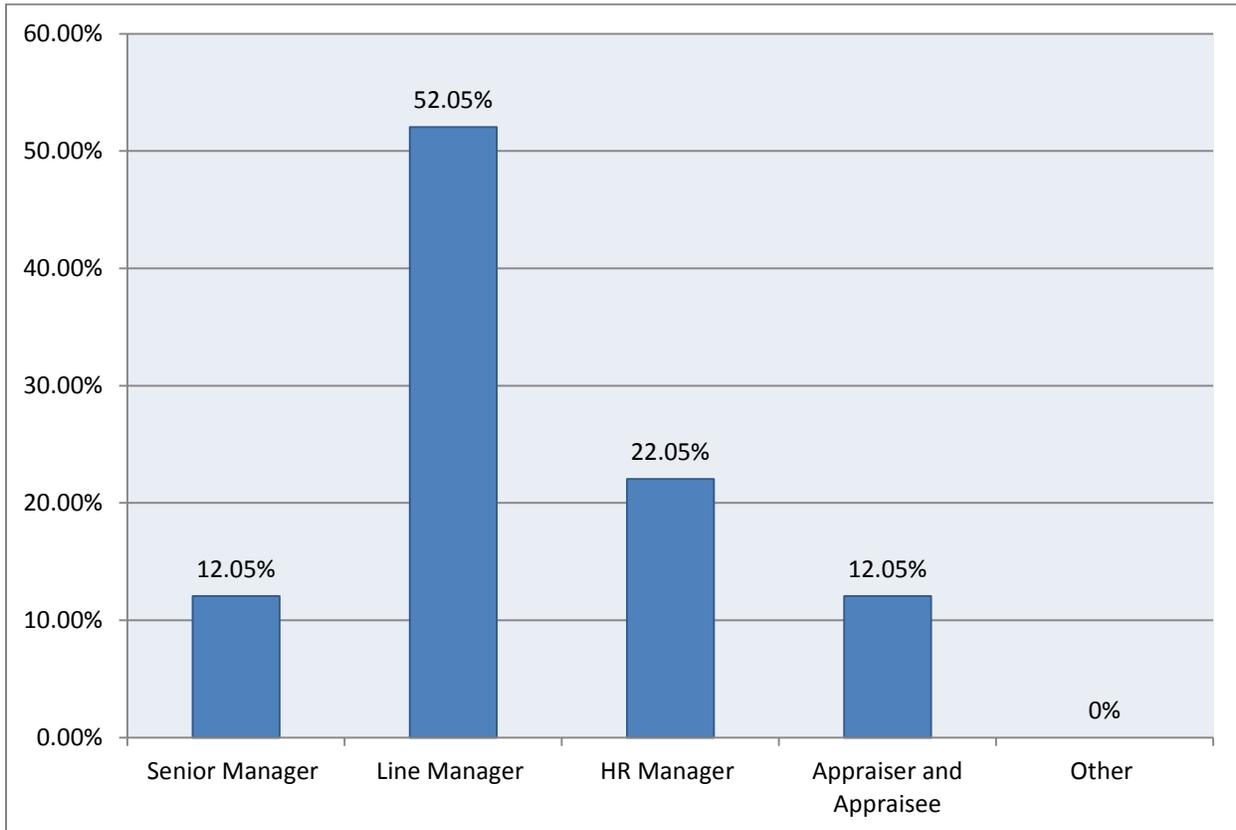


Figure 5.3.6 shows that 5 (12,5%) of the respondents said performance goals/requirements for individuals are set by senior managers, 21 (52,5%) of the respondents said line managers are responsible for setting performance goals/requirements, 9 (22,5%) said performance goals for individuals are set by HR managers, 5 (12,5%) of the respondents said performance goals are set by appraiser and appraised, none of the participant mentioned other options different from those given.

Figure 5.3.7 Reason for having PMDS in the organisation

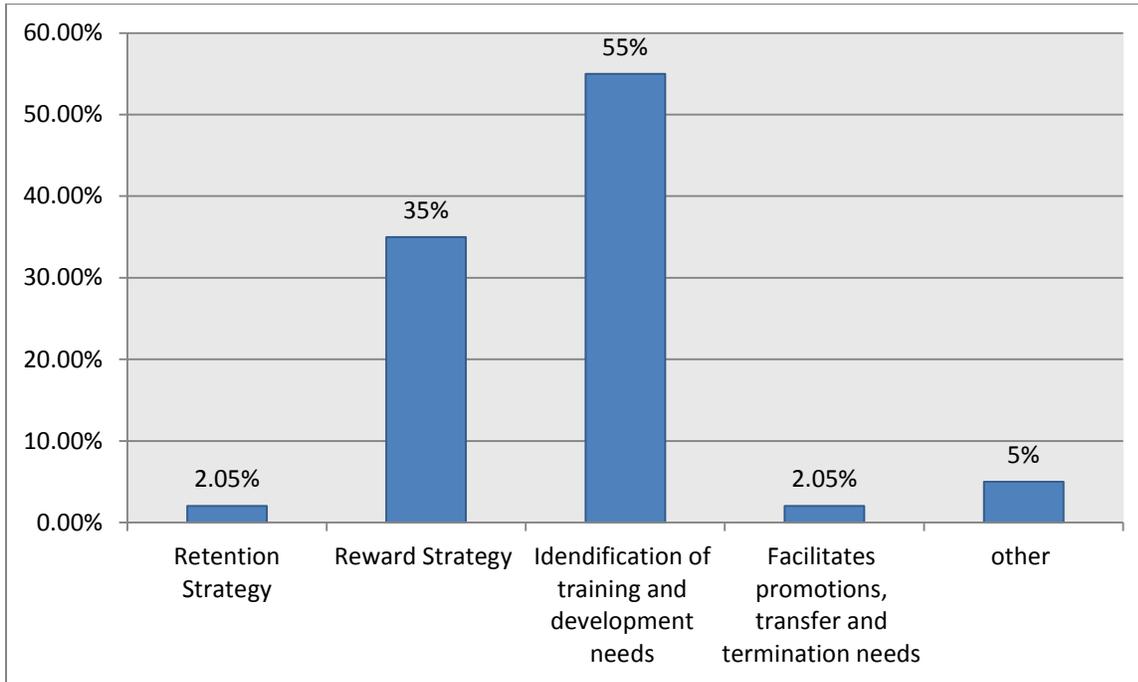


Figure 5.3.7 shows that 1 (2,5%) of the respondents said the reason for having PMDS in the organisation is retention strategy, 14 (35%) of the respondents said the reason for PMDS in the organisation is reward allocation, 22 (55%) of the respondents said the reason for PMDS in the organisation is for the purpose of identification of training and development needs, 1 (2,5%) of the employees mentioned other reasons such as motivating employees and improving service delivery as the reason for having PMDS in the organisation.

5.4 SECTION C: EFFECTIVENESS OF PERFORMANCE MANAGEMENT SYSTEMS

This section covered the level of effectiveness with regard to PMDS and opinions of participants on how the current PMDS system can be improved to benefit the organisation and lift employee's morale.

Figure 5.4.1 General effectiveness of the PMS in improving overall organisational performance

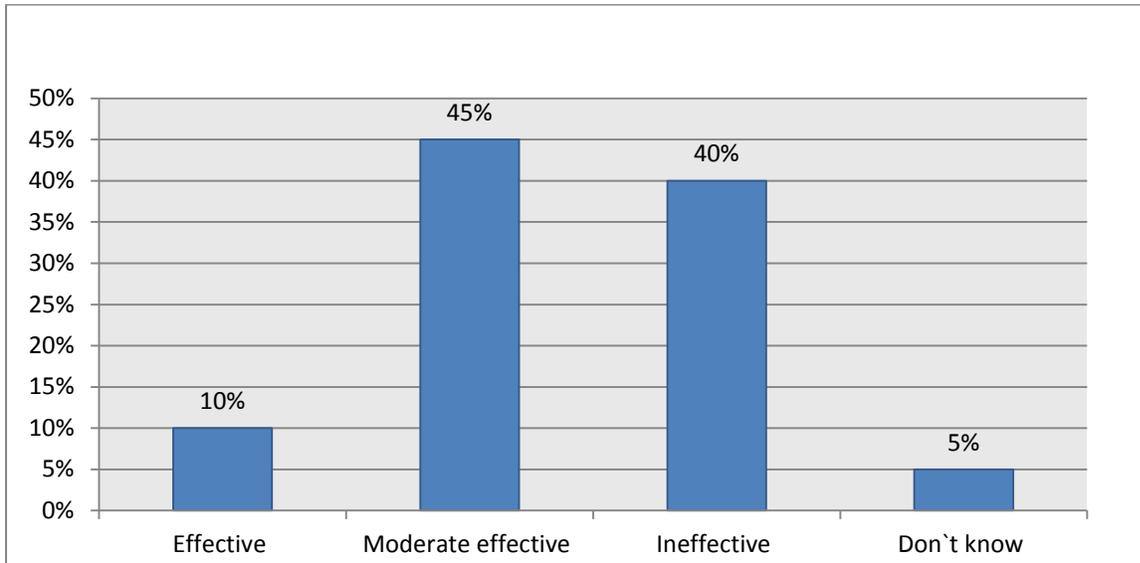


Figure 5.4.1 shows that 4 (10%) of the respondents said PMDS is effective, 18 (45%) of the respondents said is moderate effective, 16 (40%) of the respondents say that it is ineffective, 2 (5%) of the respondents said they don't know.

Figure 5.4.2 Approach that would improve effectiveness of an organisation's performance management

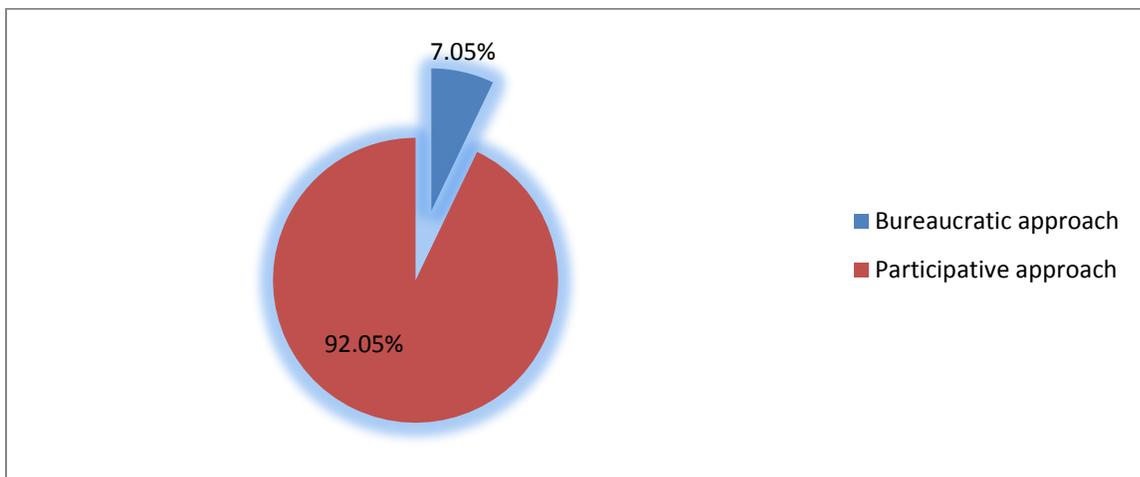


Figure 5.4.2 shows that 3 (7,5 %) of the respondents said a bureaucratic approach would improve effectiveness of an organisation's performance, 37 (92,5%) of the participants said a participative approach is best.

Figure 5.4.3 Strategy used by the organisation to make PMS more effective

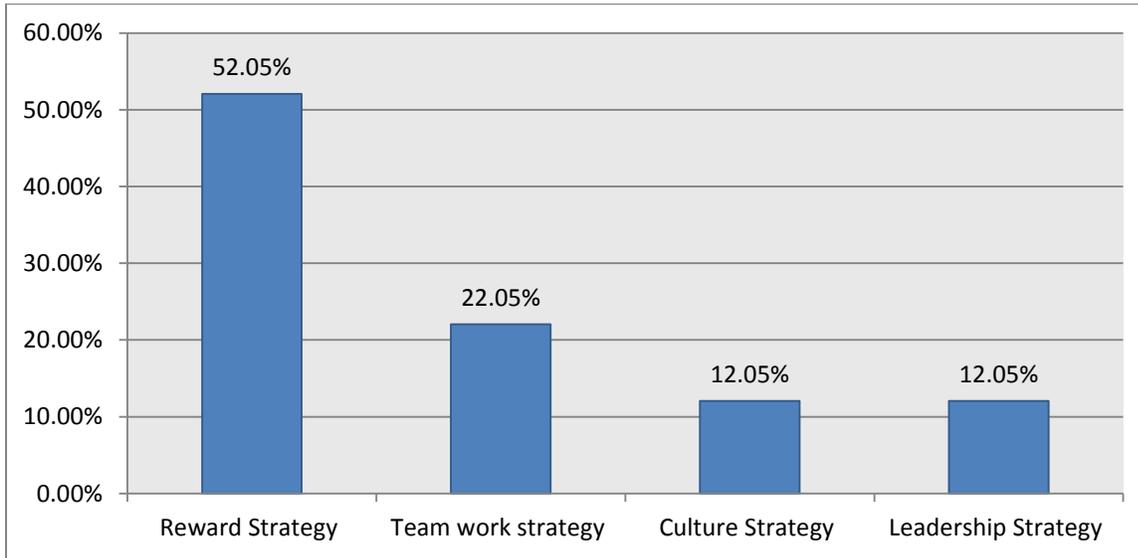


Figure 5.4.3 shows that 21 (52,5%) of the respondents said reward strategy have been used by the organisation to make PMS more effective, 9 (22,5%) of the respondents chose team strategy, 5 (12,5%) of the respondents chose culture strategy and 5 (12,5%) of the respondents chose leadership strategy.

Figure 5.4.4 Techniques used by the organisation for assessing performance

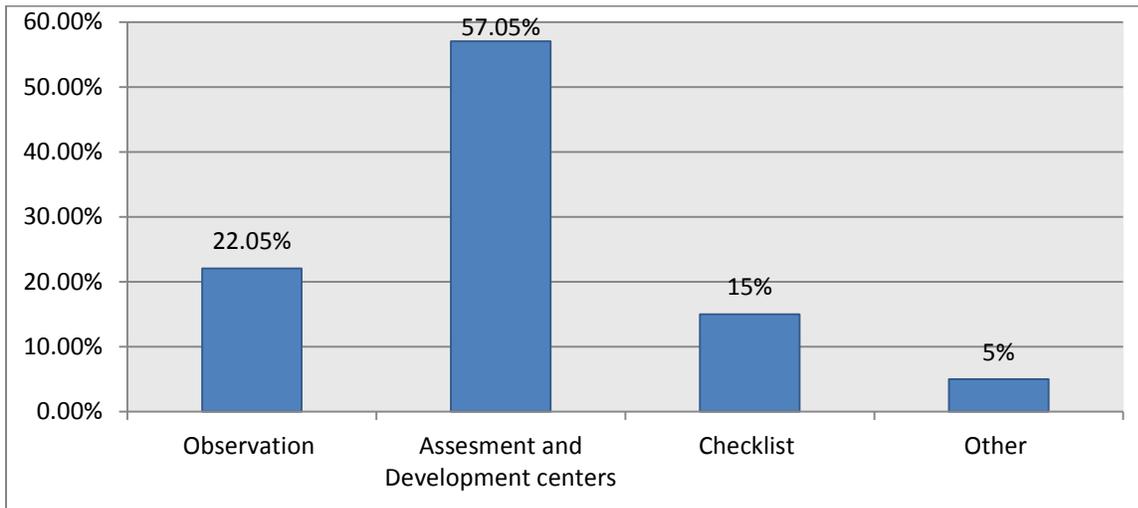


Figure 5.4.4 shows that 9 (22,5%) of the respondents said techniques used by the organisation for assessing performance is observation, 23 (57,5%) of the respondents said assesment and development centres, 6 (15%) of the respondents said checklist and only 2 (5%) of the respondents mentioned reports as a method used by organisation in assessing performance.

5.5 SECTION D: PERCEPTION OF EMPLOYEES

This section covered the employee`s perception with regard to PMDS. Section D consisted of eight questions and the colours displayed on the chart below represent the following:

Blue-accent 1= Agree

Red – accent 2 = Neutral

Olive-green = Disagree

Figure 5.5.1 Employee’s level of agreement and disagreement with the following statements

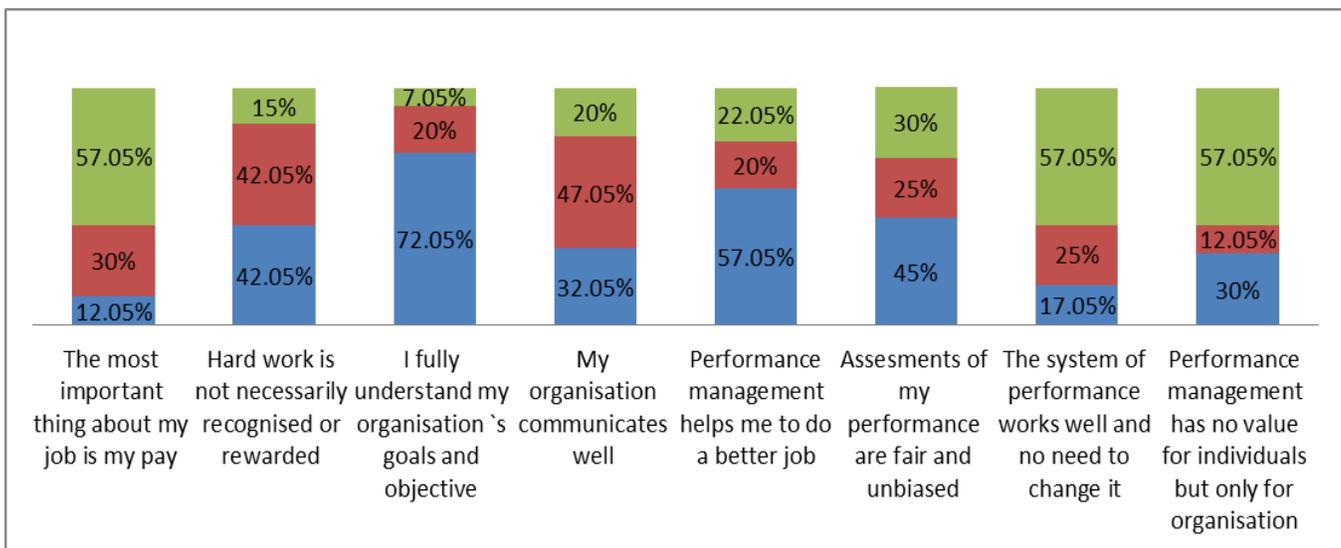


Figure 5.4.5 shows that 5 (12,5%) of the respondents agree with the statement that says the most important thing about my job is pay, 12 (30%) are neutral, 23 (57,5%) disagree with the statement. 17 (42,5%) of the respondents agree with the statement that says hard work is not necessarily recognised or rewarded. 17 (42,5%) of the respondents are neutral, 6 (15%) of the participants disagree with the statement. 29 (72,5%) of the respondents agree with the statement that says they fully understand organisational goals and objectives, 8 (20%) of the participants are neutral and 3 (7,5%) of the respondents disagree with the statement. 13 (32,5%) of the respondents agree with the statement that says “my organisation communicates well”, 19 (47,5%) of the participants are neutral, 8 (20%) of the participants disagree with the statement. 23 (57,5%) of the respondents disagree with the statement that says PM helps me to do a better job, 8 (20%) of the respondents are neutral, 9 (22,5%) disagree with the statement. 18 (45%) of the respondents agree with the statement that says assessments of my performance are fair and

unbiased. 10 (25%) of the respondents are neutral, 12 (30%) of the respondents disagree with the statement. 7 (17,5%) of the respondents agree with the statement that says the system of performance management works well and there is no need to change it, 10 (25%) of the respondents are neutral, 23 (57,5%) of the respondents disagree with the statement. 12 (30%) of the respondents agree with the statement that says performance management has no value for individuals but for organisations, 5 (12,5%) of the respondents are neutral, 23 (57,5%) of the respondents disagree with the statement.

5.6 Data analysis for interviews

Ten (10) participants were interviewed at the Department of Health Limpopo province.

Figure 5.6.1 PMDS deals with the needs of the department

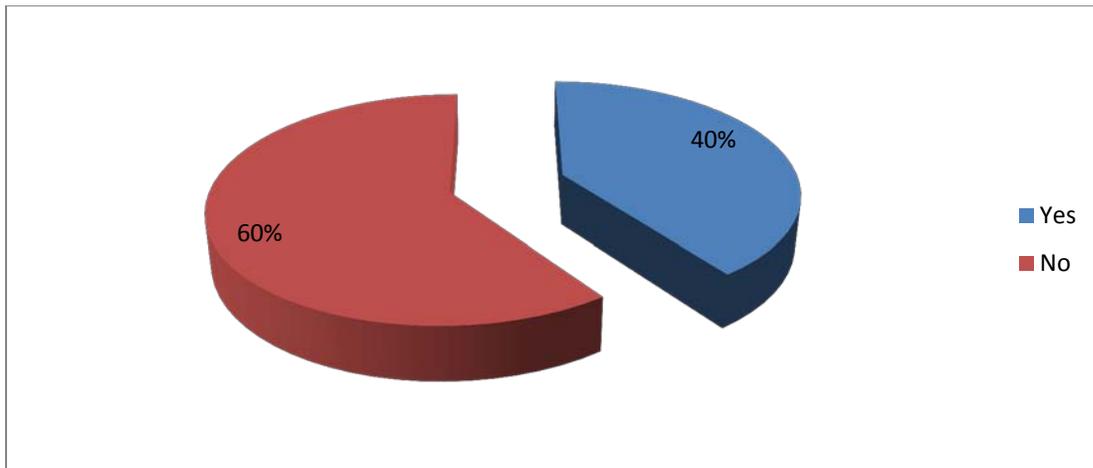


Figure 5.6.1 shows that 4 (40%) of the respondents agreed that PMDS deals with the needs of the department, 6 (60%) of the participants disagree with the statement.

Figure 5.6.2 PMDS programme fit the department's values and culture

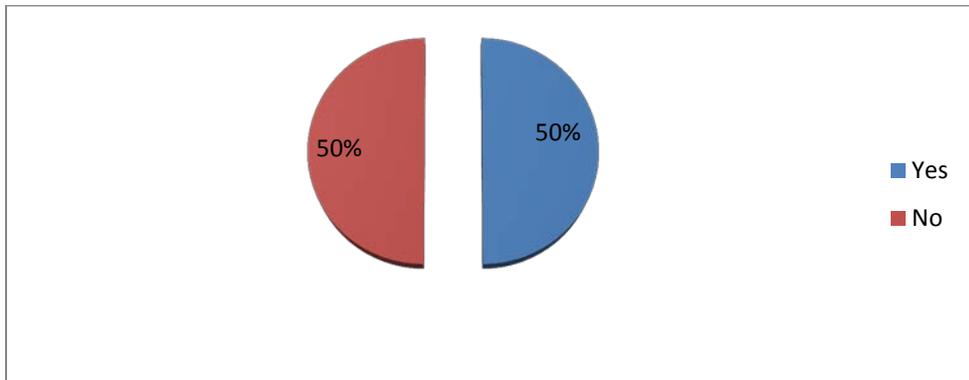


Figure 5.6.2 shows that 5 (50%) of the respondents agreed that PMDS fit departmental values and culture, 5 (50%) of the participants disagree with the statement.

Figure 5.6.3 Managers have the necessary skills to use performance management and development systems

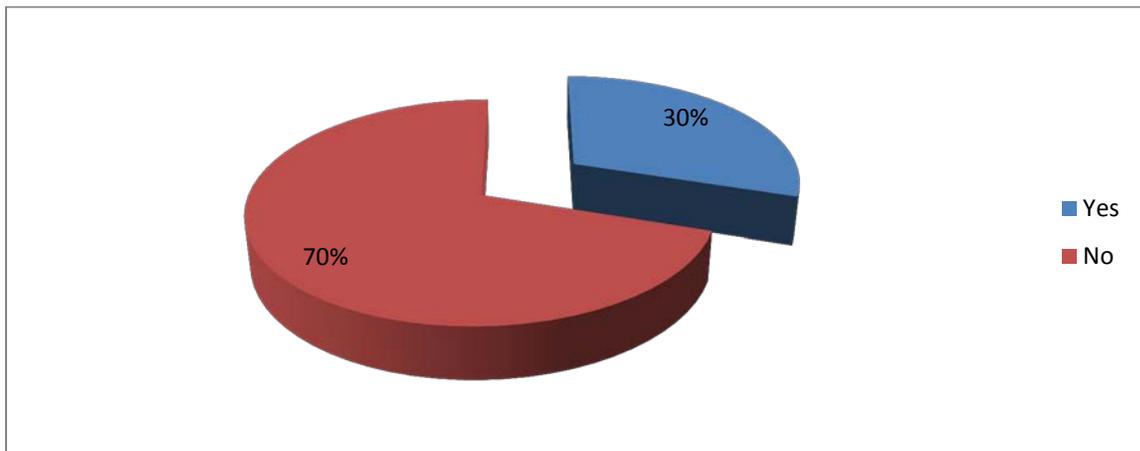


Figure 5.6.3 shows that 3 (30%) of the respondents agreed that managers have the necessary skills to use PMDS, 7 (70%) of the participants disagree with the statement.

Figure 5.6.4 PMDS provides useful data for making personnel decisions

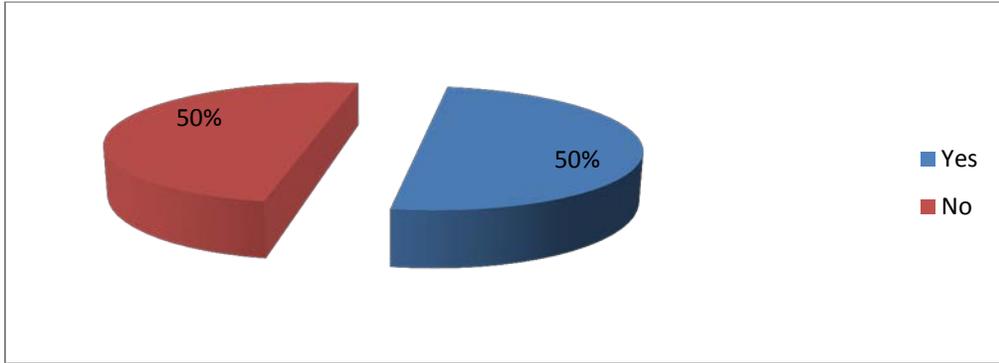


Figure 5.6.4 shows that 5 (50%) of the respondents agreed that PMDS provide useful data for making personnel decisions and 5 (50%) of the participants disagree with the statement.

Figure 5.6.5 Employees understand the PMDS system

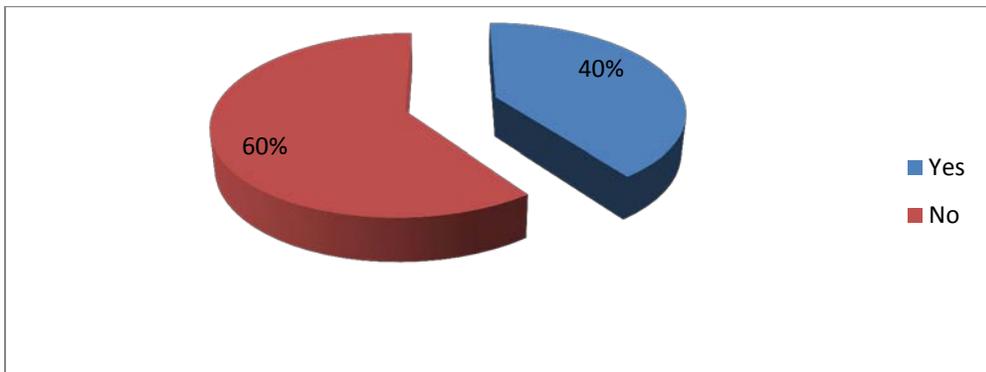


Figure 5.6.5 shows that 4 (40%) of the respondents agreed that employees understand the PMDS system, 6 (60%) of the participants disagree with the statement.

Figure 5.6.6 PMDS still relevant for the organisation

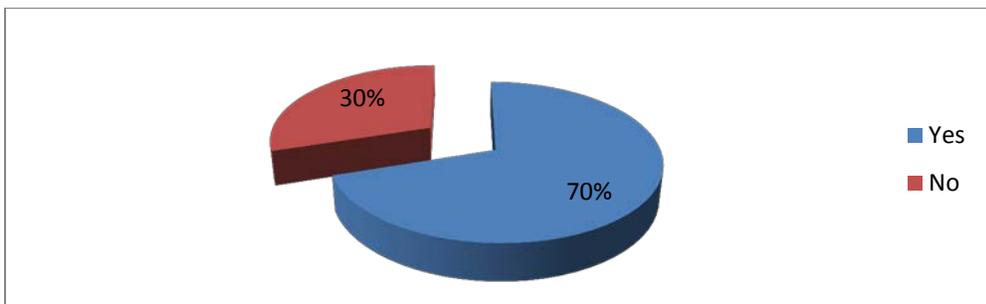


Figure 5.6.6 shows that 7 (70%) of the respondents agreed that PMDS is still relevant for the organisation, 3 (30%) of the participants disagree with the statement.

Figure 5.6.7 Level of understanding of the current PMS.

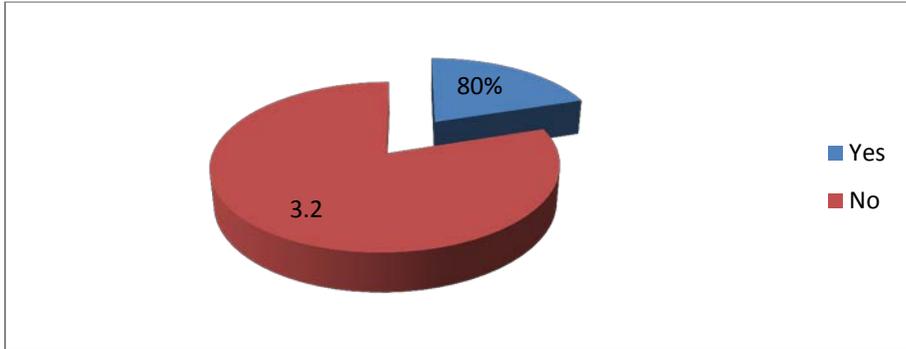


Figure 5.6.7 shows that 8 (80%) of the respondents agree that they understand the current PMDS, 2 (20%) of the participants disagree with the statement.

5.6.8 The extent to which Performance information is used for financial rewards

Employees need to have means of verification in a form or report or statistics of what they have done. Their records were matched with the standard set by the employee and the supervisor during the performance planning and if their record or statistics of job done is more what has been set during the planning stage, they might be considered for performance rewards and their ratings on the scale of 1 to 5 of which one is poor performance and five outstanding performance, the employees should be rated at least 4 or 5 for them to qualify for performance bonuses. Some believe that there is too much emphasis on financial rewards.

5.6.9 The extent to which performance information is used for promotional purpose

Only one participant agrees that performance information may be used when employee is upgraded to another level. Nine participants said that performance information is never used for promotional purpose but only for reviews and identify performing and non-performing employees, pay-progression may be applied and good performance and training may be provided to non-performing employees. According to these nine participants, performance information is not used for purpose of promotion.

5.6.10 Current PMS is helping to improve the quality of service delivery

All 10 participants responded that they do not think the current system is helping to improve the quality of service delivery based on the following reasons: three of the participants believe that reviews are not conducted objectively. Three of the participants mentioned that employees are

not setting performance standards and targets that are relevant to the targets set by the department. Two of the respondents mentioned that poor performance and good performance are rated similarly, because supervisors fear to be antagonised by rating all the juniors at the same performance level and thus discourage extra effort from good and hardworking employees. Two of the respondents have just responded “no” to the question with justification.

5.6.11 what do you think needs to be done to improve the current PMS

Most respondents think that the supervisors need to be trained and they should be more objective than subjective. The department needs to come up with generic performance measures for employees who are doing similar duties and the department need to have standardsare that commonly used in all South African departments.

Two of the respondents argue that, PMDS needs to be linked with annual performance plans and business plans of the organisation, to appreciate good performance in a form of performance bonus and to provide training for underperforming employees. Fairness, integrity and honesty from the supervisors when conducting reviews should always be exercised. Two participants argued that the system of performance management needs to be removed from the department as it creates hatred and conflict amongst supervisors and subordinates.

5.7 Data interpretation for questionnaires

Data collected from the Department of Health through questionnaires and interview techniques are interpreted to make sense out of the text. Data interpretation consists of the summary of all respondents’ major points in the study.

Section A: Biographical Information

5.7.1 Gender distribution

An equal number of respondents for questionnaire survey participated in the study and was 20 (50%) male and 20 (50%) females and also under interviews of which 10 participants were targeted, 4 were females and 6 were males. The payroll list was used for selection of participants and they were all available in their offices for participation.

5.7.2 Age

Most of the respondents participated in the study varied in terms of age, from the age group of 25 to 30 (5%) years, 30 to 35 (22,5%) years, 35 to 40 (35%) years, followed by 40 to 45 (17,5%) years, 45 to 50 (7,5%) years, and followed by 50 and above (12,5%) years.

5.7.3 Education

The majority (65%) of the participants have completed a diploma or degree with institutions of higher learning, few (17 5%) have obtained a Higher National Diploma, followed by matric, only one (2,05%) has a master's degree and none (0%) of the participants has a doctorate or below matric. This is because the majority of the participants are administration officers, few managers and few general workers; therefore, entry level for admin officer would be at least Grade 12 with a nb computer literacy certificate or secretariat diploma.

5.7.4 Employee level

The majority (67,5%) of participants are at administrative level appointed as administrative officers. Few (7,5%) participants were deputy managers, followed by managers (2,5%) and only one of each from two participants are from senior manager (2,5%) and executive manager (2,5%). Only (5%) participants were general workers. These might be because the study wanted to cover different levels of employees as they are affected by the PMDS.

5.7.5 Work experience

The majority (40%) of the participants have between 6 and 10 years' experience, few (30%) participants 1 to 5 years' experience, fewer (20%) have between 11 to 15 years of experience in the department and the lowest (7,5%) have between more than 20 years' experience, followed by employees with 16 to 20 years' experience (2,5%). Work experience play a pivotal role in this study as it will assist the researcher on what employees have experienced in the past years. Possibly those with higher experience in the department are now on the management level and most participants with 1 to 5 years' experience are possibly administrative officers.

5.8 Section B: Knowledge of PMDS

5.8.1 Employee`s knowledge of Performance Management

All participants (40%) indicated that they know about PMDS and none of the participants indicated that they do not know about performance management. This is because the majority of the participants have at least one year`s experience in the department; therefore, they have once been reviewed.

5.8.2 Training on Performance Management and development system

From the total of forty participants, half (50%) of the participants have been trained on PMS and another half (50%) of the participants have not been trained. This might have been caused by supervisors who provided training after a certain number of years. Newly appointed employees might have not undergone training.

5.8.3 PMDS achieve the objective for which it was intended

Most (57,5%) participants indicated that PMS does not archive the objective which it was intended for, few (42,05%) participants indicated that PM and development systems achieve the objective which it was intended for. This might be because some of the employees do not see any change as compared to the previous year regarding the service and the department was also once under administration for poor performance and wasteful expenditures.

5.8.4 Individual employees link their implementation of PMS with the total departmental output

Most (67,5%) participants indicated that individual employees do not link their implementation of PMS to the total departmental output. Few (32,5%) participants indicated that individual employees link their implementation of PMS with the total departmental output. This might be because that most of the employees are allocated daily duties which are not included in their job description and not even in line with the departmental Annual Performance Plans.

5.8.5 Employee`s understanding of PMDS

Most (47,5%) participants indicated that they understand PMDS fairly; few (30%) participants indicated that their level of understanding is good, while followed by 12,5% participants who indicated that their level of understanding is excellent and fewer (10%) participants indicated

that their level of understanding on PMDS is limited. This might be because most participants have been employed for more than one year in the department; as such they were reviewed once or twice before.

5.8.6 Setting of performance goals/ Requirements for individual

Most (52,5%) participants indicated that performance goals or requirements are set by line managers, few (22,05%) participants indicated that HR professionals are the ones responsible for setting performance goals, followed by 12,05% participants who indicated senior managers are responsible for setting performance goals and 2,05% participants also indicated that performance goals are set by the appraiser and the appraised. This is due to the fact that the majority of the participants are not aware that they should be part of the discussion regarding what is expected out of them.

5.8.7 Reason for having PMS in the organisation

Most (55%) of the participants indicated that the reason for having PMS in the organisation is for the purpose of identification of training and development needs, few (35%) participants indicated that it is for reward allocation, fewer (2,05%) indicated that is for facilitating promotions, transfer and termination of needs, followed by 2,05% participants indicating that is for the purpose of retention strategy and 5% participants indicated other reasons such as motivating employees and improving service delivery.

5.9 Section C: Improving effectiveness of PMDS

5.9.1 Effectiveness of PMDS in improving the overall organisational performance

Most, (45%) of the participants indicated that PMDS has been moderately effective, 40% of the participants indicated that it has been ineffective, 10% of the participants indicated that PMDS has been effective and 5% of the participants indicated that they don't know. This is because most of the participants do not recognise or see any difference in terms of service delivery or improvement in the organisation in general.

5.9.2 Approach that could improve effectiveness of the organisation`s Performance Management

Most (92,05%) participants indicated participative approach could improve the effectiveness of the organisation`s PM, while only 7,05% participants indicated that a bureaucratic approach would be the best approach to improve the effectiveness of the organisation`s performance management. This might have been caused by the fact that majority of the participants feel that they are not included in the implementation of performance management and given the situation, it is because they see a bureaucratic approach.

5.9.3 Strategies used by the organisation for effective PMS

Most (52,05%) of the participants indicated reward strategy, 22,05% participants indicated that the strategy used by the organisation for effective management system is team work strategy, few (12,05%) participants indicated culture strategy and followed by 12,05% participants who indicated leadership strategy for organisation`s effectiveness in using PMS.

5.9.4 Techniques used by the organisation in assessing performance

Most (57,05%) participants indicated that assessment and development centres are techniques used in assessing employee performance, 22,05% participants indicated observation is the tool used by the organisation in assessing employee performance, 15% participants indicated that checklists are used as a techniques for assessing performance and 5% participants indicated other techniques for assessing performance, such as reports.

Section D: Perception of employees

5.10.1 The most important thing about my job is pay

Most (57,05%) participants indicated that they disagree with the statement, 30% of the participants are neutral with the statement and 12,5% participants disagree with the statement. This might be due to the fact that most people are doing their job well and are not motivated by pay progression but for being paid well after rendering service.

5.10.2 Hard work is not necessarily recognized or rewarded

Most (42%) participants agree and seventeen (42,5%) participants are neutral with the statement, 15% participants disagree with the statement that hard work is not necessarily recognised. This

might be supported by a lack of consistency in the department whereby some officials performing well are not awarded performance incentives while others performing moderately are rewarded.

5.10.3 I fully understand my organisation's goals and objectives

Most (72,5%) participants indicated that they fully understand organisational goals and objectives, few (20%) of the participants are neutral and 7,05% participants disagree that they understand the goals and objectives of the organisation. This might be caused by the fact that some of the participants in this study are general workers and cleaners, therefore chances are very slim that they would know the organisational objectives and goals.

5.10.4 My organisation communicates well

Most (47,5%) participants are neutral with the statement that says that their organisation communicates well, 32,05% agree with the statement and 20% disagree with the statement. This might have been caused by a communication breakdown within the organisation where supervisors are not discussing with subordinates what is expected from them, don't identify problems and provide solutions to their problems.

5.10.5 Performance management helps me do better in my job

Most (57,05%) participants agree with the statement, 22% participants indicated that they disagree with the statement and 20% participants indicated that they stand neutral to the statement. This might be because most people would not want to be rated poorly, as such reports and targets should be met by employees to avoid being rated poorly, and if one has been identified as a poor performer, then training will then be provided to such an employee.

5.10.6 Assessment of my performance is fair and unbiased

Most (45%) participants agree with the statement, 30% participants disagree with the statement and 25% of the participants are neutral with the statement that assessment of his or her performance is fair and unbiased. This shows that most of the participants believe that performance management is fair and unbiased, whereas there are still other employees who consider performance management as biased and unfair.

5.10.7 The system of performance works well and no need to change it

Most (57,5%) participants disagree with the statement, 25% participants are neutral and 17,5% participants agree with the statement that the system of performance works well and there is no need to change it. This might be because the majority of the participants would like the current system to be changed as they do not benefit or they view it as a kind of money-making scheme for the connected few.

5.10.8 Performance management has no value for individuals but only for organisation

Most (57,5%) participants disagree with the statement, 30% of the participants agree with the statement and 12,5% participants are neutral with the statement that performance management has no value for individuals but only for the organisation. This is caused by the fact that not all employees receive performance bonuses but employees still value PMS.

5.11 Conclusion

It can be concluded from the above mentioned findings that the Department of Health is highly lacking effective performance strategies for long term human resource survival. Employees are not being guided about their initial tasks and performance evaluation criteria which lead them to experience job dissatisfaction and decreased motivation to perform their job in an effective manner. Managers lacks skills to conduct performance review meetings and for counselling of their subordinates for poor performance.

The department's performance is undoubtedly declining because of poor staff performance and rigid organisational structure. These dimensions can be improved by setting clear organisational objectives, management training and effectual reward system. In the literature review of current research, it has been observed that after various developments in Performance Management practices Performance Management appears to be more effective as it covers the weak areas of all early approaches.

CHAPTER 6

Major findings, recommendations of the study and conclusion

6.1 Introduction

The previous chapter discussed the findings and analysis of the data obtained through various methods including questionnaires and interviews. The purpose of this chapter of the study is to provide concluding remarks on the research problem raised. Useful recommendations based on the data analysed in the previous chapter are provided to assist the management of the Department of Health in the improvement of performance and productivity.

6.2 Summary of major findings

- The results show that employees need to be supplied with supporting documents as means of verification for a job done, for example most of the participants say checklists and reports should be attached, but there are also some participants who believe that supervisors are afraid of being antagonised. There is also element of bias whereby undeserving employees are given performance bonuses.
- The Department of Health needs to realise that to increase the motivation of employees, they have to recognise their employees by giving them appropriate rewards for the employees' hard work and good performance.
- Rewards should be decided on by mutual decision of the departmental head and line managers.
- There should be clear rules for measuring performance and evidence of good performance of employees and this should be recorded in assessment reports.
- From the findings, participants indicated that most supervisors themselves lack skills on performance management and development systems, therefore training should be provided to those performing poorly.
- The results show that some of the challenges relating to PMDS implementation in the Limpopo Department of Health is that supervisors are afraid of being antagonised by their subordinates. Another challenge has to do with regards to a lack of consultation

from the supervisors to subordinates, supervisors not setting performance targets for subordinates and resources used to assist them in reaching those targets.

- In order to deal with these concerns organisations can conduct performance review meetings with the panel of performance reviewers.
- Organisations can call managers from one branch to another to conduct review meetings. Managers from other branches will not be in a better position to assess the employees, because of not having direct supervision; however they can give good unbiased inputs and could be keen observers. They can listen to the problems of employees and can examine their needs as well. Later, the panel should write individual reports to top management for further decisions.
- PMDS in the Department of Health had a negative impact, because the department was one of those taken to task by administration due to fruitless expenditures. Employees were allocated performance bonuses while services rendered by this Department was not that productive.
- It is necessary for an effective performance management that the manager should work as a leader who can transform dreams into reality. Most of the well-designed PMSs never succeed because line managers do not know how to implement it. Our findings analysis leads to the conclusion that the Department of Health lacks comprehensive performance appraisal systems.
- Top management can play an important role in this respect by including performance management in the manager's job description and making them aware that this is an integral part of their job. Line management is directly responsible for implementing performance management practices in their respective departments.
- Lack of training poses a serious challenge in implementing PMDS. Many respondents indicated that employees need to be made aware about the implementation of the model so that both management and employees can work towards the department's vision. Some suggested that management should realise our needs and arrange training for capacity building. Another employee indicated that "I am not involved in any performance management because this is used for financial gain. This is another corrupt

activity”. The above mentioned statements clearly show concerns about the overall performance of employees.

- From the research findings, the majority of the respondents said that, the employer does not link their implementation of the system to the total departmental output. This is because some of the officials reported to have performed their duties randomly, sometimes instructed by supervisors to perform duties outside their job description and this would affect ratings during performance reviews.

6.3 Recommendation of the study

- The majority of the respondents indicated that the officials are not trained in the implementation of the PMDS. It is recommended that the management of the Department of Health should conduct awareness campaigns among all stakeholders and train employees on the implementation of performance management.
- Supervisors need to provide training on PMDS and answer questions from their subordinates on how to qualify for performance bonuses, draft quarterly targets and annual targets for employees.
- The study also recommends that management should provide feedback to all employees after performance assessments, so that employees know how their performance is measured, thus giving them an opportunity to improve and contribute towards the development of the organisation.
- The study further recommends that performance bonuses be given to employees who perform well to give effect to the provisions of the Performance Management Policy (South Africa 2010) because it will boost the morale of employees, thus maximising productivity in the institution.

6.4 Recommendations for further study

- At this stage the researcher recommends that further investigation is needed to determine if all challenges concerning the implementation of the model are dealt with and if the model has improved service delivery within the Department of Health.

- There is contradictory information regarding the distribution of the model to all employees and its impact on all the levels of the department.
- The argument that the provision of bonuses makes it easier for employees to perform their duties well should be investigated. An in-depth investigation is recommended.
- The researcher also recommends further study whether the availability of monetary rewards as incentives for performance management truly has an impact on job satisfaction.
- Feasibility of replacing bonuses with customised employee recognition should be investigated.

6.5 Conclusion

In conclusion, the study investigated strategies that may be used to improve PMDS in the Department of Health, Limpopo province. It was found that employees still value PMDS, but they have challenges with regard to performance incentives being awarded to undeserving employees, the issue of bias is still predominant in the performance appraisal of the employees. It has been clearly elaborated on the findings according to data collected from the respondents.

Based on the findings, analysis and conclusion of the study, the following recommendations are made: There should be regular and thorough training of employees about the PMDS in the Department of Health and an investigation should be launched to learn how it can be improved. Such training could improve the understanding of the PMDS by the employees. The management should provide feedback to all employees after performance assessments so that employees know how their performance is measured, thus giving them an opportunity to improve and contribute towards the development of the organisation. It is also recommended that performance bonuses should be given to employees who perform well according to the provisions of the Performance Management Policy as to boost the morale of the employees and to improve their performance.

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ANNEXURE A: Letter to the respondents

Dear Respondents

I am Masters Student at the University of South Africa conducting a research on improving PMDS in Limpopo Department of Health. Answers that you will provide in this study will help the researcher to be able to understand the way in which Department conduct performance appraisals and come up with strategies that can be used to improve PMDS. You are therefore edged to provide honest answers to this study so that the results can be accurate.

Yours faithfully

Mathidza MS (3726880)



.....

ANNEXURE B: covering letter to the Limpopo Department of Health

ANNEXURE B: Letter to the Department

29 Anderson Street
WESTENBURG
0699
04 June 2015

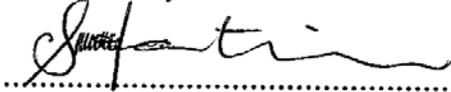
The Head
Department of Health
18 College Street
POLOKWANE
0700

Dear Sir/Madam

REQUEST FOR PERMISSION TO CONDUCT RESEARCH ON “IMPROVING PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM IN THE DEPARTMENT OF HEALTH, LIMPOPO PROVINCE”.

1. The above-mentioned subject matter has reference.
 - 1.1 I am an MPA student at UNISA – PRETORIA doing research on the “Improving PMDS for staff members from Top Management level to junior level in the Department of Health at the Provincial office”. In this regard, I would like to gather information through interviews and questionnaires from staff members.
 - 1.2 I therefore, request your permission to obtain information from staff members in most job categories from Top Management level to junior level in the Provincial Office. I assure you that information provided, will be kept confidential and will be used only for research purposes.
2. If you have any questions, please do not hesitate to contact me at Cell no.:0823736308 or 0813482138.

Yours faithfully



.....

Mr MS MATHIDZA – MPA STUDENT: UNISA

ANNEXURE C: Approval letter from Department of Health



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF HEALTH

Enquiries: Latif Shamila

Ref:4/2/2

Mathidza MS
UNISA
P.O.Box 392
Tswane
0003

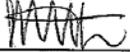
Greetings,

RE: Improving the Performance Management and Development system in the Department of Health, Limpopo Province.

The above matter refers.

1. Permission to conduct the above mentioned study is hereby granted.
2. Kindly be informed that:-
 - Research must be loaded on the NHRD site (<http://nhrd.hst.org.za>) by the researcher.
 - Further arrangement should be made with the targeted institutions.
 - In the course of your study there should be no action that disrupts the services.
 - After completion of the study, a copy should be submitted to the Department to serve as a resource.
 - The researcher should be prepared to assist in the interpretation and implementation of the study recommendation where possible.
 - The above approval is valid for a 3 year period.
 - If the proposal has been amended, a new approval should be sought from the Department of Health.

Your cooperation will be highly appreciated.



Head of Department

30/07/2015
Date

18 College Street, Polokwane, 0700, Private Bag x9302, POLOLKWANE, 0700
Tel: (015) 293 6000, Fax: (015) 293 6211/20 Website: <http://www.limpopo.gov.za>

The heartland of Southern Africa – development is about people

ANNEXURE D
QUESTIONNAIRE

Improving PMDS in the Department of Health, Limpopo province

I am currently in the process of completing the dissertation as part of my Master’s Degree. The subject matter of the questionnaire deals with the improvement of PMDS in the Department of Health, Limpopo province in South Africa.

This questionnaire will not take longer than 20 minutes of your time to complete. There is no right or wrong answer to this interview. Furthermore, take note that this is ONLY for this study and will not be used in any way for investigations. Therefore, feel free and relax, and answer ALL questions to the best of your ability. Mark your answer by placing a cross (X) in the appropriate block.

The response to this questionnaire and all information obtained from the Department will be held in strict confidence.

Thank you for your time and cooperation

Mr Maano Simon Mathidza

SECTION A: BIOGRAPHIC INFORMATION

Please complete the following by placing a cross (X) on the appropriate column.

NO.	QUESTION	Male	Female
1	Please indicate your gender		

NO.	QUESTION		
2.	Please indicate your age group	1. Between 25 and 30	
		2. Between 30 and 35	
		3. Between 35 and 40	
		4. Between 40 and 45	
		5. Between 45 and 50	
		6. Between 50 and above	

NO.	QUESTION		
3.	Please indicate your highest education, e.g. Matric, Post Matric, etc.	1. Below Matric	
		2. Matric (Grade 12)	
		3. Diploma /Degree	
		4. Higher National Diploma/Degree	
		5. Master`s Degree	
		6. Doctorate Degree	

NO.	QUESTION		
4.	Please indicate your current level in the organisation	1. General worker	
		2. Administrative officer	
		3. Deputy manager	

		4. Manager	
		5. Senior manager	
		6. Executive manager	

NO.	QUESTION		
5.	Indicate your work experience in the post	1. 01-05 years	
		2. 06-10 years	
		3. 11-15 years	
		4. 16 – 20 years	
		5. More than 20 years	

SECTION B: UNDERSTANDING OF PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

NO.	QUESTION		
1.	Do you know about PMDS (PMDS)?	Yes	No

NO.	QUESTION		
2.	Did you receive any training with regard to PM and Development system?	Yes	No

NO.	QUESTION		
3.	Do the PMDS achieve the objectives for which it was intended?	Yes	No

NO.	QUESTION		
4.	Do the individual employees link their implementation of the system to the total departmental output?	Yes	No

NO.	QUESTION		
5.	Please indicate your understanding of PM and development system	1. Limited	
		2. Fair/ acceptable	
		3. Good	
		4. Excellent	

No.	Question		
6.	Who set performance goals/requirements for individuals?	1. Senior manager	
		2. Line managers	
		3. HR Professionals	

		4. Appraiser and Appraisee	
		5. Other, please specify.....	

No.	Question		
7.	Why do you have PMS in your organisation?	1. Retention strategy	
		2. Reward allocation	
		3. Identification of training and developments needs	
		4. Facilitates promotions, transfer and termination needs	
		5. Other, Please specify.....	

SECTION C: EFFECTIVENESS OF PERFORMANCE MANAGEMENT SYSTEMS

NO.	QUESTION		
1.	In general how, how effective has your organisation`s PMS proved in improving overall performance?	1. Effective	
		2. Moderate effective	
		3. Ineffective	
		4. Don't know	

NO.	QUESTION		
2.	According to you which amongst the two would improve effectiveness of an organisation`s PM?	1. Bureaucratic approach	
		2. Participative approach	

NO.	QUESTION		
3.	What strategies of your organisation have been linked to the PMSs to make it more effective?	1. Reward strategy	
		2. Team work strategy	
		3. Culture strategy	
		4. Leadership strategy	

NO.	QUESTION		
4.	What are the techniques that are used in the organisation for assessing performance?	1. Observation	
		2. Assessment and development centres	
		3. Checklist	
		4. Other, please specify.....	

SECTION D: PERCEPTION OF EMPLOYEES

Please indicate the extent to which you agree or disagree with the following statements.

No.	Statements	Agree	Neutral	Disagree
1.	The most important thing about my job is pay			
2.	Hard work is not necessarily recognised or rewarded			
3.	I fully understand my organisation`s goals and objectives			
4.	My organisation communicates well			
5.	Performance management helps me to do a better job			
6.	Assessments of my performance are fair and unbiased			
7.	The system of performance works well and no need to change it			
8.	Performance management has no value for individuals but only for organisation			

ANNEXURE E
INTERVIEW QUESTIONS

Improving PMDS in the Department of Health, Limpopo province

I am currently in the process of completing the dissertation as part of my Master’s Degree. The subject matter of the interview questionnaire deals with the improvement of PMDS in the Department of Health, Limpopo province in South Africa.

This questionnaire will not take longer than 20 minutes of your time to complete.

Furthermore take note that this is ONLY for this study and will not be used in any way for investigations.

Your answers will be Yes or No according to layout of this questionnaire. Where it needs period, you are expected to choose between daily, weekly, monthly or quarterly. There is no right or wrong answer to this interview. Therefore, feel free and relax and answer ALL questions to the best of your ability.

Thank you for your time and cooperation

Mr Maano Simon Mathidza

NO.	QUESTION		
1.	Do PMDS address the needs of the department?	Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>

NO.	QUESTION		
2.	Does the programme fit the department`s values and culture?	Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>

NO.	QUESTION		
3.	Do managers have necessary skills to use the programme?	Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>

NO.	QUESTION		
4.	Does it provide useful data for making personnel decision?	Yes	No

NO.	QUESTION		
5.	Do the employees understand the PMDS system?	Yes	No

NO.	QUESTION		
6.	Is the PMDS still relevant for the organisation?	Yes	No

7. Do you understand the current PMS? If your answer is Yes or No please explain

.....

8. To what extent is the performance information being used for financial rewards?

.....

9. To what extent is the performance information being used for promotional purposes?

.....

10. Do you feel the current PMS is helping to improve the quality of service delivery?

.....
.....
.....
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.....

11. What do think needs to be done to improve the current PMS?

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