

STAFF PERCEPTIONS OF THE IMPLEMENTATION OF A PERFORMANCE  
MANAGEMENT AND DEVELOPMENT SYSTEM: FATHER SMANGALISO  
MKHATSWA CASE STUDY

by

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**Declaration**

I declare that **staff perceptions on the implementation of performance management and development system: Father Smangaliso Mkhatswa case study** is my own work and all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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## **ABSTRACT**

The advent of democracy in the Republic of South Africa has brought about fundamental changes in the spheres of governance. One of these changes is the implementation of the employee performance management and development system in the public service. One of the Constitutional imperatives of the country requires all government institutions to cultivate good human resource management and career development practices to maximise human potential.

The Gauteng Department of Social Development and in particular, Father Smangaliso Mkhatswa Centre, is also expected to implement the employee performance management and development system. The study seeks to examine to what extent performance management can enhance employee's performance. To achieve this, a semi-structured interview was conducted with employees of Father Smangaliso Mkhatswa Centre.

The findings indicate 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.

### Key terms:

Performance management, staff perceptions, performance, development, service delivery, performance assessment, performance review, methods of assessment, performance planning, public service

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## **GLOSSARY**

CEO- Chief Executive Officer

DHRM- Directorate Human Resources Management

DPASA- Department of Public Service and Administration

GDSD- Gauteng Department of Social Development

GPG- Gauteng Provincial Government

HoD- Head of Department

HR- Human Resources

HRM- Human Resource Management

MBO- Management By Objective

MEC- Member of Executive Council

PDP- Personal Development Plan

PMDS- Performance Management and Development System

PSC- Public Service Commission

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## **CHAPTER 1: INTRODUCTION**

### **1.1 INTRODUCTION**

Before 1994, employees in the public service used to get automatic notch increment that was based on their number of years employed in the public service only. Every year, during the month in which an employee was appointed in the public service, or the month that an employees completed a full year his/her salary notch increased automatically. Between 1994 and 2003 there was a policy vacuum; the old policy of automatic notch increment was phased out by the new administration. No policy was, however, introduced to replace the old policy directive. As a result there was disillusion among public service employees.

In 2001, the Public Service Regulations were amended to cover performance management and instruct government institutions (National and Provincial) to develop policies on performance management and development and linking employees' performance with notch increments.

The focus of the study is on the implementation of individual performance management in the Gauteng Department of Social Development (hereafter referred to as the Department) to improve the employees' performance. This chapter discusses the background, problem statement, aim and objectives, definition of concepts, literature review, research methodology, and outline of the chapters.

### **1.2 BACKGROUND**

The Constitution of the Republic of South Africa (Republic of South Africa,1996) states that public administration must be governed by democratic values and principles, amongst others to promote and maintain high standards of

professional ethics, efficient, economic and effective utilization of resources, and the cultivation of good human resource management and career development practices to maximise human potential (Republic of South Africa 1996:107). According to the White Paper on Human Resource Management, the success of the public service in delivering its goals depends primarily on the efficient and effectiveness of employees in carrying out their duties. Performance management is an integral part of an effective human resource management and development strategy. It is an ongoing process in which subordinates and supervisors together strive to improve the institution's wider objectives. Performance management is underpinned by the following principles: results orientation, training and development, rewarding good performance, managing poor performance and openness, fairness and objectivity (Republic of South Africa 1997:42-43).

The incentive policy framework was adopted in 2003 and was followed the by Employee Performance Management and Development system. The aim and objectives of these policies are to ensure that pay progression in the public service, or notch increment, is linked to employee performance in compliance with the Public Service Regulations, 2001. These policies state that employees who perform at satisfactory levels should be rewarded. The reward should be in the form of pay progression, which is equal to a 1% notch increment. Those who perform more than satisfactory should be rewarded with incentives such as cash bonuses to the maximum of 18% of their annual notch, plus pay progression (Department of Public Service and Administration 2003:6).

The purpose of managing employee performance is to reward satisfactory performance and good behaviour and to improve the performance of employees who perform poorly or unsatisfactorily. Employees who perform poorly are subject to a development programme to improve their performance. Furthermore, employees who perform satisfactorily are developed to enhance their skills and knowledge of the job content and ensure their career pathing.

The study has been conducted in the Tshwane district within the Gauteng Department of Social Development. The focus area has been the Father Smangaliso Mkhatswa Centre where there has been a high incidence of conflicts, of low morale and lack of commitment as a result of the implementation of the new performance management and development system since 2004. These challenges can be addressed by applying government policy as it was intended; training and re-training on performance management; balancing payments of bonuses with training intervention, and ensuring that grievances arising from performance management are resolved.

### **1.3 PROBLEM STATEMENT**

The research problem refers to some difficulty that the researcher experiences in the context of either a theoretical or practical situation and to which he/she wants to obtain a solution (Welman & Kruger 2001:12).

The performance management and development system within the Gauteng Department of Social Development was introduced and implemented since July 2004. Since then until now (2008), 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 experience numerous tensions among staff members, which lead to conflict among the staff, conflict 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 has escalated to a point that some staff members refused to be reviewed on the quarterly basis. This was because they were aggrieved by the previous annual assessment processes and outcomes.

Some allege that they formally lodged grievances with the Department to which there has been no response or solution.

The problem statement, therefore, is to examine the extent to which performance management can enhance the performance of employees.

## **1.4 AIM AND OBJECTIVES**

This section explores the aim and objectives of the study.

### **1.4.1 Aim**

The aim of the study is to investigate how performance management can improve employees' performance at the Father Smangaliso Mkhathshwa Centre (centre).

### **1.4.2 Objective**

To achieve the above aim, the following objectives will be pursued:

- to explore the perceptions of employees regarding the implementation of the performance management and development system;
- to ascertain how performance management at the Centre is applied;
- to determine the purpose of performance management;
- to determine how performance management can enhance employees' performance;
- to determine how the application of performance management can influence the performance of employees at the Centre.

## **1.5 DEFINITIONS OF CONCEPTS**

The definitions and concepts in this section will be referred to throughout the dissertation.

### **1.5.1 Performance management**

Performance management is the total process of observing an employee's performance in relation to job requirements over a period of time; clarifying expectations; setting goals; providing on-the-job coaching; filing and retrieving information about performance and then making an appraisal on the basis of this information (Casio 1993:275).

### **1.5.2 Performance management system**

An authoritative framework for managing employee performance, which includes the policy framework as well as the framework relating to all elements in the performance cycle, including performance planning and agreement; performance monitoring, review and control; performance appraisals and moderating; and managing the outcomes of appraisal (Bacal 1999:3).

### **1.5.3 Performance**

Performance is an employee's accomplishment of assigned tasks. It is viewed as employee activity or behaviour which has been evaluated as to its appropriateness or desirability in an organisational setting. Behaviour refers to anything a person does on the job (Carroll 1982:2).

#### **1.5.4 Development**

Training and development are 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 will be easier. It occurs on and off the job and ranges from activities such as short assignments and projects. Erasmus & Van Dyk (1999:02) defines the concept of employee development as being directed at creating learning opportunities and making learning possible within an institution.

#### **1.5.5 Staff members**

Employees of the Gauteng Department of Social Development are employed in terms of the *Public Service Act No 103 of 1994*.

#### **1.5.6 Department**

Means Gauteng Department of Social Development

#### **1.5.7 Centre**

Means Father Smangaliso Mkhatswa Centre.

### **1.6 LITERATURE REVIEW**

This area has been the subject of study by various researchers. Performance management and service delivery in the Department of Water Affairs and Forestry in South Africa by Maila: the research was directed at organisational performance and how the introduction of a performance management and development system can improve service delivery within the Department of



Water Affairs and Forestry. Maila (2006:63) used a Balance Scorecard as a tool to measure performance in the Department of Water Affairs and Forestry. Matlala investigated the employee fairness perceptions in a performance management system in South Africa. The research aimed at establishing employee perceptions of the fairness of the institution's performance management system, using the three pillars of distributive, procedural and interactional justice (Matlala 2011:67). A study on performance management within the parameters of the PFMA was conducted by Roos in South Africa. The objective of the research was to describe and examine the current state of research and knowledge on performance auditing and reporting, and how these two components of performance management can be applied in the public sector in South Africa (Roos 2009:15). It investigated how reporting against predetermined objectives can improve the delivery of services by government within the public service.

The study endeavours to investigate how performance management can enhance employees' performance at the lowest hierarchical level of the Centre. It will assist the management of the Gauteng Department of Social Development in understanding the underlying factors that result in conflict, low morale and lack of commitment of the staff members in the district. It recommends solutions to the challenges that the Centre faces, and means of addressing policy gaps and weaknesses.

## **1.7 RESEARCH METHODOLOGY**

This section outlines the methodological approach of this study.

### **1.7.1 Scientific approach,**

The approach that the researcher will employ is mainly qualitative in that the researcher will consult subject literature and other sources. A quantitative approach will also be employed (Welman & Kruger 2001:35).

### **1.7.2 Research design**

It intends to explore and describe the perceptions of employees regarding the implementation of performance management and development system, thus opting within the qualitative approach for an explorative and descriptive research design (Welman & Kruger 2001: 35).

### **1.7.3 Scientific methods**

The researcher will use qualitative and quantitative approaches. The qualitative approach assists in understanding the subject and in defining concepts. It includes legislation and policies and previous research and books relevant to the topic. The quantitative will be interviews and semi-structured questionnaires. A primary source is the written or oral account of a direct witness of, or a participant in, an event or an audiotape, videotape or photographic recording of it, while secondary source provides second-hand information about events (Welman & Kruger 2001: 35).

## **1.8 REFERENCING TECHNIQUE**

The sources of data the text of the dissertation were duly acknowledged using the shortened Harvard referring technique. At the end of the dissertation, a complete bibliographical information of all sources of data was provided.

## **1.9 OUTLINE OF CHAPTERS**

Chapter 1 provides the reader with a general overview of the study. It introduces the study by focusing on the background, aims, objectives, literature review and research methodologies.

Chapter 2 explores the literature review, theory of performance management, application of performance management, and legislative framework and policies on performance management.

Chapter 3 considers at the research methodology, research design, sampling procedure, data collection methods, and ethical consideration.

Chapter 4 investigates the case study - the Centre - and provide analysis of how the Centre experience performance management. It is a culmination of theory and practice.

Chapter 5 concludes the study and highlights the findings, conclusions and recommendations of the study.

#### **1.10 LIMITATIONS OF THE STUDY**

Participants at management level of the Centre were not willing to participate in the study by not honouring appointments and making excuses of being busy. They regarded the study as an attack on their performance. Middle managers who are responsible for performance management in the Department were not interviewed as they did not have time for the interviews. The researcher was restricted in having access to personnel and confidential files or information.

#### **1.11 CONCLUSION**

This chapter provided the background of the study, problem statement, aims and objectives, definition of concepts, literature review, research methodology and outline of chapters.

The next chapter discusses the theories of performance management.

## **CHAPTER 2: PERFORMANCE MANAGEMENT**

### **2.1 INTRODUCTION**

The previous chapter provided the reader with an overview of the dissertation, which explore performance management at the Father Smangaliso Mkhatswa Centre. This chapter discusses the nature and scope of performance management, definition of various concepts, methods of performance management, how to measure performance, cycle of performance management, outcomes of performance management, role players in performance management, training in performance management and advantages and disadvantages.

### **2.2 NATURE AND SCOPE OF PERFORMANCE MANAGEMENT**

Performance management is a comprehensive approach to performance, emphasising the use of all management tools, including performance appraisal, to ensure achievement of organisational goals. It is a broad term that became popular in the 1980s as performance appraisal (Carrel, Elbert & Hatfield 1995:348). Performance management includes other management tools such as reward system, job design, leadership and training together with performance appraisal as a comprehensive approach to performance (Grobler, Wörnich, Carrell, Elbert & Hatfield 2004:260). They claim that performance management plays a vital role in helping an institution achieve its goals. According to Wright (2006:124), performance appraisal has given ground to performance management. She states that performance management is a broader process in which organisational aims and objectives are used as a starting point for the setting of objectives, for divisions, departments, teams and individuals. Bratton & Gold (2003:250) define performance appraisal as a process that provides an analysis of a person's overall capabilities and potential, allowing informed decisions to be made for particular purposes. They argue that more emphasis is

placed on assessment, whereby data on an individual's past and current work behaviour and performance are collected and reviewed. Performance appraisal serves two main objectives, which are evaluative and developmental objectives (Grobler *et al* 2004:266).

Boxall, Purcell & Wright (2007:365) point out that the distinguishing factor between performance management and performance appraisal is that performance management is an ongoing process, whereas performance appraisal is done at discrete time intervals. Performance management is therefore not a substitute to performance appraisal, or vice versa, but performance appraisal should be seen as being a part of the performance management process. Performance management is more concerned about the attainment of institutional goals and improving service delivery. It is a holistic approach to performance whereby other management tools are also utilised to ensure that the institution improves in delivering services and that it has a competitive edge over its competitors. Performance appraisal, on the other hand, is more concerned about the assessment of the individual's past and current performance with the purpose of evaluating his / her performance and developing developmental plans.

The next section deals with the definition of the concept 'performance management' and other concepts, which are related to development and performance.

### **2.3 DEFINITION OF CONCEPTS**

Performance management is defined differently by various authors. Furthermore, the concept of performance management is understood differently by various authors. This also happens with regard to the understanding and the practical application of performance management by practitioners in the public service. Definitions of performance management by various authors will be examined in

this section in an effort to arrive at a commonsense definition for the purpose of the study.

### **2.3.1 Performance management**

Bacal (1999:3-5) explains performance management as an ongoing communication process, undertaken in partnership between an employee and his or her immediate supervisor. It involves firstly, establishing clear expectations and understanding about the essential job functions that the employee is expected to do. Secondly, how the employee's job contributes to the goals of the organisation. Thirdly, how the employee and supervisor work together to sustain, improve, or build on existing employee performance. Lastly, how the job will be measured and identifying barriers to performance and removing them. Furthermore, Bacal (1999:5) wrote that performance management is not something a manager does to an employee, or a club to force people to work better or harder, or that is used only in poor performance situations and about completing assessment forms once a year.

According to Fernandez (2005:261) performance management is an integrated system which involves institutional design, work planning, assessments, and feedback designed with a view to maximising performance at the individual and team levels in motivating and developing staff. This is underscored by Torrington & Hall (2009:100) who claims 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.

Beardwell & Holden (2001:538) argue that performance management is an integrated and continuous process that develops, communicates and enables the future direction, core competences and values of the institution and helps to create a horizon of understanding. It is the process by which executives,

managers, and supervisors work to align employee performance with the institution's goals.

From the above definitions it seems that performance management is a process not an event, which is integrated with other management processes and is continuous. It involves regular communication between supervisors and subordinates. Supervisors and subordinates establish clear expectations concerning the job and goals, provide on-the-job training, monitor performance, evaluate performance at the end of the performance cycle and provide regular feedback on performance.

This study will adopt the definition of performance management as a process of cascading the institution's targets and goals to employees with the purpose of enhancing service delivery. This should be done by the signing of performance agreements annually by all employees. Performance management should be seen as the responsibility of a supervisor in ensuring that the subordinate performs his/her roles and responsibilities as per his/her job description. Both parties will therefore be required to sign a performance agreement that outlines the targets and how they will be achieved and should be agreed upon. Part of performance management requires that both parties meet frequently to evaluate and monitor progress towards the achievement of the set targets.

### **2.3.2 Concept of development**

According to Nellmapius (1996:1), development is general and future orientated. It attempts to enhance personal and institutional potential so that coping with future changes and challenges will be easier. It occurs on and off the job and ranges from activities such as short assignments to projects. This is supported by Erasmus & Van Dyk (1999:2) who wrote that employee development is creating learning opportunities and making learning possible within an institution.

It is clear from the above definitions that employee development is acquiring new knowledge and competencies, which empowers employees to improve their performance, which, in turn, enhance institutions' effectiveness and productivity, which translates into better service delivery.

### **2.3.3 Concept of performance**

Byars & Rue (1994:289) claim that performance is the degree of accomplishment of the tasks that make up an employee's job. It reflects how well the employee is satisfying the requirements of a job. Boxall, Purcell & Wright (2007:366) concur, stating that performance is behaviour or action relevant to the attainment of organisational goals that can be scaled and measured. This is underscored by Johnson, Penny & Gordon (2009:2) who argue that performance is a sequence of responses aimed at modifying the environment in a specific way. They argue that performance can be evaluated both in oral assessment and demonstrations.

From the above definitions, it is clear that performance is a means of achieving organisational or individual goals. Therefore, achievement is about predetermined goals that can be measured and not an accidental occurrence.

The next section discusses methods used to assess performance of employees.

## **2.4 METHODS OF PERFORMANCE MANAGEMENT**

The previous section focused on the various definitions relating to performance management, whereby concepts of performance management and performance were discussed. This section describes methods used in rating performance. This includes relative rating techniques, absolute rating techniques, management by objective, 360 degree appraisals, and assessment centre.



### **2.4.1 Relative rating technique/forced ranking**

Clark (1988:237) claims that straight ranking is a system the appraiser is called upon to make a judgement about the general level of the performance of each employee. The appraiser ranks each employee from bad to worse. Erasmus, Swanepoel, Schenk, van der Westhuizen & Wessels (2005:277) concur, stating that relative rating technique can be classified as ranking, paired comparison, and forced distribution. Straight ranking entails simply the rank ordering of individuals, according to overall merit or according to other performance factors, ranging from the best performer through to the worst performer.

DeCenzo & Robbins (1999:300) claim that paired comparison ranks each individual in relationship to all others on a one to one basis. This is underscored by Erasmus *et al* (2005:278) who argues that paired comparisons require the evaluator to compare each employee separately with other employees. The eventual ranking of an individual is then determined by the number of times he or she was judged to be better than other employees.

In forced distribution the evaluator is required to assign certain portions of his or her employees to each of a number of specified categories on each performance factor (Erasmus *et al* 2005:278). According to Clark (1988:237), forced distribution is designed to overcome two problems: firstly, it usually incorporates a number of factors, not merely overall performance, thus overcoming holistic problems; secondly, it permits the ranking of two employees equally, which is difficult with other comparative methods.

### **2.4.2 Absolute rating techniques**

The key to absolute rating techniques are the essay method, critical incidents, behavioural checklists, and graphic scales. DeCenzo & Robbins (1999:295) claim that the essay method is the simplest method of appraisal, where the

appraiser writes a narrative describing an employee's strengths, weaknesses, past performance, potential and making suggestions on improvements. The rater is required to write a report on each employee describing individual strengths and weaknesses. The format of the report may be left entirely to the discretion of the rater, or certain specific points of discussion may be addressed. The success of this method is dependent on the writing skills of the raters (Erasmus *et al* 2005:278).

DeCenzo & Robbins (1999:296), claim that critical incidents focus the rater's attention on those critical or key aspects that make the difference between doing the job effectively and doing it ineffectively. This is supported by Erasmus *et al* 2005:278, stating that with critical incidents, the rater is required to continuously record actual job behaviours that are typical of success or failure as they occur. He further argues that the method focuses on behaviour rather than on traits as a basis for appraisals and thus has the potential for meaningful feedback.

Behaviour checklists provide a rater with a list of descriptions of job-related behaviours, which have to be marked if they are descriptive of the individual being rated (Erasmus *et al* 2005:278). Once the checklist is complete the human resource staff evaluates by scoring the checklist and weighing the factors in relationship to their importance to the Job (DeCenzo & Robbins 1999:296).

In the case of graphic rating scales, a scale for a specific trait or characteristic consists of a continuum between two poles on which the rater indicates to what degree the ratee possesses those characteristics. The variations on this basic format stem from the dimensions on which individuals are to be rated; the degree to which the dimensions are defined and points on the scale are defined (Erasmus *et al* 2005:278). According to Clark (1988:238), this technique is typically used to assess a person's quality and quantity of work, as well as a variety of personality traits such as reliability and co-operation. With behaviourally anchored rating scales, performance dimensions are defined in

behavioural terms (Erasmus *et al* 2005:278). According to DeCenzo & Robbins (1999:298), in the behaviour anchored rating scales, the appraiser rates the employees based on items along a continuum.

### **2.4.3 Management by objectives**

Management by objectives (MBO) is a management philosophy that focuses on the motivation of individual performance but, due to its processes, can also evaluate performance. It entails supervisor and subordinates mutually establishing and discussing specific goals and formulating action plans; supervisors helping their subordinates to reach their set goals; and supervisors and subordinates reviewing at the present time the extent to which objectives have been attained (Erasmus *et al* 2005:279). DeCenzo & Robbins (1999:301) concur, stating that MBO evaluates employees on how well they accomplished a specific set of objectives that have been determined to be critical in the successful completion of their job. This is underscored by Newstrom (2007:284) who argues that management by objectives provides a unique form of results-oriented appraisals. Both supervisor and subordinate should agree beforehand on specific objectives in the form of measurable results.

### **2.4.4 Assessment centres**

Assessment centres is an assessment method that consists of a standardised evaluation of behaviour, based on multiple raters and multiple measures such as in-basket exercises, paper and pencil ability tests, leaderless group discussions, simulations and personality questionnaires (Erasmus *et al* 2005:279). Thornton & Rupp (2006:4) describe assessment centres as a comprehensive and flexible tool to assess and develop applicants and employees in a modern work environment.

#### **2.4.5 360 Degree appraisals**

According to Erasmus *et al* (2005:280) 360 degree appraisals are a multiple rater/multiple source approach to the assessment of an individual's work performance. DeCenzo & Robbins (1999:308) claims that the 360 degree appraisal is an appraisal device that seeks performance feedback from sources such as oneself, bosses, peers, team members, customers and suppliers. It means that an employee can evaluate him/herself, by his/her supervisor, by a colleague performing the same or similar job, by someone within his/her team by a customer who receives service from the person being evaluated.

From what was written above it is clear, that relative rating technique/forced ranking is a one method used in rating performance. Generally it is based on comparisons between employees. The disadvantage of comparing individuals is that if the first person performed very poorly, the next person might be overrated, even if his/her performance was average.

Absolute rating technique is an appraisal method which is based on employees' behaviour on the job, characteristics displayed by employees and the level of performance required. It focuses holistically on performance required and the behaviour required at work. It requires the rater to be good in expressing them. Therefore employees reporting to an illiterate supervisor or one who lacks good writing skills might be unfairly rated, even if they are good performers. MBO is an appraisal method based on set goals that are achievement-specific. It is result-oriented method focusing on the achievement of goals agreed on beforehand by the employee and his/her supervisor. The problem with MBO is that it does not take into consideration other factors that might affect performance either negatively or positively, such as job behaviours, competencies and availability of resources.

The 360 degree is an appraisal method that uses a multiple approach to assess employees. It seeks performance feedback from various sources that are in contact with the relevant employees. It is a fair method of appraisal as it minimises favouritism. The problem is, however, that it might take long to complete as many people are involved. Therefore, the 360 degree appraisal method is the best as it is performance based and the participation by individuals sources in assessment such as oneself, supervisor, peers, customers and suppliers. This method eliminates favouritism and brings maximum fairness to the process.

The next section considers measuring performance, which includes establishing an assessment instrument and frequency of performance.

## **2.5 MEASURING PERFORMANCE**

The previous section focused on methods used to assess performance whereby relative rating, absolute rating techniques, management by objectives, assessment centres and 360 degree appraisal methods were considered. This section describes how to measure performance. Once the performance agreement has been finalised, managers should make sure that they are prepared to assess actual performance against the required level of performance (Erasmus *et al* 2005:285). According to Fisher (1995:18), the purpose of measuring performance is to identify where things are not going according to plan and where things are going well.

### **2.5.1 Establish an assessment instrument**

A measuring instrument should be established before any assessment can take place. This instrument should be made known to all employees, so that employees are not taken by surprise during the assessment period. The performance assessment instrument should provide for the following: personal

details, such as period under review, surname, job title, probation or permanent employee; comments by the rated employee; actual performance appraisal that includes rating, provision for development, training, coaching, guidance and exposure needed; recommendations by rater, manager, comments by chairperson of moderating committee; a decision by the institution; and confirmation/extension/termination of probation (Erasmus *et al* 2005:285).

Leonard & Hilgert (2007:383) claim that most institutions use performance appraisals forms in order to facilitate the appraisal process and make it more uniform. These forms are prepared by the human resource department in consultation with supervisors and subordinates. Once forms are completed, the human resource department should train supervisors and subordinates for their proper use. They argue that factors to be considered in measuring performance should include job knowledge, timelines of outputs, positive and negative efforts, suggestion and ideas, dependability, safety, amount of supervision required, aptitude, cooperation, adaptability, ability to work with others, ability to learn, quantity and quality of work, effectiveness of resource use, customer services, judgement and appearance.

### **2.5.2 Frequency of appraisal**

Measuring performance involves two steps, which are: performance reviews and annual performance appraisals/evaluations. Too many appraisals can easily result in a situation in which an individual employee is over-managed while insufficient appraisals result in a situation where an individual employee may feel ignored (Erasmus *et al* 2005:286). According to Casio (1993:294) and Fisher (1995:27), appraisals should be as frequent as possible. This approach will be able to provide more accurate inputs to employment decisions and will also send clear information to employees about their status. They argue that appraisals should be done upon the completion of projects or upon the completion of

important milestones. In order to avoid this, employees should undergo regular performance reviews and an annual performance appraisal.

Performance reviews are used to provide an opportunity for employees to receive feedback on how they are performing. Therefore, performance reviews should take place at regular intervals during the performance cycle. This will assist employees with regard to identifying areas which need development. The type of performance review can differ from one institution to another; however, the following basic information should be included: personal details; particulars of deployability/transferability; action points from performance review discussions; assessment against work plan; and signature of both supervisor and subordinate (Erasmus *et al* 2005:286).

The annual performance appraisal process may involve two activities, namely, assessment of the achievement of results as outlined in the work plan, and the use of the assessment rating calculator to provide a final score (Erasmus *et al* 2005:286-287). Each output as indicated in the work plan should be assessed. An indicative rate should be attached to each output. Erasmus *et al* (2005:286-287) and Max & Bacal 2003:xiii) recommends a five-point scale as follows: 5 represents outstanding performance, 4 represents performance significantly above expectation, 3 represents fully effective, 2 represents performance not fully adequate, and 1 represents unacceptable performance. Once the rating has been done an overall rating should be determined by using an assessment calculator to add all the scores and calculate the final score. Fisher (1995:27) emphasises that despite frequent quarterly reviews, institutions should hold formal performance appraisals at the end of the year.

From the above it is clear that performance is measured so that it can be determined whether the employee is achieving the predetermined goals and objectives. Therefore, performance should be measured quarterly to ensure that it is meaningful to both the supervisor and subordinate. In order to maximise

transparency and fairness of the process, it is necessary to ensure that both the employee and the supervisor are familiar with the assessment instrument to be used during performance reviews.

The next section describes the five phases of performance management cycle.

## **2.6 PERFORMANCE MANAGEMENT CYCLE**

The previous section focused on measuring performance whereby the importance of establishing an assessment instrument and the frequency of appraisal were highlighted. This section explores the performance management cycle. It includes performance planning, ongoing performance communication, data gathering, observation and documentation, performance reviews and appraisals, and performance diagnosis and coaching.

### **2.6.1. Performance planning**

Performance planning means formulating performance expectations and goals for individuals and encouraging them to channel their efforts into achieving institutional objectives (Hartle 1995). Spangenberg (1994:52) emphasises that performance planning comprises setting a mission, performance goals and plans, work related competencies and supportive behaviours.

According to Bacal (1999:27), performance planning is the starting point for an employer and employee to begin the performance management process. Supervisor and subordinate together identify what the employee should be doing for the period being planned, how well the work should be done, why it needs to be done and other specifics such as level of authority and decision-making for the employee. Performance planning is done once a year but the performance plan can be reviewed during the course of the year, if the need arises.



The main objective of performance planning is to clarify job tasks for individual employees. It can be used as a forum to discuss general issues with all employees. Supervisors may want subordinates to understand that they are expected to refrain from insulting behaviour towards their colleagues and to dress appropriately (Bacal 1999:28).

The process of developing a performance plan entails at least one meeting between supervisor and each subordinate. Sometimes group meetings can be used for specific project assignments, followed by more detailed individual meetings. Supervisors may use different resource materials as a base for the development of a performance plan. Some may use an institution plan, while others use formal job descriptions (Bacal 1999:29).

According to Bacal (1999:29), the results of performance planning are, firstly, common understanding; secondly, the subordinate's plan for the year which will be used in the performance appraisal meeting at the end of the period being planned; thirdly, the subordinate's development or training needs to do his/her job; and, lastly, a signed performance plan by the supervisor and the subordinate.

### **2.6.2 Performance communication**

According to Boninelli & Meyer (2004:222), ongoing communication is a process by which supervisor and subordinate work together to share information about work progress, potential barriers and problems, possible solutions, and how the manager can help the subordinate. They argue that ongoing performance communication allows supervisors to gain an understanding of the subordinates' needs, and barriers they face, and ensures that there is a constant discussion about performance measures.

Ongoing performance communication is a two-way process to track progress, identify barriers to performance, and give both parties the information they need to succeed. It provides a platform for supervisors and subordinates to work together to prevent problems, deal with any problems that do occur, and revise job responsibilities as is often necessary in most workplaces (Bacal 1999: 29). He claims that ongoing performance communication can be conducted through the following common methods: firstly, short monthly or weekly status report meetings with each subordinate; secondly, regular group meetings in which every subordinate reports on the status of his or her projects and tasks; thirdly, regular short written status reports from each subordinate; fourthly, informal communication; and, lastly, specific communication when problems arise, at the discretion of the subordinate or employer.

### **2.6.3 Data gathering , observation and documentation**

Data gathering is a process of getting information relevant to improvement. Observation is a method of gathering data, while documentation is the process of recording the data gathered so that it is available for use (Bacal 1999:31). According to Schneier, Beatty & Baird (1987), the purpose of documenting is, firstly, to indicate management's concern with continued poor or underperformance; secondly, to aid in improving the subordinate's performance; and, thirdly, to provide a record of management's efforts to work with the subordinate should he or she appeal. Max & Bacal (2003:7) concurs, stating that keeping record of employees' significant behaviours will result in, firstly, increased accuracy of the performance appraisal; secondly, provides evidence to support ratings; thirdly, help to guarantee that performance for the entire appraisal period will be considered; and, fourthly, reduces the bias that occurs when you rate only the most recent behaviour.

According to Bacal (1999:32), data gathering, observation, and documentation can be done through regularly observing by walking around, collecting data and

information from individual subordinates at status review meetings, reviewing work produced by employees, collecting actual data, and asking information at staff meetings. Gathering data and documenting should focus on both institutional and individual improvement. This process is necessary to protect both the supervisor and subordinate in the event of disagreement (Bacal 1999:32).

#### **2.6.4 Performance review**

Performance appraisal is a process that involves a supervisor and subordinate working together to assess the progress that the subordinate has made towards the goals set in performance planning, and to summarise what has gone well and poorly during the period under review. It provides a forum for discussion to uncover processes and procedures in an institution that are inefficient, unproductive, or destructive (Bacal 1999:34). This is underscored by Kirkpatrick (2006:166), who states that performance reviews are the cornerstone of the performance management process and are vital in the ongoing development of staff. According to Bacal (1999:32), the performance appraisal process provides the following:

- feedback to a subordinate that is formal, regular, and recorded;
- documentation for the personnel file that may be used for determining promotions, pay levels, bonuses and disciplinary actions;
- an opportunity to identify how performance can be improved, regardless of current level;
- an opportunity to recognise strengths and successes;
- a springboard for planning performance for the next year;
- information about how a subordinate might continue to develop;
- an opportunity for a supervisor to identify additional ways to help subordinates in the future;
- an opportunity to identify processes and procedures that are ineffective and costly.

Kirkpatrick (2006:166) argues that performance reviews provide an opportunity for two-way discussions. Measuring performance against goals and key performance indicators, and identifying action plans in those areas that can be improved. Spangenberg (1994:183) concurs, stating that the year-end performance appraisal represents the end of the annual performance management cycle. This review serves two main purposes, namely: counselling and development; and discussion of administrative decisions, for example, salary increases and promotions.

Schneier *et al* (1987) claims that performance reviews should be held frequently as it reduces the overload of criticism to the subordinate, compared to when it is held once a year. Spangenberg (1994:195) concurs, stating that performance reviews should be as frequent as possible. He recommends that performance reviews should be held on a quarterly basis. The rationale is that the quarterly review system gives the manager the opportunity to make correctional changes in a particular direction without letting deviations become serious. The review requires people to be in touch with their superior regarding responsibilities that might be shifted, or goals that may have to be added or dropped. This is supported by Kirkpatrick (2006:166), arguing that performance reviews should, at a minimum, be held twice a year and the success of such meeting depends on both parties communicating and working together.

Performance reviews should involve the process of documentation. This requires that the supervisor and subordinate sign a performance appraisal form before sending it to the human resource unit. In the case where supervisor and subordinate disagree with what is written down, the subordinate may add comments to indicate his or her disagreement (Bacal 1999:36).

## 2.6.5 Performance diagnosis and coaching

According to Bacal (1999:36-37), there are various causes for subordinates not achieving their objectives or for a performance deficit. Firstly, subordinates may lack the skills needed; secondly, lack of hard work; thirdly, poor organising of subordinates; fourthly, people in the institution withholding needed resources; fifthly, unavailability of needed raw material; and, lastly, supervisors being unclear about what needs to be done. Schneier *et al* (1987:119-120) summarises the causes of poor/underperformances as three elements namely: skills that an employee brings to the job, such as knowledge, abilities, technical competencies and interpersonal competencies; effort, which is the motivation an employee exerts towards getting a job done; and external conditions, which are things that are beyond the control of an employee.

Bacal (1999:37) argues that problem diagnosis and coaching should occur throughout the year. It can be done as part of the appraisal process, but it is recommended that it should fit in whenever supervisors and subordinates communicate about performance.

It can be deduced that performance planning is the starting point of performance management. It sets the tone for other stages of the performance management cycle because at this stage individual goals are formulated, relevant competencies are identified and an agreed performance plan is produced for all employees. Supervisor and subordinate together sit down and discuss performance expectations and goals and personal development plans. This promotes understanding between supervisor and subordinates, and it can be used to discuss general issues with employees that may have an effect on performance. There should, at least, be a meeting once a year to develop a performance plan. However, should there be a significant change of mandates or priorities during the course of the year, it will be necessary to review the performance plan and incorporate such changes.

Ongoing communication is necessary because during the execution of the performance plan things might change. Unplanned projects may come to the fore unexpectedly. Supervisor and subordinates might have misjudged the time needed to complete a task. Therefore, ongoing communication ensures that subordinates share potential barriers and problems during the execution of tasks with supervisors and together provide possible solutions. It also provides a platform for subordinates and supervisors to deal with any problem that may arise, address issues such as change of jobs and revision of job responsibilities.

Data gathering during the course of the year either through observations, documentation or the use of both methods. Data will assist supervisors to identify gaps in performance and how to improve on them. Data gathered during the performance period can also be used during a disciplinary process.

Performance reviews is the cornerstone of the performance management process. Performance review benefits both the institution and the employees. It provides a discussion forum for the supervisor and subordinate to uncover processes and procedures that are inefficient to the institution. It promotes communication between parties involved in the review. Employees are provided with feedback on progress towards attainment of agreed goals and reviews assist the institution to make informed decisions on promotions, pay progressions and development plans for employees.

Performance diagnosis is aimed at identifying performance problems that result in subordinates not achieving their planned outputs as outlined in their performance agreement. It is the step whereby managers/supervisor analyses what are the causes of underperformance; it normally interrogates issues such as the skills the employee possesses, the effort the employee exerts towards getting work done and the external conditions which are beyond the employees' control. In order to improve service delivery, coaching should follow performance diagnosis. Therefore, performance diagnosis ensures that any barriers to

performance are identified beforehand and remedial actions are implemented in time.

The next section considers how to manage the outcomes of performance management.

## **2.7 PERFORMANCE MANAGEMENT OUTCOMES**

The previous section focused on the performance management cycle from performance planning and performance diagnosis. This section highlights the outcomes of performance management, in particular managing satisfactory and unsatisfactory performance. There are two basic outcomes that follow from an effective performance management process and that needs to be managed namely, managing satisfactory performance, and managing unsatisfactory performance (Erasmus *et al* 2005:289-290).

### **2.7.1 Managing satisfactory performance**

According to Erasmus *et al* (2005:290), there are three ways of giving recognition to good performance, namely, pay progression, performance bonuses and non-financial rewards. Pay progression refers to an upward progression in remuneration from a lower remuneration package to a higher remuneration package (Erasmus *et al* 2005:290). If an employee achieves a particular score as determined in the measuring instrument or policy, then he or she becomes eligible for progression to the next higher package in the remuneration band. Wright (2006:126) concurs, stating that an individual's pay progression is now commonly linked to an assessment of performance and the skills and competencies that he or she applies in the job. It means that employees are paid for developing their skills and expertise in the institution. This is supported by Leonard & Hilgert (2007:399), who claim that the employee who has performed satisfactorily deserve a normal pay increase. They argue that tangible rewards

will encourage the outstanding performers to continue striving for excellence. In Republic of South Africa, institutions have developed a trend towards relating rewards to performance.

Performance bonus refers to a one time cash reward based on performance. When an employee scores a particular point as determined in the measuring instrument or policy he or she is eligible for a performance incentive. Wright (2006:136) claims that a performance bonus is a lump-sum payment linked to performance or results in some way, whereby payment of a bonus is related to achievement of outputs of a team or business unit. Leonard & Hilgert (2007:400) concur arguing that a performance bonus is compensation other than basic wages that is given to an employee for achieving employee or corporate goals. This can be in the form of special cash awards, bonuses for meeting performance targets, incentive bonuses and profit sharing.

Non-financial rewards require a more creative way to recognise good performance. According to Erasmus et al (2005:290), the most common rewards can be applied are: increased autonomy to organise one's own work; acknowledgement and recognition of performance in official publications or other publicity material; and recognition of specific achievements or innovations in public. Leonard & Hilgert (2007:401) argue that institutions can provide non-financial rewards, such as vacations with pay, holidays, retirement plans, insurance and health programs, tuition-aid programs, and employee assistance programs. This is underscored by Perkins & White (2008:302), who claim that non-financial rewards as a flexible administration of non-cash benefits with a monetary value such as empowering employees to tailor their portfolio of employment terms to match their preferences, acknowledgement, balancing of work and life, and career development.



## 2.7.2 Managing unsatisfactory performance

Poor performance is assessed by comparison with existing performance standards as well as observance of workplace rules. These cover aspects such as time-keeping, behaviour, insubordination, safety, work practice and discipline.

There are two points of managing unsatisfactory performance, namely, corrective measures, and discharge for unfitness or incapacity to perform (Erasmus *et al* 2005:290).

According to Erasmus (2005:290), in cases where a subordinate under-performs, the supervisor should first take corrective measures such as systematic remedial or development support to provide assistance to the relevant employee. Corrective measures involve various options such as training or re-training, counselling or coaching, setting clear work performance standards, provision of enabling working facilities, and designing of a personal development plan. If the employee continues to under-perform, the supervisors can discharge the relevant employee for unfitness or incapacity to carry out his or her duties.

Sheridan (2007:110) claims that poor performance is costly and impacts negatively on the institution and the causes of poor performance vary from institution to institution. Therefore, management should understand the nature of such causes so that corrective actions can be taken to resolve such issues. Jackson & Schuler (2000) argue that sometimes, after all the efforts such as repeated warnings and counselling, performance does not improve. The last five recourses available are transfer, restructuring, neutralising, termination and arbitration.

It can be deduced from the above that the outcomes of performance management can either be positive or negative. If they are positive the supervisor should encourage the subordinate by either increasing his or her

salary, paying incentive bonus, using non-financial rewards, or a combination of some of the above mentioned methods. If they are negative the manager/supervisor should involve corrective measures such as training, coaching, mentoring, and setting clear performance standards. Should the subordinate continue to under-perform then the supervisor should discharge such employee on the grounds of incapacity.

The next section describes role players necessary to implement an effective performance management system.

## **2.8 ROLE PLAYERS IN PERFORMANCE MANAGEMENT**

The previous section focused on how to manage the outcomes of performance management irrespective of whether they are positive or negative. This section consider 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 performance management system firstly, involves making ratings at the end of an appraisal period. Secondly, counsels, mentor, coach, and judge performance. Thirdly, they commit to and understand the performance management system, 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 (Carroll 1982:234-235). 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 also to appropriately position the participants during the meeting.

According to Leonard & 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/she should establish performance expectations on standards. Thirdly, he/she should provide regular feedback on employee performance and, fourthly, keep accurate record of the subordinate's performance.

### **2.8.2 Employees' role**

According to Carroll 1982:235 employees should understand and support the performance management system by:

- willing to participate in the setting of performance expectations on standards.
- being reasonable in their acceptance of performance feedback from their superiors and should assess themselves realistically.
- call attention to biases, inaccuracies, and job changes that signal changes in the system;
- articulate their views clearly and take responsibility for performance improvement.

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 review, 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.
- be 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.

### **2.8.3 Human resource units**

HR departments usually have overall responsibility for the administration of the formal performance management system by coordinating the performance management system for the entire organization. Rothwell, Hohne & King (2007:14) concurs, stating that the human resource department is responsible for performance management as analysts, intervention specialists, change managers and evaluators.

According to Barton (1994:146-147) 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 collection and storage of data.

After the completion of the appraisal period the HR units should firstly, 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, occupational health the unit, departmental managers to ensure that any necessary follow up action is taken. Fourthly, keep record and monitor individual progress. Fifthly, evaluate and review the system periodically to ensure its validity and reliability are being maintained. Sixthly, 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/her role in the implementation of the performance management is to set performance standards or targets expected to be achieved by a subordinate; assess the subordinate's performance frequently; provide regular feedback on the subordinate's performance; administer the performance management process by keeping accurate records of the subordinate's performance; provide mentoring and coaching to subordinates and sixthly, provide logistics support to performance management interviews.

HR departments/units play a supportive role to the managers/supervisors and subordinates. Their role is important for the successful implementation of the performance management system. Therefore it can be concluded that the role of HR departments is to coordinate a performance management system for the entire institution; to develop a policy on performance management; to design review and assessment forms; to train both supervisors and subordinates on performance management systems, 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 performance management system.

## **2.9 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 overemphasized. 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 performance management system is, what it is trying to achieve, and how it is structured and implemented. It further assists to introduce and explain the forms and paperwork included. 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 speak briefly in support of the performance management system, to indicate high-level commitment to it and to emphasise that it is a worthwhile activity.

Training in the performance management system 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/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).

### **2.9.1 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 giving confidence and about teaching specific skills. He claims that it is vital that training is arranged so as to ensure that there is enough time for participants to see that they are capable of doing a good job; and training is delivered as close as possible to the time of the first appraisals.

Training should reflect the dimensions on which the appraisees are to be assessed; provide exercises to help course participants to correctly identify the behaviour relevant to each dimension and assess them appropriately; and outlining the main rating/assessment errors (Fletcher 2008:101). This is supported by DeCenzo & Robbins (1999:310) who argue that training of appraisers can minimise common errors such as halo and leniency, because supervisors can practice observing and rating behaviours.

According to Carroll (1982:237-239) training can create a better understanding of what the institution hopes to accomplish with the performance management system; and create a better understanding of the system, the forms, and the terminology employed. Rater training may convince the participants that the institution is serious about obtaining useful ratings with the chosen system. Training may also contribute to consistency among raters especially when all participants are exposed to the same training materials and perhaps also to the same instructor. Training can also sensitise raters to appropriate rating strategies and behaviours, thereby improving accuracy. Knowledge of the judgment process and common judgment errors can also improve ratings and it may increase the rater's self-confidence about his or her rating skills, as well as improve skills levels through practice and feedback.

Jorm & Agere (2000: 80-81) wrote that course material for supervisors and managers should include firstly, understanding the principles of performance management; secondly, understanding benefits and processes of the new system; thirdly, drawing departmental work plans from the business plan; fourthly, skills development in formulating objectives and performance measures; fifthly, providing on-going coaching to employees; sixthly, recognising, managing and improving unsatisfactory performance; seventhly, conducting objective appraisal interviews and eighthly, completing the appraisal form and using the rating scale fairly and accurately.

### **2.9.2 Training subordinates**

According to Fletcher (2008: 109-110), if employees are to have a significant input into the appraisal process, they should be given some training to make it effective. He argues that the content of appraisee 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; seventhly, how to respond to criticism; and eighthly, 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 & Agere (2000:81) states 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 and for and conduct for 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/supervisors to understand the performance management system 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. Training further helps subordinates on how to draft performance plans, how reviews are conducted and how to complete the relevant forms.

The next section considers the advantages and disadvantages of performance management.

## **2.10 ADVANTAGES AND DISADVANTAGES OF PERFORMANCE MANAGEMENT**

The previous section focused on the importance of training in implementing performance management. This section considers the advantages and disadvantages of performance management.

According to Jorm, Hunt & Manning (1996:3-4), the advantages of performance management are as follows: performance management provides better planning through the processes of identifying and linking the objectives and the strategies of the institution to the tasks of each public servant. It provides a better understanding of work through clarification of individual work tasks and responsibility boundaries as each public servant's key work tasks for a year, and what will be expected of them, is identified. Performance management promotes trust through participation in work planning and on-going discussion, feedback and open appraisal. It results in less duplication of effort and wastage of resources through improved work planning. It provides a turnaround of unsatisfactory performance through on-going feedback and discussion throughout the performance management cycle. Performance management provides a comprehensive data source to allow institutional skills development and training needs to be clearly identified and prioritised. It is a cost-effective data source for targeted employee development, recognition and reward programmes. It is a planning and measurement system that allows for qualitative as well as quantitative measurement and that has room for changes of direction and priorities throughout the year. Performance management is a system that allows for institutional, divisional, team and individual performance indicators and measures as well as generic indicators which can be used to encourage co-operative and other desired institutional behaviour. It is a system that can be linked with other management reform programmes such as ethics, competency, and quality programmes to provide a comprehensive human resource management framework, and it provides a performance culture that is also an equity culture with decisions relating to employees based on information about results and not whether they are liked or disliked.

Douglas McGregor in Leonard & Hilgert (2007:381) highlights the advantages of performance management system as, firstly, to provide systematic judgements to support salary increases, promotions, transfers, layoffs, demotions and terminations. Secondly, it is a means of telling subordinates how they are doing

and suggesting needed changes in behaviour, attitudes, skills or job knowledge, and, thirdly, to help supervisors coach and counsel employees.

Performance management benefits both the institution and employees. At institutional level the benefits are firstly, improved performance throughout the institution due to effective communication; secondly, improved overview of the tasks performed by each staff member. Thirdly, it identifies areas of improvement; fourthly, it creates a culture of continuous improvement; fifthly, it identifies training and development needs, and sixthly, it conveys a message that people are valued. Whilst, the benefits at employee level are firstly, to increase motivation, job satisfaction and sense of personal value; secondly, a clear understanding of what is expected and what needs to be done to meet expectation; thirdly, the opportunity to discuss work problems and how to overcome them and, fourthly, improved work relations with supervisors (Fisher 1995:15-16)

According to Wright (2006:124) the disadvantages of performance management are: firstly, performance management is viewed as time-consuming and controversial, especially when a pay rise is at stake; secondly, performance assessment forms are often lengthy and sometimes complex; thirdly, supervisors as well as subordinates feel they are asked to pass judgements and make comments in the absence of objective criteria; fourthly, it is seen as an instrument to control and discipline; and fifthly, setting of objectives is easy in some institutions for some jobs and can be problematic in others. DeCenzo & Robbins (1999: 290) concur, stating the disadvantages of performance management are firstly, it can lead to conflict. The performance assessment process involves emotions. Subordinates may sometimes perceive that they are performing at an outstanding level while the supervisor see such performance as average. Secondly, supervisors make errors in their judgement or permit biases to enter the process during evaluation. This might occur because some

supervisors focus on the negative aspects and not balancing it with the positive aspects and also the poor training of managers on how to evaluate subordinates.

According to Boninelli & Meyer (2004:222) the limitations of performance management are: firstly, it is seen as a human resource system. Supervisors have a responsibility to ensure that the institution performs in terms of the set strategy. They should not only comply by filing in forms. Secondly, performance management is not integrated with other human resource systems. In practice organisations do not use the result of performance management when making decisions that relates to selection, recruitment, development and succession planning of employees.

From the above it is clear that performance management has more benefits than disadvantages. It promotes better planning for the institution, which results in aligning employee goals to institutional goals. It promotes communication and participation to both parties resulting in increased trust. It provides informative data that can be used by the institution for promotions, pay progression and development of employees. The disadvantages of performance management are that it is sometimes viewed as time-consuming by both subordinates and supervisors. It may result in conflict between the employee and his or her supervisor due to different perceptions by subordinates and supervisors.

## **2.11 CONCLUSION**

This chapter has provided a scope of performance management and its nature, whereby performance management is regarded as a holistic approach to performance. Performance management is defined as a process of accomplishing institutional goals by employees with the purpose of enhancing service delivery. There are various methods of assessing performance, which are relative rating technique or forced ranking, absolute rating technique, MBO, assessment centres and 360 degree appraisals. Performance should be

measured, therefore it is necessary to establish an assessment instrument and decide on the frequency of appraisal beforehand. Performance management is a cycle which starts with performance planning, then, followed by performance communication, data gathering, observation and documentation, performance review and performance diagnosis and coaching. The outcomes of performance management might be satisfactory or unsatisfactory therefore they should be managed properly regardless of whether they are positive or negative. There are various role players in the performance management process, which are supervisors, subordinates and HR units. Training plays a very important part in the implementation of performance management, therefore supervisors and subordinates should be trained on the performance management system.

The next chapter outlines the design and methodology that was used in this study

## **CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY**

### **3.1 INTRODUCTION**

The previous chapter explored the definition of concepts, nature and scope of performance management whereby performance management is regarded as a holistic approach to performance. It discussed measuring performance using various methods of performance, performance management cycle from performance planning to managing the outcomes of performance management both positive and negative, role players and training on performance management. This chapter focuses on the research methodology, research design, sampling procedures, data collection methods and ethical considerations.

### **3.2 RESEARCH DESIGN**

Research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the study purpose with economy in procedure (Mouton & Marais 1996:32). Mouton (2001:55) states a research design is a plan according to which research participants are identified to collect information from them. The research design utilised in the study is qualitative in that it seeks to understand human and social interaction from the perspectives of insiders and participants' interaction.

According to Denzini & Lincoln (2003:5), qualitative study is an umbrella phrase covering an array of interpretive techniques which seeks to describe, decode, translate and come to terms with the meaning of naturally occurring phenomena in the social world. This is underscored by Mason (2002:1) who claims that qualitative research explore a wide range of dimensions in the social world, including the texture and weave of everyday life, understandings, experiences and imaginations of study participants, ways that social processes, institutions, discourses and the significant meanings they generate. The study examined to

what extent performance management can enhance an employee's performance.

The particular approach that the study followed was that of a case study. Welman & Kruger 2001:21 claim that a case study pertains to the fact that a limited number of units of analysis are studied intensively. The unit of analysis includes individuals, groups, and institutions. The study utilised individuals as the unit of analysis at Father Smangaliso Mkhatswa Centre in the Gauteng Department of Social Development.

According to Welman, Kruger & Mitchell (2005:194), three aspects deserve special mention, as far as conducting case studies are concerned. Firstly, a case study should be demarcated. That is, its boundary should be determined. In this case the implementation of performance management in the public sector and the study was demarcated to Father Smangaliso Mkhatswa Centre. Secondly, whichever technique is used to collect data, the concern is not merely to describe what is being observed but to search, in an inductive fashion, for recurring patterns and consistent regularities. The third aspect is triangulation, which is frequently used to discern patterns. Regarding this study, the perceptions of employees of Father Smangaliso Mkhatswa Centre on the implementation of a performance management and development system were investigated. The study attempts to determine trends from the perspectives of both management and subordinates.

### **3.3 SAMPLING PROCEDURES**

A research problem has a bearing on some or other population. It is usually not practically and economically feasible to involve all members of the population in a research project, because of the population size. Consequently researchers obtain data from a sample of the population (Huysamen 1994:37). According to Sekaran (2003:265) the population is the study object and consists of individuals,

groups, institutions, human products and events or the conditions to which they are exposed. In this study the population consists of employees in Gauteng Department of Social Development based at Father Smangaliso Mkhatswa Centre.

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.

The study utilised stratified random sampling. According to Babbie (2001:214), stratified random sampling obtains a greater degree of representativeness by decreasing the probable sampling error. Huysamen (1994:41) claims that in stratified random sampling various strata or sub-populations are first identified and a random sample is then drawn from each separate stratum or sub-population. The population of Father Smangaliso Mkhatswa Centre is composed of clearly recognisable sub-populations, namely, managers and non-management employees at operational levels. Participants selected from various occupational classifications, such as care workers, administration clerks, garden workers, cleaners, food service aid workers, directors and social workers.

Participants at management level were targeted, firstly, to create a sense of objectiveness and, secondly, for their understanding of performance



management and development legislative requirements, policies, procedures and processes. Their understanding is important for the successful implementation of a performance management and development system as they are the custodians of policies, to ensure compliance to policies, procedures and processes and ensure that disputes between supervisors and supervisees are dealt with. Supervisors were targeted because they are implementers of policy directives and therefore they need to be familiar with policies, procedures and processes for successful implementation of the PMDS. They are required to train subordinates on procedures and process of PMDS. Employees at operational level were targeted as role players and they should understand procedures and processes of PMDS so that they can participate actively during performance contracting, performance reviews and annual performance assessment.

### **3.4 DATA COLLECTION METHODS**

According to Welman, Kruger & Mitchell (2005:193), case study utilises fieldwork investigation and is conducted on the spot under natural circumstances of the specific case. The research approach for the study is case study. The research procedure for case study according to Welman & Kruger (2001:184), is participant observation, unstructured and semi-structured interviews. The study utilised semi-structured interviews as a method of collecting data. Semi-structured interviews are usually employed in explorative research and purposefully they do not use an interview schedule. The advantage of unstructured interviews is that it is useful in cases where the researcher wants to launch an explorative investigation as well as pre-testing a questionnaire, while the disadvantage is that the researcher may display subjectivity in the interview and it is time consuming (Welman, Kruger & Mitchell 2005:197).

The study utilised semi-structured questionnaire as it intends to explore the perception of employees regarding the implementation of the performance management and development system. The questions covered performance

planning, performance assessment, training on performance, improving performance and managing conflict. Literature was reviewed with a purpose of understanding the subject and defining concepts. Documents on performance management and development in the public service and within Gauteng Department of Social Development were analysed and a semi-structured questionnaire was developed based on the literature and document analysis. Secondary sources, which are legislation and policies, were used. Welman, Kruger & Mitchell (2005:35) claim that a primary source is a written or oral account of a direct witness of, or a participant in, an event or an audiotape, videotape or photographic recording of it, while secondary sources provides second hand information about events.

Participants were randomly sampled within various stratum. During the interviews a voice recorder was used. The Participants' permission and consent were requested to use a voice recorder. They were informed that the process was voluntary and that at any time they could withdraw from the process. The voice recorder assisted with recording of responses during the interviews and also assisted with the retrieval of information from the interviews as it was not possible to note everything on paper during the interviews. A list of open-ended questions was used. The list of questions was given to each participant during the interview. According to Huysamen (1994:128), open-ended questions in questionnaires allow respondents to formulate their own responses themselves. This is underscored by Welman, Kruger & Mitchell (2005:174) when they state an open-ended question is one in which the interviewer asks a question without any prompting with regards to the range of answers expected.

### **3.5 ETHICAL CONSIDERATION**

According to Welman, Kruger & Mitchell (2005:201), the researcher should pay attention to four ethical considerations, namely; informed consent, right to privacy, protection from harm and involvement of the researcher. Huysamen

(1994:178) argues that ethical considerations come into play in a research project when participants are recruited, during the intervention and/or the measurement procedure to which they are subjected and in the release of the results obtained. Prior to the interview process, permission was requested via the Department of Public Administration from UNISA to conduct a semi-structured questionnaire at Father Smangaliso Mkhatswa Centre. Permission was granted. In the study the necessary permission was obtained from the respondents after they were thoroughly and truthfully informed about the purpose of the interview and study. Respondents were assured of their right to privacy and they were informed that their identity will remain anonymous. The researcher ensured that no unethical tactics and techniques were used during the interviews and respondents were treated with dignity and respect.

### **3.6 CONCLUSION**

This chapter discussed the research design and the methodology of the study. The research design utilised in the study is qualitative as it seeks to understand human and social interaction from the perspectives of insiders and participants' interaction. The study examined to what extent performance management can enhance employees' performance. The approach of the study followed was that of a case study. Individuals were utilised as unit of analysis. The population in this study consists of employees of Gauteng Department of Social Development based at Father Smangaliso Mkhatswa Centre. Stratified random sampling was utilised as the population of Father Smangaliso Mkhatswa Centre is composed of clearly recognisable sub-populations. The study utilised unstructured interviews as a method of collecting data. Semi-structured questionnaire was utilised.

The next chapter focuses on the application of a performance management and development system at the Centre, which includes organisational the structure of the Gauteng Department of Social Development, policy on performance management and analysis and interpretation of results.

## **CHAPTER 4: PERFORMANCE MANAGEMENT IN GAUTENG DEPARTMENT OF SOCIAL DEVELOPMENT**

### **4.1 INTRODUCTION**

Chapter three discussed the research design and methods of data collection. This chapter focuses on the case study the Father Smangaliso Mkhatswa Centre. It explores the application of performance management in Centre. Cognisance will then be the organisation of the Gauteng Department of Social Development, Gauteng Department of Social Development policy on performance management and development system and analysis and interpretation of the results. This chapter will be concluded with conclusion.

### **4.2 ORGANISATION THE OF GAUTENG DEPARTMENT OF SOCIAL DEVELOPMENT**

The GDSD has a political head who is the Member of Executive Council (MEC) for Social Development. The functions of the MEC for Social Development are amongst others to implement legislation, formulate and implement policies; and direct and coordinate the work of the GDSD ([www.pmg.org.za](http://www.pmg.org.za)).

In order for the MEC to perform his/her functions, he/she is assisted by a Head of the Department (HoD). According to the national treasury (Republic of South Africa 2000:2), the HoD is the accounting officer of an institution. His/her responsibilities are amongst others to implement policies, to ensure the objectives as defined in the budget are achieved and prepare, implement and manage the department's budget. Figure 4.1 illustrates the hierarchical structure of the GDSD. There are seven chief directorates to assist the HoD in performing the functions of the Department. These chief directorates are the Office of the Chief Executive Officer (CEO) & Communication, Development Social Work & Partnerships, Statutory Social Work Services, Regional Services & Institutions,

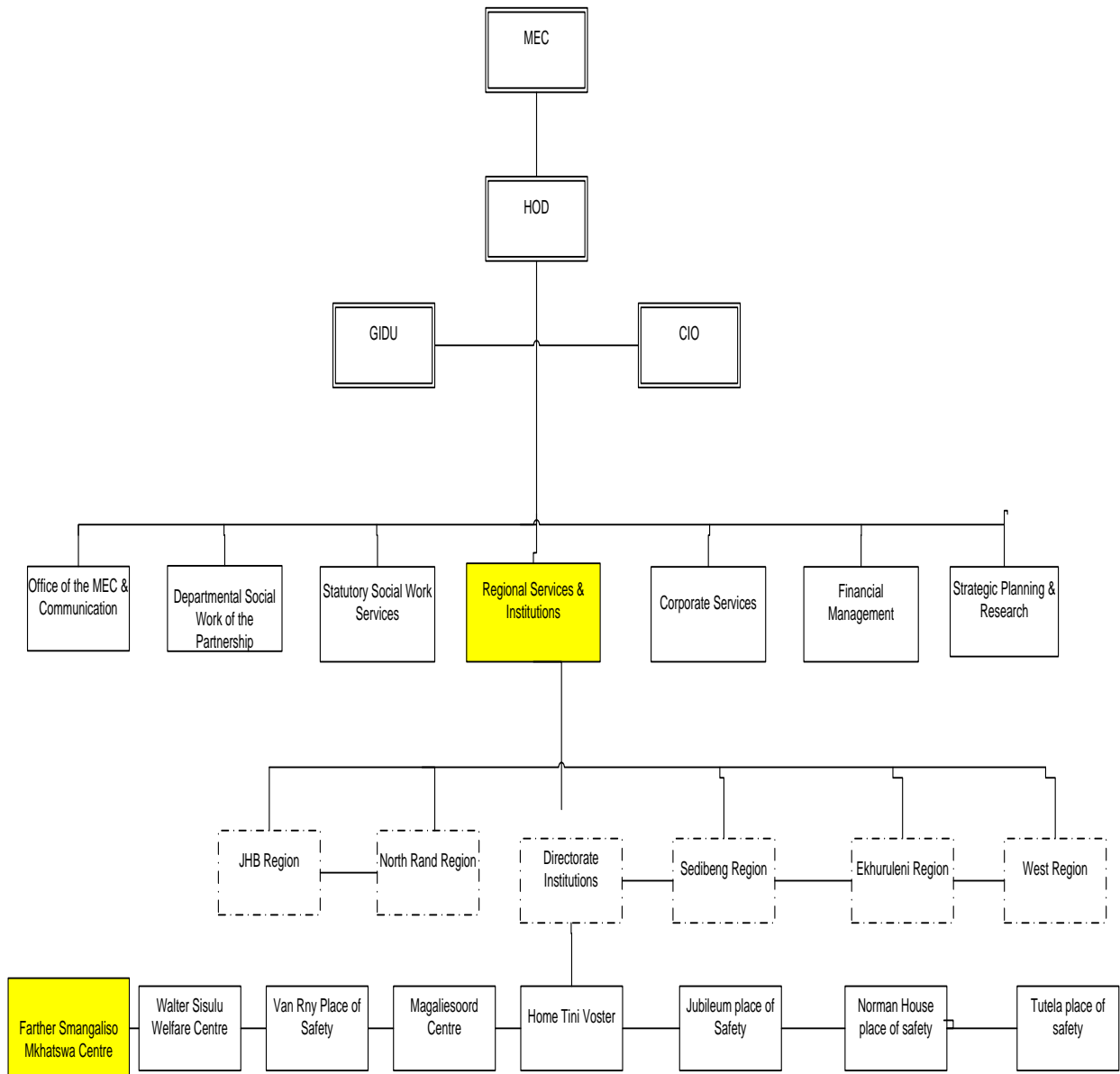
Corporate Services and Strategic Planning & Research. The study focuses on the Chief Directorate: Regional Services and Institutions, which is responsible for services to regions and institutions, which is further divided into five regions and institutions. The five regions are Johannesburg, North Rand, Sedibeng, West Rand and Ekurhuleni. The eight institutions are the Father Smangalis Mkhatswa Centre (Centre), the focus of the research, Walter Sisulu Welfare Centre, Van Ryn Place of Safety, Magaliesoord Centre, Home Tini Vorster, Jubileum Place of Safety, Norman House Place of Safety, and Tutela Place of Safety.

The Centre was established by section 28 and 29 of the *Child care act, 1983* (Act No 74 of 1983) as amended (hereafter referred as the *Child care act, 1983*), to provide protection and welfare to children in need of care (Republic of South Africa 1983). The Centre was previously (since 1984) known as Jabulani Welfare Complex. Figure 4.2 illustrates that the Centre is made up of two homes, the Tsosoloso Place of Safety (hereafter referred as the Place of Safety) and Legae la Rona Children's Home (hereafter referred as the Children's Home) with two support sections, namely Administration and Support Services and Professional Support Services. It is situated in Soshanguve Township, which is on the North of Tshwane Metropolitan Municipality. The Centre renders services to children who are abused, neglected and orphaned in South Africa as whole. The services are aimed at the growth and development of children in order to empower them to become productive citizens in their communities as well as South African society. Both the Place of Safety and Children's Home admit children who are at risk due to neglect, abandonment and all forms of abuse.

The Place of Safety admits children age 0 -17 years on short term (six months and less), while the Children's Home admits children of the same age for a longer period (six months and longer) based on their family circumstances. For children to be admitted to the Centre they must be declared in need of care by the Commissioner of Child Welfare (Child Care Act, 1983). It means that services are only accessed through court referral. Therefore, no child can be admitted to

the Centre without a court order from the Department of Justice or courts ([www.socdev.gpg.gov.za/jabulani](http://www.socdev.gpg.gov.za/jabulani)).

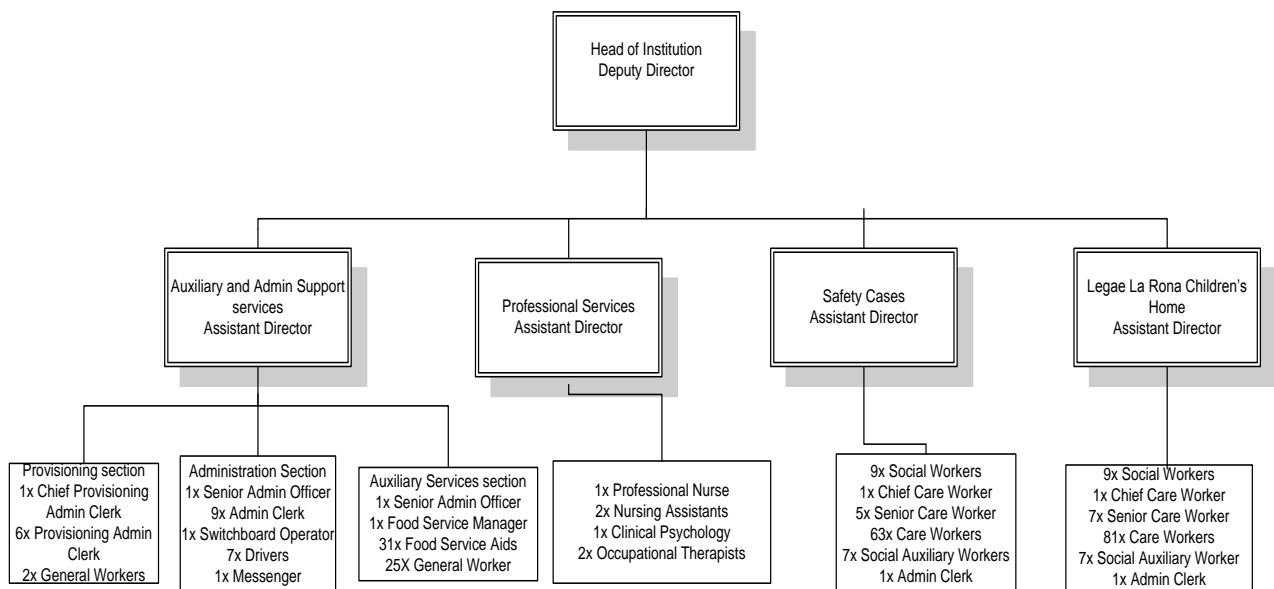
**Figure 4.1: Organogram Gauteng Department of Social Development**



Source: Organisational and post establishment: Gauteng Department of Social Development 2008:1-48

According to the hierarchical structure, the Centre has 287 approved posts of which 233 (81%) posts are filled, while 54 (19%) posts are vacant. The majority of employees at the Centre come from the local Soshanguve community. The workforce consists of 154 (66%) women and 79 (34%) men. The management composition in the Centre is 98% women and 2% men ([www.socdev.gpg.gov.za/jabulani](http://www.socdev.gpg.gov.za/jabulani)).

**Figure 4.2: Organogram Father Smangaliso Mkhatswa Centre**



*Source: Organisational and post establishment: Father Smangaliso Mkhatswa centre 2008:30-32*

The functions and hierarchical structures of the GDSD, which are the seven chief directorates, six directorates and the Centre, were described in this section. The next section explores the implementation of the performance management and development system in GDSD.

### **4.3 GAUTENG DEPARTMENT OF SOCIAL DEVELOPMENT POLICY ON PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM**

The previous section described the overall organisational structure of the GDSD and in particular focused on that of the Centre. This section deals with the application of performance management at the Centre and highlights the processes and procedures of performance management, performance evaluation, dispute resolution mechanisms, the role of the human resources directorate, and the role of supervisors and subordinates during performance management.

#### **4.3.1 Performance management policy**

Performance management in the public service does not exist in a vacuum but are governed by legislation (*Public Service Act 103 of 1994, Public Service Regulations 2001*) and policy frameworks (*National Employee Performance Management and Development System Policy, and incentive policy framework linked to the departmental performance management system for employees on salary level 1 to 12*). This is supported by Erasmus *et al* (2005:34) who claim that human resources management in the South African Public Service occurs within the definite legislative and policy frameworks. Subsequent policies were developed by the Department of Public Service and Administration (DPSA), the custodian of public service policies. These policies direct the management of the public service employees.

According to the Public Service Regulations (Republic of South Africa 2001:38), government institutions are required to manage performance management in a consultative, supportive and non-discriminatory manner in order to enhance institutional efficiency and effectiveness and to maintain accountability for the use of resources and the achievement of results. The regulations further requires that performance management processes should be linked to broad and consistent



plans for staff development and aligned with the GDSD's strategic goals. This is underscored by Wright (2006:260) who states that performance management is a broader process in which institutional aims and objectives are the starting points for the setting of objectives for divisions, units, teams and individuals. The implementation of the performance management system started on 01 April 2001. The Public Service Regulations 2001, stipulated the period for which performance is to be assessed, the performance cycle, and an annual date for assessment. The regulations further recommend that the supervisor should meet quarterly with subordinates to discuss their performance. This is supported by Casio (1993:294) and Fisher (1995:27) who state that performance reviews should take place as frequently as possible. They argue that reviewing performance frequently will provide more accurate inputs to employment decisions and send clear information to employees about their performance status.

The incentive policy framework states that employees who perform at the required level should be eligible for pay progress to the maximum notch of the salary level attached to their posts. Section 11 prescribes that the implementation of pay progression should not be more than 1% of the department's wage bill. Section 17 prescribes that awarding of performance bonus should not exceed 18% of an employee's basic salary and the department may not spend more 1.5% of the department's remuneration budget (Department of Public Service and Administration 2003:2-3). Erasmus et al (2005:290) claims that good performance can be recognised through pay progression, performance bonus and non-financial rewards. Leonard & Hilgert (2007:399) are of the view that employees who perform satisfactorily deserve normal pay increases and tangible rewards will encourage outstanding performers to continue striving for excellence. Wright (2006) concurs, stating that an individuals' pay progression should be linked to performance assessment and competencies that employees apply.

Performance management in the GDSD is based on the Public Service Regulations 2001, and incentive policy framework. In addition to these policies, on an annual basis at the end of the financial year the GDSD issue a circular in the form of an internal memorandum to all employees as a guideline outlining the process to be followed for the appraisal of the previous financial year's performance. The circular states that all staff (temporary and permanent) on levels 1-12, who completed one (1) year's actual service in their rank at the same salary level, need to be evaluated to determine their overall performance ratings for the period, on an individual basis (Department of Social Development 2004b:1). It means that if an employee has been promoted within the financial year to the next higher post, he/she will be assessed on the stated post level, but not qualify for pay progression or performance bonus. It also clearly states that the financial year starts on 1 April every year and ends 31 March of the following year. It means that any performance that falls on February of the previous year or April of the current year cannot be considered when assessing performance for the period under review (Department of Social Development 2004b:2).

#### **4.3.2 Process of performance management**

At the beginning of each financial year employees are required to enter into performance agreements with the employer within thirty days after the commencement of the financial year (Department of Social Development 2004b:4). According to Bacal (1999:27) performance planning is the starting point to begin the performance management process. After the performance agreements have been signed all staff members start with the implementation of their performance contracts. On a quarterly basis the supervisors meet with their subordinates to assess their performance. This is supported by Schneier *et al* (1987) who argue that performance reviews should be held frequently to reduce the overload of criticism to subordinates, compared to when it is held once a year. Spangenberg (1994:195) concurs, stating that performance reviews should be as frequent as possible. The aim of assessing performance is to reinforce

good behaviour and performance on the one hand, while on the other hand to correct unwanted behaviour and poor performance. This is underscored by Spangenberg (1994:195) who states that the rationale for quarterly reviews is to give the supervisor an opportunity to make correctional changes in a particular direction. Bacal (1999:166) concurs, stating that performance review is necessary to assess employees' performance in achieving predetermined goals and to identify what has gone well or poorly during the period under review.. This is supported by Kirkpatrick (2006:166) who argues that performance reviews provide an opportunity for two-way discussion between supervisor and subordinate. This can either be done by on-the-job training or formal training. Erasmus *et al* (2005:290) claims that an employee who under-performs can be assisted by intervening measures such as training or re-training.

Section 6 of the internal memorandum (Department of Social Development 2004b:3-4) outlines the steps that supervisors should take during the performance evaluation process: firstly, they should make a sufficient number of copies of the internal memorandum on performance management and development system for staff that they are responsible for in their span of control. Secondly, they should call a staff meeting during which they should notify all members of the staff of the evaluation process outlined in the circular. Thirdly, at commencement of the meeting, they should provide each staff member with a copy of the circular and explain the content to them. Where an employee is not able to communicate in English, reasonable steps should be taken to ensure that the content is explained to them in a language that they understand. Fourthly, where an employee cannot attend the briefing session, alternatives sessions should be arranged to inform such an employee of the process. Fifthly, during the briefing sessions, scheduled meetings should be arranged with the relevant employees to do their performance ratings.

Performance reviews are conducted on a quarterly basis. At the end of the financial year the four quarterly reviews are added together and divided by four to

determine the annual assessment score (Kekana, personal interview, 13 December 2010). Rapetsoa, personal interview, 13 December 2010 concurs, and further state that in a case where an employee is on sick leave during the quarter or is in maternity, three quarterly reviews will be added together then divided by three and the average rating is regarded as the final assessment. The procedure for quarterly reviews is as follows: the supervisor will notify subordinates in advance of the date and time of the assessment. The supervisor issues a review form to the subordinate to review him/herself. Subordinates rate themselves and provide evidence where it is necessary and supervisor and subordinate meet to discuss and review performance, then agree on the relevant rating and sign review forms at the end (Letoaba, personal interview, 14 December 2010). Any disputes or disagreements will be dealt with as discussed under section 4.3.5.

#### **4.3.3 Performance evaluation tool**

According to the internal memorandum, different performance assessment forms are used for the different levels of management (7-12) and non-management (1-6). There are assessment forms for employees on salary level 1-6, who are non-supervising employees. There are assessment forms for employees on salary level 7-8, who are regarded as supervisors and salary level 9-12 who are regarded as middle management employees. Section 4 of the internal memorandum states that the Gauteng Provincial Government (GPG) performance assessment form should be used as an assessment evaluation tool at all levels (Department of Social Development 2004a:3).

The assessment forms are divided into four sections. Section 1 deals with performance dimensions - amongst others planning and organising, problem solving, improve team performance, managing own performance and development, and communication. Section 2 deals with assessing key performance areas (KPA), whereas section 3 focuses on the personal development plan and section 4 makes provision for signatures of the relevant

parties. The assessment forms have a 5-point rating scale. 5 represents clearly outstanding, 4 very effective, 3 effective; 2 indicates that the employee meets some requirements and 1 that he/she is not yet effective (Department of Social Development 2004a:1).

#### **4.3.4 Human resource directorate and human resource units**

The Directorate Human Resource Management (DHRM) is responsible for formulating guidelines on performance management for the GDSD, ensuring that the correct forms are used and for training supervisors, subordinates and shop stewards in performance assessment (Rapetsoa personal interview, 13 December 2010).

Annually at the end of the financial year, the DHRM circulates a list of employees who qualify to be assessed from the previous financial year. Supervisors at the different levels are requested to certify the list to ensure that those who qualify are on the list. The lists are returned to DHRM for finalisation (Department of Social Development 2004b:1). Qualifying employees are evaluated by their respective supervisors. After assessment, their supervisors forward all completed assessment forms to the DHRM for capturing and recording. This is supported by Bacal (1999:36) who states that all assessment forms should be send to the human resource unit for the purpose of capturing and recording them. The DHRM consolidates all assessment forms received, present the result of the assessment to the management of the GDSD for decision on performance rewards and also to confirm if the department has sufficient funds to pay for performance bonus and pay progression (Department of Social Development 2004b:10). Clark (1988:233) concurs, stating that the human resource units are to design the performance management system, train those who are involved in the implementation and act as data collection and data storage. This is supported by Commerce Clearing House Australia Limited (1988:111-112), stating that the duties of the human resource unit is to prepare submissions to top management

on performance management and monitor the issuing of forms, their completion and return by assessors.

The DHRM monitors the implementation of the performance management process by ensuring that all employees are assessed quarterly and that the relevant systems are updated. The same process is followed by the human resource unit of the Centre. This practice seems to be a norm. According to Commerce Clearing House Australia Limited (1988: 111-112), some of the responsibilities of human resource units are to distribute the performance management policy, design assessment forms, issue instructions related to performance management, set time frames for completion of each stage of the performance management process, keep record and monitor individual progress.

#### **4.3.5 Dispute resolution process**

The Internal memorandum on performance management makes clear the mechanisms to be followed in case of disagreements during performance assessment. It states that a dispute or disagreement should be escalated to the next management level until it reaches the responsible director (for example, in case of the Directorate: Institutions refer to figure 4.2, the director for institutions should be the last person to deal with any dispute or disagreement for all employees within the Centre) (Department of Social Development 2004b:8-9). Bacal (1999:36) acknowledges that there may be disagreements during performance assessments. He recommends that where supervisor and subordinate disagree on what is written down, the subordinate may indicate his or her disagreement in writing. If this process fails to resolve the dispute, the aggrieved employee should then follow the grievance procedure as outlined in the grievance policy in the public service (Department of Social Development 2004b:8).

According to the rules for dealing with the grievance of employees in the public service, a grievance should be lodged with the employer within 90 days from the date on which the employee became aware of the official act or omission which adversely affects him or her. An employee may demand that his or her grievance be referred to the Public Service Commission within 10 days after receiving the executing authority's decision. A grievance must be lodged on the prescribed form (Republic of South Africa 2003:4-5). Government departments including the executing authority have 30 days to deal with the grievance; this period may be extended by mutual agreement. If the aggrieved person is informed of the outcome of the grievance and he/she remains unsatisfied he/she must inform the executing authority thereof in writing within 10 days. The executing authority must in terms of section 35(1) of the *Public Service Act 1994* forward the grievance and the relevant documentation to the Public Service Commission (PSC) for a recommendation within five days of being informed by the aggrieved employee (Republic of South Africa 2003:4-5).

According to Sibiya, personal interview, 13 December 2010, the aggrieved employee would refer the dispute to the next management level for intervention. If the dispute is not resolved by the next management level, it is then escalated to the relevant director. Should the dispute remain unresolved after the intervention of the relevant director, the aggrieved employee should follow the formal grievance procedure, assisted by a union representative. She claims that in most cases the next management level and the relevant director will endorse the rating given by the supervisor or just ignore the grievance. This results in subordinates losing confidence in the process and not following the formal grievance procedure. Baloyi, personal interview, 14 December 2010 supports this view by stating that when grievances are submitted to the relevant director for intervention, the relevant director will send back the grievance to the relevant manager to resolve the grievance, which is shifting of goal posts resulting in the dispute taking long to be resolved. The role of the human resource unit is only limited to administering performance management process and quality

assurance of completed forms. The process of dispute resolution in the Centre is too long due to escalation from one level of management to the next, thus prolonging action on grievance. As a result it defeats the spirit of the grievance procedure, which stipulates that a grievance should be dealt with in a fair, impartial and unbiased manner and it must be dealt with within thirty (30) days (Republic of South Africa 2003: 4-5). The objectives of subordinates who lodge disputes is questionable, as they are reluctant to follow a formal grievance procedure which they are aware of, more especially so because they are assisted by their union representatives.

#### **4.3.6 The role of subordinates during the process of performance management**

Performance management is an interactive process whereby supervisors and subordinates interact and exchange views on performance from the performance planning phase to the assessment phase (Fernandez 2005:261). This is supported by Bacal (1999:3) who argues that performance management is an ongoing communication process, undertaken in partnership between supervisor and subordinates.

During the performance planning phase, supervisors and subordinates are required to agree on relevant performance dimensions and key performance areas that should be delivered on during the financial year. According to Walters (1995:69) subordinates should be actively engaged in setting performance standards. Whilst, Leonard & Hilgert (2007:375) argue that the supervisor is responsible for establishing performance standards or targets that a subordinate is expected to deliver. Once an agreement has been reached on performance dimensions and key performance areas, both parties should sign a performance agreement. A personal development plan (PDP) is formulated, agreed upon, and signed by the supervisors and subordinates (Department of Social Development 2004b:4). Then the execution of the plan begins. Employees are expected to



achieve the goals/activities as stipulated in the performance agreement. Supervisors have to provide feedback on performance and give the necessary support to achieve performance goals.

On a quarterly basis the supervisors and subordinates meet to review the performance against the pre-determined deliverables. It is the responsibility of the supervisor to initiate the meeting to discuss performance. He/she sets the date and time of the meeting and informs the subordinates. Supervisors should prepare a venue for the meeting. According to Phetla, personal interview, 13 December 2010, the supervisor informs subordinates of the venue, date, and time for the performance review. The supervisor requests the subordinate to prepare him/self for the meeting. Walters (1995:69) claims that one of the roles of supervisors in performance management is to prepare the venue for reviews, and also to prepare the subordinate for the meeting. He/she should review the subordinate's performance and discuss matters of concern with him/her. This is supported by Leonard & Hilgert (2007:375-377) who state that supervisors are responsible for assessing subordinates as they are better positioned to observe the subordinate's performance and they should also provide regular feedback. Subordinates should also review their performance in preparation for the performance review meeting with their supervisors. According to Carroll (1982:235,) subordinates should assess themselves realistically. Walters (1995:69) argues that both manager and subordinate should prepare for the review meeting independently by gathering relevant information such as job descriptions. In a case where a subordinate is of an opinion that he/she performs above average, he/she should prepare evidence of their performance (Department of Social Development 2004b:4). Max and Bacal (2003:7 concurs, stating that keeping record of the employee's significant behaviours provide evidence to support ratings.

#### **4.3.7 Managing the results of performance assessment in the Centre**

The Internal memorandum on performance management states that employees who are rated on an overall average of 3 and above should be getting a pay progression to the next notch, and those who are rated on an overall average of 4 and above should also get performance bonuses, depending on the availability of funds (Department of Social Development 2004b:10). It further states that managers need to indicate succession planning on the performance assessment forms, meaning that an employee who performs above average should be earmarked and groomed for a higher position (Department of Social Development 2004b:8). If a subordinate is rated on an overall average of 5, the manager should investigate the possibility of job enlargement so that such an employee should continue to be challenged and developed (Department of Social Development 2004b:6). This is supported by Erasmus *et al* (2005:290) who argue that good performance can be recognised by pay progression, performance bonus and non-financial rewards. Leonard & Hilgert (2007:126,400) concurs, stating that the employee who performs satisfactorily deserves a normal pay increase and a performance bonus.

The Internal memorandum is not clear not how to manage subordinates who under perform in the institution. According to Erasmus *et al* (2005:289-290) there are two basic outcomes of effective performance management, which are managing satisfactory and unsatisfactory performance. He claims that where an employee under performs, the supervisors should take corrective measures and development support such as training, re-training, counselling and coaching and an employee who performs satisfactorily should be recognised for good performance through a bonus or a pay increase.

Supervisors in the Centre acknowledge that there is no formal training provided. However they claim to provide some form of informal training to under-performing subordinates through mentoring and coaching, on-the-job training and

encouraging them to attend seminars. According to Matshego, personal interview, 13 December 2010, the supervisors provide on the job training to under-performing subordinates. Masoga, personal interview 2010 supports this, claiming that she develops her subordinates by providing mentoring and coaching. Mongwe and Kekana, personal interview 2010 claim that over and above supervision they provide some relevant reading materials to their subordinates and encourage them to attend seminars. Subordinates claim that there is no training or support at all; to them training is formal training only (Sibiya and Lebesse, personal interview, 13 December 2010. According to Aguinis (2009:184-185) there are several ways to develop employees, which are on-the-job-training, courses, self-guided reading, mentoring, conferences, job rotation and temporary assignments.

From the above explanation it is clear that performance management in the GDSD is governed by legislative and policy frameworks passed by Parliament and policies of the DPSA. The GDSD annually circulate an internal memorandum to remind employees on assessments and the procedure to be followed. The internal memorandum addresses only annual assessment and not quarterly reviews, resulting in supervisors conducting reviews differently. The internal memorandum states clearly the process of dispute resolution to be followed. However, there is a perception that supervisors do not follow the system therefore some employees do not have confidence in the process because some referred cases remain unresolved by the relevant director. The role of the human resources unit with regard to resolving grievances is limited to submission of all disputes to the relevant director. It means that the internal memorandum does not assist employees in understanding the process of managing performance, as its purpose is to guide the appraisal process not the whole performance management process. The role of the DHRM and the human resource unit is limited to coordination and record keeping (Rapetsoa, personal interview, 13 December 2010. The internal memorandum clearly specifies that employees who perform at a satisfactory level and above should be rewarded through pay

progression and a performance bonus, however it is not clear on how to manage under-performing employees. Therefore, the memorandum should be revised to include how under-performance should be managed.

The next section focuses on the empirical research analysis of the study.

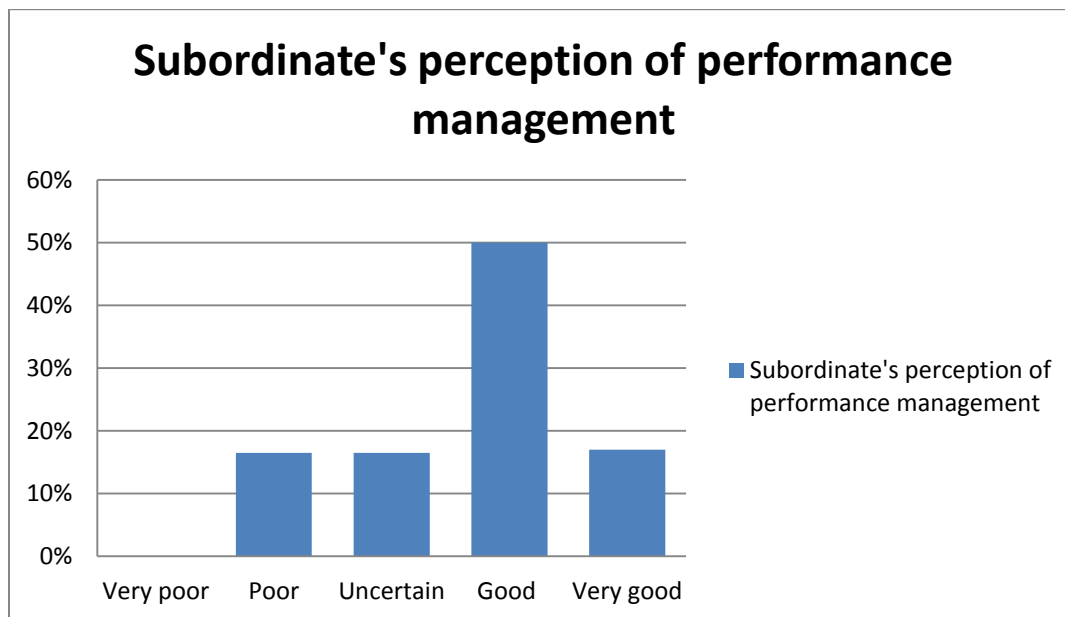
#### **4.4 ANALYSIS AND INTERPRETATION OF THE RESULTS**

The previous section highlighted how performance management is implemented and practiced in the Centre. This section explores the empirical research, focusing on the employee's understanding and perceptions of performance management and improving employee performance. These non-management employees operate at the lowest levels of the hierarchy. The majority of these employees are at elementary level which is level 1 to 5. They perform duties such as cleaning, gardening, laundry workers, food service aid, care workers and administration clerks. Their level of education is also lower as most do not have grade a 12 education.

##### **4.4.1 Employees' understanding and perceptions of performance management at the Centre**

This section considers the employees understanding of performance management, methods used by the GDSD to assess performance, frequency of assessments, and training on performance management.

Figure 4.3: Subordinates' perception of performance management



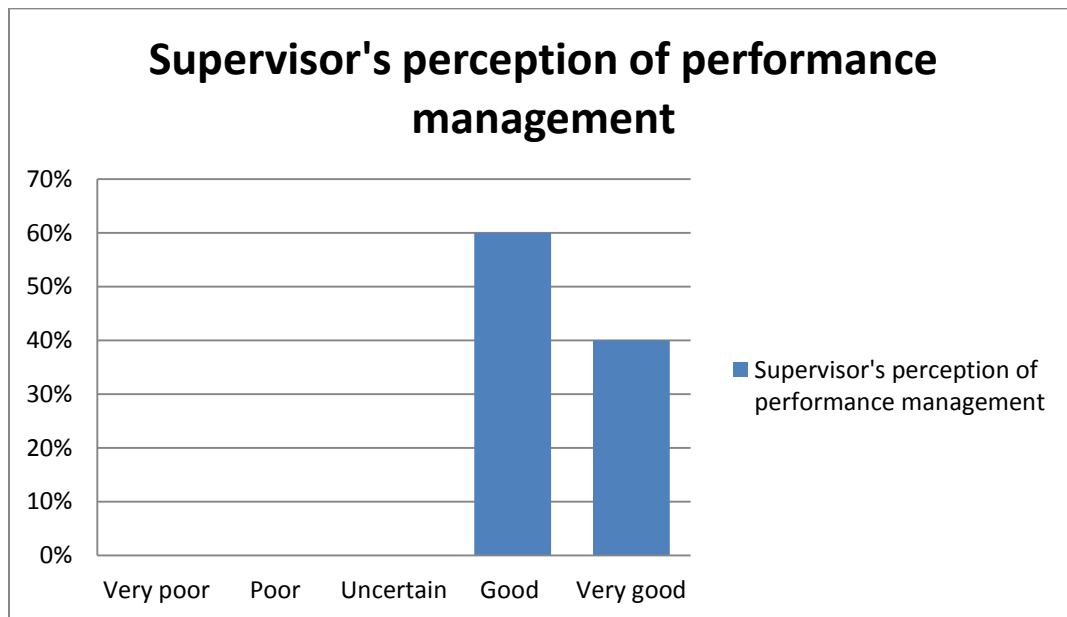
Source: Compiled by researcher NJ, Paile, 2012

Figure 4.3 depicts that 67% of the subordinates perceive performance management as a tool that is used to determine employees' performance which in turn, gauge the Centre's effectiveness, while 33% do not agree. It is meant to motivate employees by rewarding good performance, and identify strengths and weakness. Where weaknesses are identified intervention programmes are suggested to assist employees in mastering those weaknesses (Lebese, personal interview, 13 December 2010). According to Rapetsoa, personal interview, 13 December 2010, any evaluation or assessment should focus on what was agreed upon during performance planning. This means that the employees of the Centre understand that the purpose of performance management is to improve their performance, which in turn translate into institutional effectiveness and ultimately into service delivery by rewarding good behaviour and importance of managing performance in the work place.

The employees' understanding of performance management is in line with the theory as stated by Wright (2006:124) who argues that performance management is a process in which institutional goals and objectives are used to

set objectives of divisions, teams and individuals. Grobler, Wörnich, Carrell, Elbert & Hatfield (2004:260) concur, stating that performance management plays a vital role in helping institutions to achieve their goals. This is underscored by Bacal (1999:3-4), claiming that performance management involves how the employee's job contributes to the goals of an institution.

Figure 4.4: Supervisor's perception of performance management

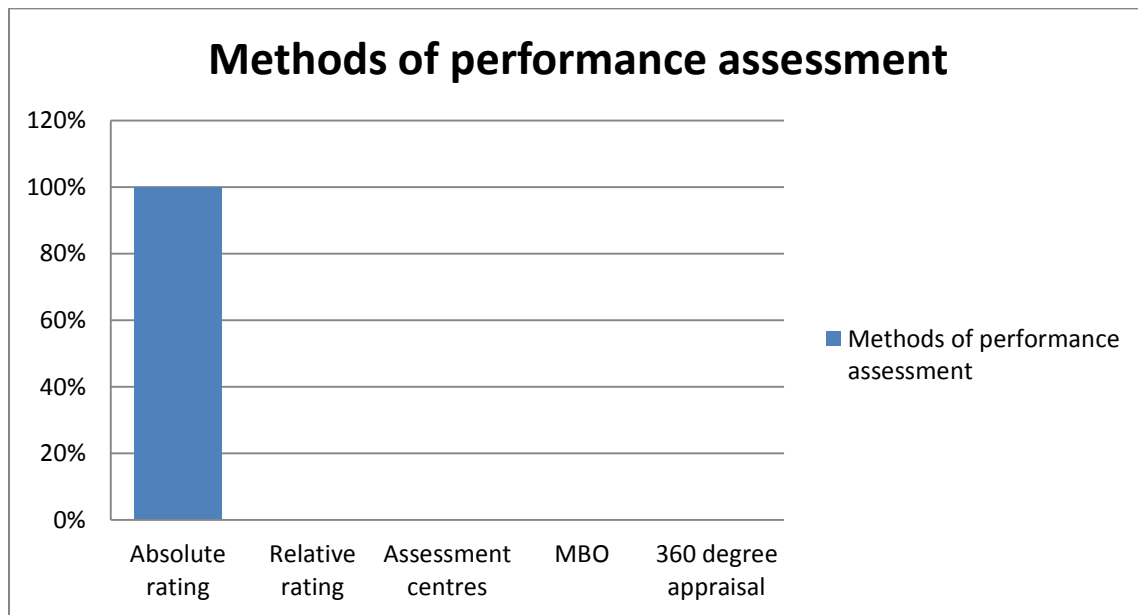


Compiled by researcher NJ, Paile, 2012

Figure 4.4 illustrates that 100% of the supervisors perceive performance management as a tool that is used to assess employees' performance, which in turn, determine the department's effectiveness. It encourages employees by rewarding good performance, and where there are weaknesses intervention programmes are instituted to assist the employee (Mazibuko, personal interview, 4 January 2011). According to Kekana, personal interview, 13 December 2010, performance management is a means used by the Centre to improve employees' performances, which in turn enhance the institution's effectiveness, which ultimately translate into service delivery. This means that the supervisors at the Centre understand that performance management improve service delivery by rewarding good performance. Fernandez (2005:261) claims that performance

management is an integrated system designed to maximise performance of individuals and teams by motivating and developing employees. Beardwell & Holden (2001: 538) concur, stating that performance management is an integrated and continuous process that develops, communicates and enables future direction, core competencies and values of the institution.

Figure 4.5: Methods of performance assessment

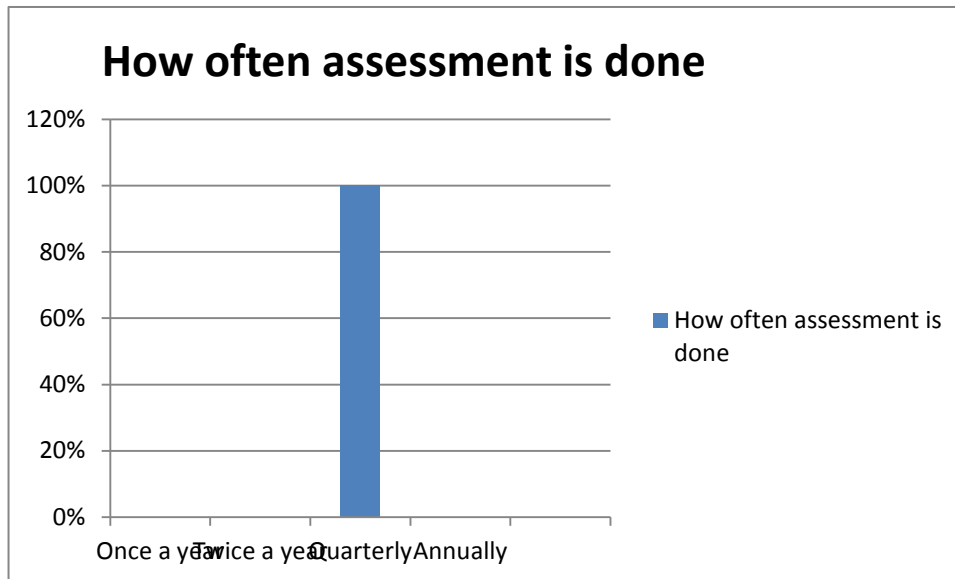


Source: Compiled by researcher NJ, Paile, 2012

Figure 4.5 shows that 100% of respondents are of the opinion that absolute rating is a method used to assess performance at the Centre. The respondents indicated that they are rated on a scale of 1-5, 1 representing poor performance and 5 representing excellent performance. According to Rapetsoa, personal interview, 13 December 2010, the assessment form describes job-related behaviours which are compared to employee behaviour and allocates a rating of between 1-5. According to Erasmus *et a* (2005:278), absolute rating provides a rater with a list of descriptions of job behaviours which are marked if they are descriptive of the individual being rated. Clark (1988:238) claims that absolute rating assess a person's quality and quantity of work, as well as a variety of personality traits such as reliability and co-operation. Therefore, it should be

noted that there is no method which is better than the other as all methods have advantages and disadvantages (Erasmus *et al* 2005:278).

Figure 4.6: How often assessment is done



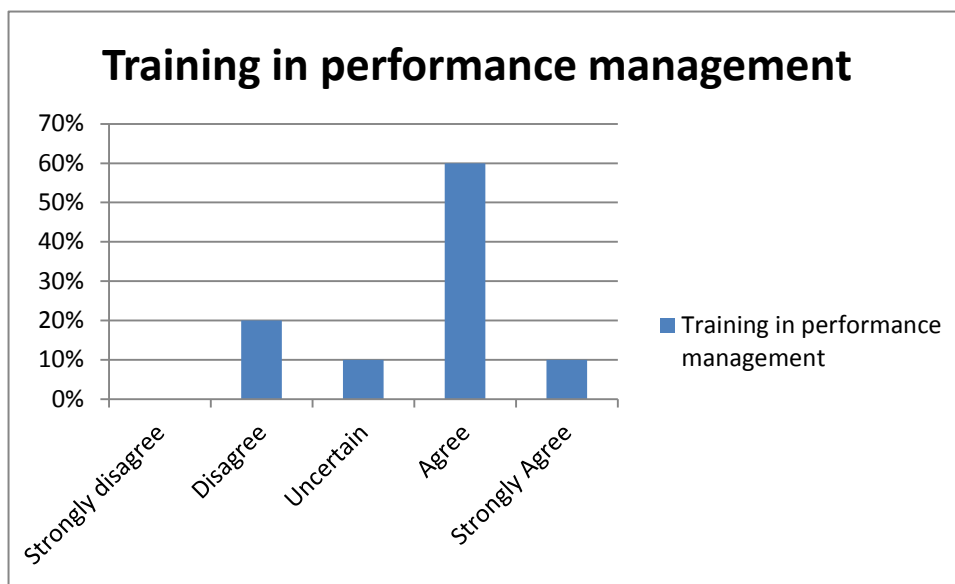
Source: Compiled by researcher NJ, Paile, 2012

Figure 4.6 depicts that 100% of the respondents agree that assessments are conducted on quarterly basis in the Centre. Fisher (1995:27) is of the opinion that performance assessment should be held on quarterly basis. Casio (1993:294) concurs, stating that assessment should be as frequent as possible. Maluleka, personal interview, 25 October 2011 clearly outlined the process of assessment as follows: firstly, the supervisor will inform subordinates in advance about the date for performance review. Secondly, a review form is issued by the supervisor so that the supervisee can rate him/herself. Where the subordinate has rated him/herself above average he/she should provide evidence to confirm such rating. Thirdly, the supervisor meets with the subordinate to discuss performance and agree on the rating. A rating of 4-5 should be motivated and evidence should be provided by the ratee. When a supervisor gives a rating of 1-2, then he/she must motivate why the low rating (Department of Social Development 2004b:6). The question is how employees at elementary level can provide proof that they are worth more than average rating, e.g. cleaners, what kind of evidence can be



submitted because cleaning is cleaning. As a result there is central tendency rating, whereby both supervisors and subordinates prefer average rating (3), because at 3 no motivation and evidence is required. Employees have strong and weak skills therefore central tendency rating is not a true reflection of employees' performance. It shows that supervisors opt for an easy way out of avoiding conflict with subordinates and not having to motivate the under-achiever (under 2) or over-achievers (over 3). The level of education of supervisors at the lowest level of the hierarchy does not differ much with subordinates. Therefore they must get training in performance management, general management and interpersonal relations- all soft HRM skills.

Figure 4.7: Training in performance management



Source: Compiled by researcher NJ, Paile, 2012

Figure 4.7 illustrates that 70% of the respondents agree that employees were trained in performance management, while 30% do not agree. Although training was conducted on performance management, it is perceived that the training was inadequate in addressing all aspects of performance management. There is also an agreement from both supervisors and subordinates that performance management training was a once-off event conducted more than five years ago

(Masoga, personal interview, 13 December 2010. Respondents indicated that supervisors conduct performance assessment differently (Matshego, personal interview, 13 December 2010). Subordinates expect supervisors to assess all the same, but this cannot be because supervisors are different and employees are different, have different skills, therefore, they perform differently; thus they must be rated accordingly. Employees at the lowest levels of the hierarchy need regular training in performance management. The purpose of performance management should be highlighted during such training. Fletcher (2008:98) supports performance management training. He claims that the effectiveness of performance assessment can be attributed to performance management training. Carroll (1982:237) states that training on performance management creates better understanding of what the institution hopes to accomplish with performance management.

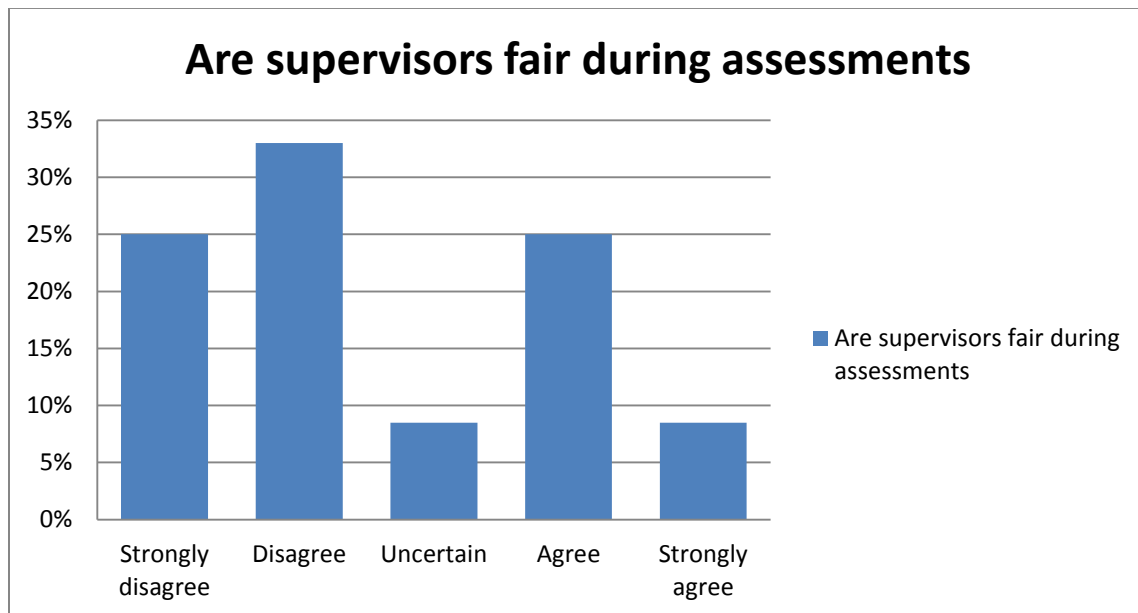
From the above discussion it is clear that employees of the Centre perceive performance management as a tool used by management to improve service delivery by encouraging good performance through rewards. Figure 4.5 shows that absolute rating is the method of assessment used in the Centre to assess subordinates, as it assesses an employee's quality and quantity of work as well as a variety of personality traits, such as reliability and co-operation. Subordinates are assessed on a quarterly basis by their supervisors and both supervisors and subordinates are aware of the process. The quarterly assessments translate into an annual assessment, which is the combination of quarterly assessments, which is divided by four and the average rating is regarded as the final rating for the annual assessment. It allows employees to correct mistakes, which improve their performance. Employees were trained in the performance management process and procedures. The success of performance management can be attributed to performance management training. Therefore the Centre should consider regular performance management training at the lower hierarchy. The training should include sharing best practices and challenges from the previous financial years and how challenges were

resolved. Supervisors appraise employees differently, because they are different and subordinates have different skills and perform differently.

#### 4.4.2 Improving employee performance

This part of the study focuses on how performance management improves employees' performance, performance management planning and managing conflict.

Figure 4.8: Are supervisors fair during assessments

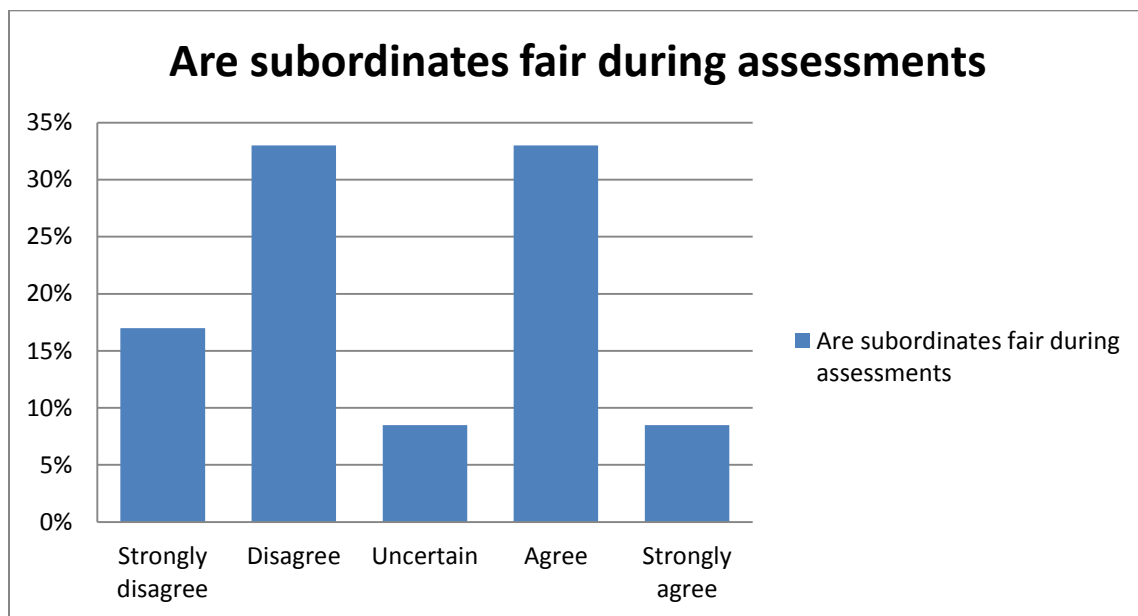


Source: Compiled by researcher NJ, Paile, 2012

Figure 4.8 depicts that 67% of respondents agree that supervisors are not fair during assessments, while 33% are of the opinion that they are fair. Respondents are of the opinion that supervisors use performance management as a process to “settle scores” with subordinates (Kekana, personal interview, 2010). Supervisors seem to favour some employees over the other by giving certain employees higher ratings (Sibiya, personal interview, 2010). The Halo Effect, certain characteristics dominate, which generally allows supervisors to rate an employee overall higher on all requirements. Different supervisors give different

ratings to their respective subordinates because employees use their different competencies to improve their performance, which differ from employee to employee (Matshego, personal interview, 2010). Some supervisors feel threatened by subordinates because of their attitude and qualifications and therefore lack confidence in defending their rating scores (Mongwe, personal interview, 2010). Erasmus *et al* (2005:371) state that common problems relating to performance management are lack of objectivity, poor link between performance and pay by linking performance to rewards only at the end of the year, failure to relate performance to overall strategic performance objectives, and inadequate communication.

Figure 4.9: Are subordinates fair during assessments

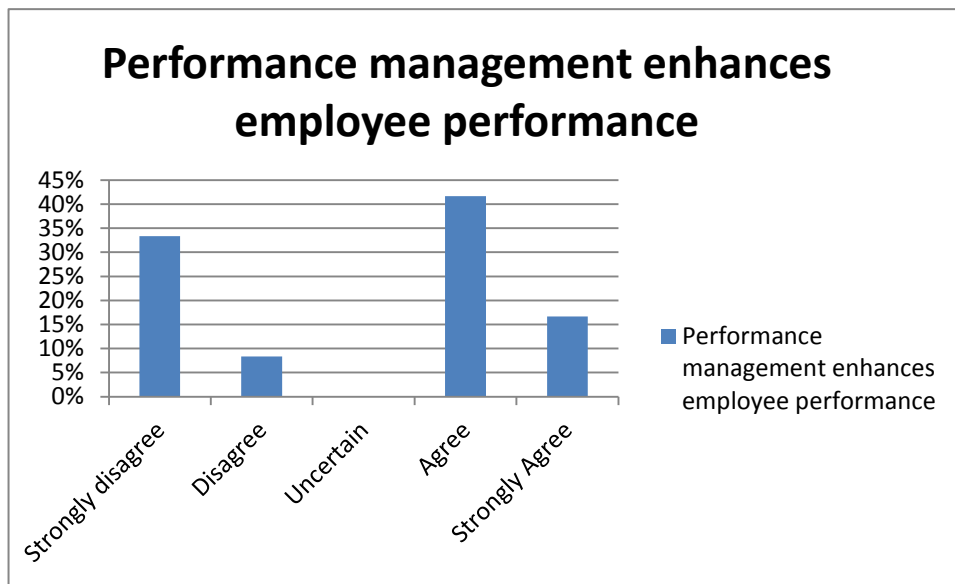


Source: Compiled by researcher NJ, Paile, 2012

Figure 4.9 shows that 58% of respondents agree that subordinates are not fair during assessments while 42% are of the opinion that subordinates are fair. Respondents are of the opinion that subordinates are more interested in getting a performance bonus (Kekana, personal interview, 13 December 2010). Some subordinates are influenced by trade unions during assessments (Mongwe, personal interview, December, 2010) and some subordinates are just pushing

their luck to see if supervisors will give them a bonus (Mundalamo, personal interview, 13 December 2010). According to Lebesse, personal interview, 13 December 2010) those who receive bonuses do not inspire fellow employees to perform better or striving to improve performance. Erasmus *et al* (2005:371) argue that common problems relating to performance management are lack of a objectivity, poor link between performance and pay by linking performance to rewards only at the end of the year, failure to relate performance to overall strategic performance objectives, and inadequate communication.

Figure 4.10: Performance management enhances employee’s performance

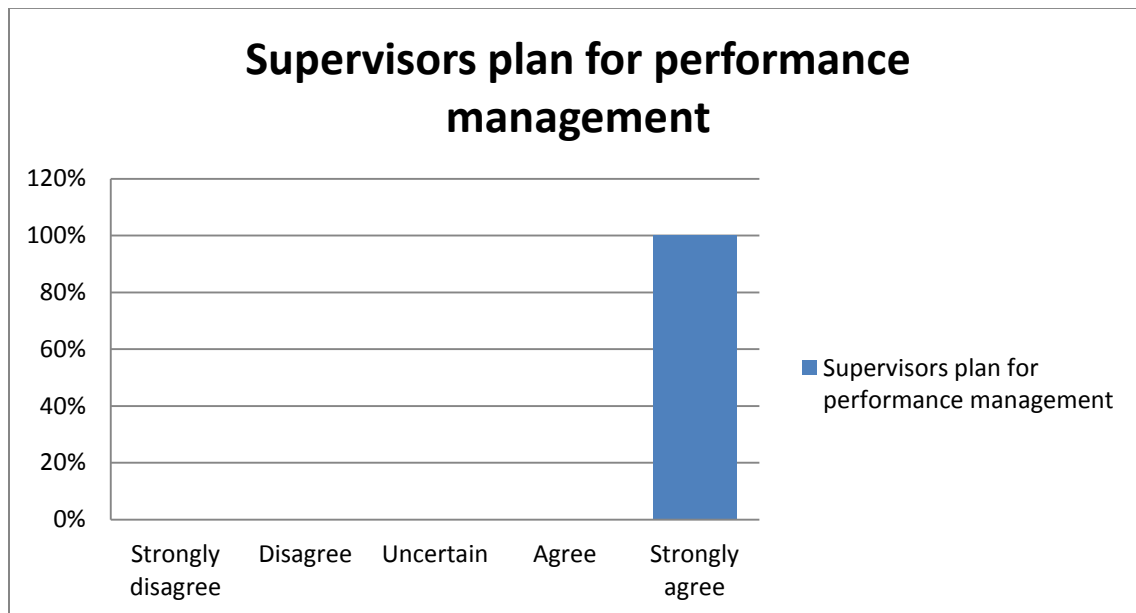


Source: Compiled by researcher NJ, Paile, 2012

Figure 4.10 illustrates the extent to which performance management enhances employees’ performance. Figure 4.10 shows that 57% of the respondents are of the opinion that supervisors motivate subordinates to improve their performance, while 43% are not. Supervisors cited that over and above generic training programmes arranged by the GDSD, employee performance is improved through supervision, on-job training, providing guidance and support and motivating employees. There are certain factors that motivate performance and others do not. At the lowest level of hierarchy money is seen as a motivator. Leonard &

Hilgert (2007:399) claims that tangible rewards will encourage outstanding performers to strive for excellence. Wright (2006:126) concurs, stating that employees should be paid for developing their skills and expertise because they use them to improve their performance, which enhances the institution's effectiveness. According to Erasmus *et al* (2005:290), non-financial rewards (increased autonomy) can also be used to motivate employees. Leonard & Hilgert (2007:401) concurs, stating that tuition-aid programmes can be used to improve employee performance.

Figure 4.11: Supervisors plan for performance management

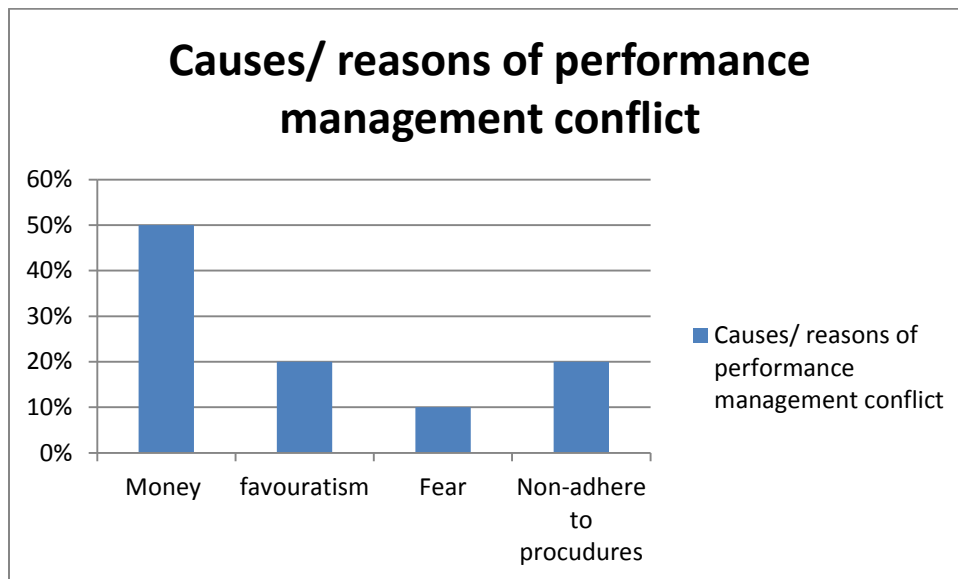


Source: Compiled by researcher NJ, Paile, 2012

Figure 4.11 depicts the extent to which supervisors' plan for performance management. Figure 4.11 shows 100% of the respondents indicate that supervisors plan for performance management by ensuring that subordinates sign performance agreements at the beginning of financial year and performance of subordinates is reviewed quarterly. This is supported by Spangenberg 1994:195 who states that subordinates should be reviewed on quarterly basis. Supervisors inform subordinates in advance in writing about the review date, venue of the review meeting and what is expected of the subordinate (Lebese,

personal interview, 13 December 2010). Boninelli & Meyer (2004:222) concur, stating that communication is vital to performance management as supervisors and subordinates share information about work progress, potential progress, possible solutions and how supervisors can assist subordinates. Kirkpatrick (2006:166) states that performance reviews are the cornerstone of the performance management process which is vital for the ongoing development of employees. Furthermore, supervisors remind subordinates to prepare their evidence where they think it is necessary (Baloyi, personal interview, 13 December 2010). This is supported by Max & Bacal (2003:7) who state that keeping record of significant performance increases accuracy of performance assessments, provides evidence to support rating and reduces biasness during assessment.

Figure 4.12: Causes of performance management conflict



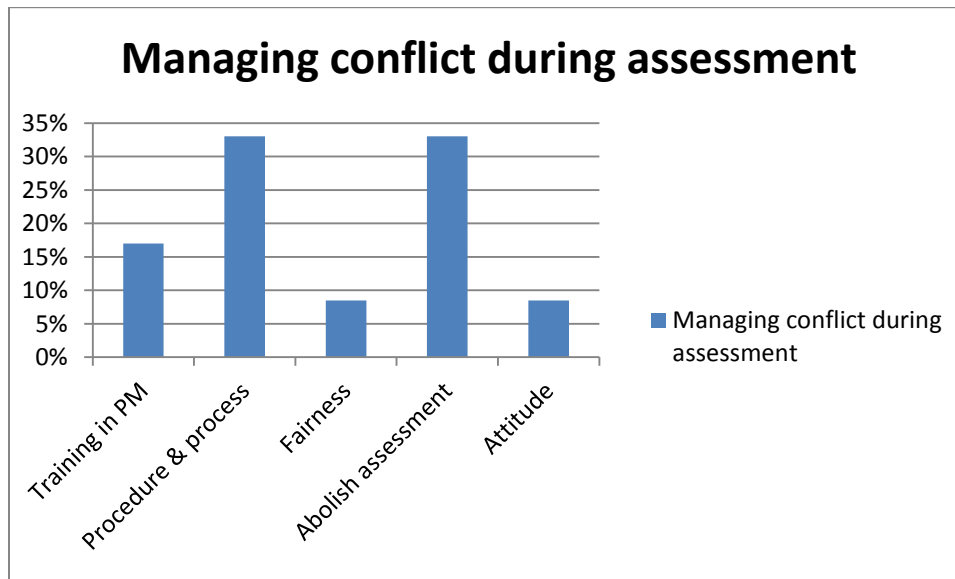
Source: Compiled by researcher NJ, Paile, 2012

Figure 4.12 illustrates causes/reasons of conflict between supervisors and subordinates during the assessment period. It shows that 50% of the respondents are of the opinion that money or performance a bonus is the cause of conflict, 20% are of the opinion that the Halo effect is the cause, 20% are of

the opinion that non-adherence to procedures is the cause, whilst 10% are of the opinion that fear is the cause of conflict. The interviews provided various reasons that cause conflict in the institution during the assessments period. According to Mongwe, personal interview, 13 December 2010, supervisors are threatened by subordinates and, as a result, disregard the process, because their subordinates are more qualified academically than supervisors, resulting in subordinates being able to be streetwise when defending their scores. According to Sibiya, personal interview, 13 December 2010 there are friendships between supervisors and subordinates. This has led to favouritism and compromising the processes. Those who are not favourites are rated averagely even when they performed above average; their evidences are rejected, stating they are irrelevant. Matshego, personal interview, 13 December 2010 claims that supervisors and supervisees differ in their understanding of implementing the process. According to Sibiya, personal internal, 13 December 2010, employees have developed an attitude towards the system, which leads to mistrust between supervisor and supervisees. Furthermore, Kekana, personal internal, 13 December 2010 claims that performance management is seen as a moneymaking process by some subordinates and therefore they demand to be rated as above-average, so that they can receive performance bonuses. For these employees it is not about performance, but about performance bonuses. Since performance management is perceived as an opportunity to make extra money and for settling scores with subordinates, supervisors do not adhere to procedures with the purpose of rewarding those who are close to them or discipline those who do not agree with them and as a result favouritism is rife in the Centre. DeCenzo & Robbins (1999:290) acknowledges that performance management can lead to conflict as it involves emotions. Supervisors sometimes make errors in their judgement or permit biases to enter the process during evaluation.



Figure 4.13: Managing conflict during assessment



Source: Compiled by researcher NJ, Paile, 2012

Figure 4.13 depicts supervisors and subordinates' perception of how to manage conflict during assessment periods. Figure 4.13 shows that 40% of the respondents indicates that supervisors should implement performance management as prescribed by the internal memorandum. 30% of the respondents are of the opinion that continuous training for supervisors and subordinates should take place on an annual basis. 20% of the respondents are of the view that supervisors should be fair during assessments, while 10% are of the view that performance management should be abolished and the same bonus be given to all employees. Erasmus *et al* (2005:374) argue that the effectiveness of performance management depends on effective communication and procedures for addressing questions and complaints and consistent and fair application of the rules within each group and across groups. This is supported by Casio (1993:276) who states that the effectiveness of performance assessments depends on relevance, sensitivity, reliability, acceptability and practicality. He claims that trust in the performance system, attitudes of supervisors and supervisees, the purpose, frequency and rater training play an important role in the implementation of performance management.

From the above discussion it is clear that supervisors and subordinates in the Centre are not fair during the assessment period. It appears that supervisors use performance management to penalise subordinates who they perceive as troublesome, favouring others and being inconsistent in implementing the performance management processes; whilst, subordinates take it as an opportunity to make extra income. Supervisors are exerting their efforts to improve performance of subordinates through: supervision, on-the-job training, motivation and by providing guidance and support. Supervisors are just waiting for their subordinates to arrange training for them. However, there seems to be a lack of training on job specific competencies. There seems to be a lot of conflict between supervisors and subordinates during the assessment period, supervisors' behaviour seems to be the cause of conflict due to the fact that they are perceived to favour certain employees over the others, friendship and inconsistency in the implementation of performance management processes. Certain supervisors seem threatened by subordinates' qualifications and reasoning capacity, which leads to mistrust between supervisors and subordinates. Money also contributes to conflict as subordinates push their luck during the assessment process, so that they can have extra income through performance bonuses. Conflict can be reduced through consistent and proper implementation of the processes, and regular training of employees.

#### **4.6 CONCLUSION**

This chapter considered the institutional arrangement of the GDSD and the Centre, which includes structures and functions. Various policies relating to performance management were scrutinised, including the Public Service Regulations, the incentive policy framework linked to the departmental performance management system for employees on level 1-12 and circulars on performance management and development system issued annually by GDSD. At the beginning of the financial year employees are required to enter into

performance agreements which are used as a base for quarterly reviews. There is one performance management tool prescribed to assess performance within the Gauteng Provincial Government. There are various role players in the implementation of performance management, which are the human resources unit, supervisors and subordinates.

The employees of the Centre perceive performance management as a tool used by management to improve service delivery and encourage good performance through rewards. The absolute rating technique is the only method that is used to assess performance and performance is assessed on a quarterly basis which leads to the annual assessment. A once-off training in performance management was conducted. This training seems to be inadequate as there are a lot of problems relating to performance management in the Centre. Supervisors are not fair during the assessment period. They use performance management as a tool to settle scores with those who are perceived as troublesome, and favour others. As a result there is high level of conflict between supervisors and subordinates.

The next chapter focuses on the findings, conclusions and recommendations.

## **CHAPTER 5: FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 INTRODUCTION**

Chapter one provided an overview of the study, which explored to what extent performance management enhances employees' performance at the Father Smangaliso Mkhatswa Centre. Chapter two contained a literature review on the subject of performance management. Performance management is about employee performance and identifying skills shortage. The focus is on the concepts of performance management, methods of assessing performance, performance management cycles, measuring performance and performance management training. Chapter three focuses on the research methodology. Chapter four analyses data collected during research. It compares the theories of performance management with practices at Father Smangaliso Mkhatswa Centre. This chapter concludes the study by providing an overview of the findings, conclusions and recommendations.

### **5.2 FINDINGS**

The findings were influenced by the limitations mentioned in chapter one, section 1.9.

The legislative and policy framework require government departments to manage performance management in a consultative, supportive and non-discriminatory manner in order to enhance institutional efficiency and effectiveness. Performance management processes should be linked to broad and consistent plans for staff development and align with the GDSD's strategic plan. Supervisors are required to meet quarterly with subordinates to discuss their performance in relation to achieving institutional goals. The Centre did not customise the legislative and policy frameworks to cater for their unique circumstances.

Performance management increases employees' performance and prepares them for the next senior positions. It also enhances institutional effectiveness. Performance management in the Centre is perceived as a tool to improve service delivery by rewarding good performance and developing the required skills. It allows for positive reinforcement of good performance and addresses poor performance through HR development programmes.

Institutions use various methods to assess their employees. Authors (Clark 1988:238 & Erasmus *et al* 2005) indicate that there is no one best method. All methods have advantages and disadvantages. The relative rating technique is useful when a small number of individuals are to be rated. The absolute rating technique is used to determine employee performance against the duties he/she performs and the rating is the result of how well he/she does the duties. Management by objectives is used to determine key performance areas agreed between the supervisor and subordinate. The assessment centre uses multiple rater and it is useful to determine job suitability of candidates. The 360 degree appraisal, allows for a comprehensive assessment of a candidate from him/herself, supervisor, colleagues, client and subordinates. The Centre uses the absolute rating technique as a method to assess the employee's performance. The focus is on employees performing duties as agreed to at the beginning of the financial year.

Authors (Casio 1993:294, Fisher 1995:27, Bacal 1999:5 and Boninelli & Meyer 2004:22) agree that performance management should take place quarterly. Performance assessment should be conducted quarterly. This research shows that supervisors do performance assessment as a means of complying by completing forms. Performance management at the Centre takes place quarterly and there is an annual assessment which is the average of the quarterly reviews. It means that the achievement of predetermined goals are not properly evaluated or considered. Performance management is not an interactive process at the Centre, which defeats the objective of performance management.

Theory (Wright 2006:124 & Leonard & Hilgert 2007:381) shows that performance management is seen as an instrument used by management to control and discipline subordinates. Supervisors do not mentor and coach subordinates on performance, but wait until assessment time to show out poor performance. Performance management requires ongoing communication between the supervisor and subordinate about work progress, potential barriers and problems, possible solutions and how a supervisor can assist the subordinate. This research reveals that the approach of both supervisors and subordinates during assessment is not beneficial for assessment and does not encourage improved performance. Supervisors use the process to “settle scores” with subordinates. It shows that some supervisors approach performance management from a performance appraisals mindset, reviewing past performance without taking measures to address deficiencies and training needs to improve future performance.

The effective implementation of performance management depends on the training effort invested in it. Training creates a better understanding of the goals the institution hopes to accomplish and employees’ contribution in achieving those goals. Performance management provides a means that assist HR managers to determine skills shortage. Corrective measures in performance management involve training and re-training of subordinates. The Centre does not have a formal general and functional training programme in place to improve performance of employees, but rely on informal training such as seminars, workshops, coaching and mentoring. The training budget is centralised at Head Office resulting in supervisors waiting for Head Office training programmes to train subordinates. Employees at the Centre were trained in performance management when the system was initially introduced. Since then no follow up training was conducted.

Performance management can lead to conflict as it involves emotions because supervisors make errors in judgement and allow biasness to enter the

assessment process. This research shows that both supervisors and subordinates are not honest and open with each other. Some subordinates are of the view that some supervisors favour certain subordinates, while others use the process to “settle scores” with subordinates who are not in agreement with them. Some supervisors feel threatened by subordinates who are better qualified than them. Subordinates use the process as a means of getting extra money through performance bonuses. Performance assessment period is viewed as a period of high tension between supervisors and subordinates.

### **5.3 CONCLUSIONS**

Employees’ view of performance management at the lowest level of the hierarchy differs from those higher up in the hierarchy. Employees at the lowest level of the hierarchy view performance management as a means to increase their income per annum, which is an entitlement. These employees compare themselves with one another and make judgements relating to who should receive a bonus and those who should not. They also compare themselves with supervisors who receive bonuses. Employees at higher level of the hierarchy view performance as an instrument to control and discipline subordinates. This shows that regular training is important to change the mindset of the employees, particularly at the hierarchy where employees perform elementary duties, which results in team performance.

Employees are aware that performance management is a tool to improve service delivery by rewarding good performance and addressing poor performance through HR development programmes. Employees sign performance agreements every year aligned to institutional goals at the Centre. Performance reviews are done on a quarterly basis and final annual assessment at the end of the financial year (April). During the review weaknesses are identified. Subordinates differ with supervisors on how underperformance is addressed. Supervisors provide mentoring and coaching and also encourage subordinates to

attend seminars and workshops to address underperformance. Subordinates do not see such action as appropriate intervention. They regard formal training programmes as intervention. The training budget is centralised at Head Office and as such the Centre does not have control of training programmes identified during review and assessment sessions. This results in employees concentrating on the financial aspect of the performance management only because the Centre cannot properly address the identified weakness due to budget constraints.

It is clear from this research that there is no compliance to procedures during the quarterly and annual assessment on the performance management processes from both supervisors and subordinates. The Halo effect seems to be dominant in certain situations. Supervisors show favouritism to certain subordinates, who receive bonuses each year, even though they do not qualify for performance bonuses. These perspectives defeat the purpose of performance management and lead to a high level conflict during assessment periods between supervisors and subordinates

#### **5.4 RECOMMENDATIONS**

The Centre should apply government policy according to its intended spirit and purpose. This would assist in streamlining the procedures and processes, which could alleviate employees' perceptions and fear of conflict.

Performance management training and re-training particularly at the lower hierarchy- General Assistants - should take place at regular intervals during the assessment year. It would ensure that both supervisors and subordinates are knowledgeable. Performance deficiencies should be addressed during performance reviews. Training interventions should be formulated, agreed upon and implemented.



Payment of performance bonuses should be balanced with training interventions. The consistent implementation of the performance management system, coupled with training and balance between bonus and HR development programmes would assist in changing negative attitudes of employees. Employees should realise that performance management is not about getting bonuses but to enhance institutional effectiveness and service delivery through HR development programmes. Ultimately, the focus should shift from money to performance. Currently, the only benefit that employees realise is financial gain. Once emphasis is also put on development, attitudes would change slowly.

The human resource unit of the Centre should play an active role in resolving conflict arising from performance assessment. Once a dispute is recorded, HR should arrange that the relevant parties meet to discuss and resolve the issue.

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