AN ASSESSMENT OF THE PERFORMANCE APPRAISAL PROCESS IN PELONOMI TERTIARY HOSPITAL

by

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Declaration

By submitting this thesis electronically, I declare that the entirety of the work contained therein is my own, original work, that I am the sole author thereof (safe to the extent explicitly otherwise stated), that reproduction and publication thereof by Stellenbosch University will not infringe any third party rights and that I have not previously in its entirety or in part submitted it for obtaining any qualification.

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MPOTSANG NZUME

November 2015

Abstract

Employees' performance appraisal is one of the most commonly used management tools in South Africa. It is also one of the most researched topics. However, few studies have been completed on how the process and the application of the performance appraisal can be improved.

The study undertaken was to assess the application of performance appraisal in the Pelonomi Tertiary Hospital. The key areas investigated included employee participation, performance appraisal process implementation, and feedback and review sessions, linking of performance appraisal to strategic objectives and fairness and rewards.

Purposive sampling, as well as random selection of participants was used to select participants. Data was collected through the use of semi-structured questionnaires. Interviews were held with, Line Managers, Human Resource Managers and Employees in general. A group discussion was conducted with the Assistant Nursing Managers. In total, the sample consisted of twenty three (23) participants. Completed questionnaires were processed and analysed using MoonStats and Microsoft Office Excel. The respondents' opinions, experiences, knowledge and understanding were compared with the information discussed in the literature review to identify gaps and shortcomings.

The Research Findings revealed that the application of the performance appraisal process in Pelonomi Hospital can be improved. The majority of respondents indicated various areas for improvement. Areas to be improved included, the methods used, participation of employees, failure to monitor performance and give feedback of progress towards achievement of goals and unfairness with awarding of rewards. The overall majority of participants are satisfied with the steps of the process as they reflect in the Performance Management Development Policy of the Free State Department of Health.

Participants were asked to make inputs to improve the application of the process. The major inputs that were made were the removal of the monetary reward from the policy. An urgent need that was identified to improve the application of performance appraisal was the training of managers and employees across occupational classes. In general, training, improvement of the application of the PMDS and the removal of monetary reward, may increase the effectiveness of the system to improve service delivery.

Opsomming

Die werknemers prestasie-evaluasie stelsel is een van die mees gebruikte bestuurs-instrumente in Suid-Afrika. Dit is ook een van die mees nagevorsde onderwerpe. Min studies is egter voltooi oor hoe die prosessering en toepasing van die prestasie-evalueringsstelsel verbeter kan word.

Die studie is onderneem om die toepassing van prestasie-evaluasie in die Pelonomi Tersiêre Hospitaal te evalueer. Werknemers-deelname, die proses van prestasie-evaluasie implementasie, en terugvoering en hersienings sessies, die koppeling van prestasie-evaluering aan strategiese doelwitte en regverdigheid en belonings, is die sleutel areas wat ondersoek is.

Doelgerigte monsters, en onbeplande seleksie van applikante was gebruik in die seleksie van deelnemers aan die ondersoek. Semi-struktureerde vraelyste is gebruik in die insameling van data. Onderhoude is gevoer met Lynbestuurders, Menslike hulpbronne-bestuurders en met werknemers in die algemeen. Groepbesprekings is gevoer met Assistent verpleeg-bestuurders. Drie en twintig (23) mense het in total aan die monster of opname deelgeneem. MoonStats en Microsoft Office sagteware programme is gebruik vir die prosessering en analisering van voltooide vraelyste. Die opinies, ondervindinge, kennis en begrip van die respondente of opname-deelnemers is vergelyk met inligting in die teks hersiening om gapings en tekortkominge te identifiseer.

Die Opname Bevindings wys daarop dat die toepassing van die prestasie-evaluasie proses in die Pelonomi Hospitaal verbeter kan word. Die oorgrote meerderheid respondente het aangewys dat daar verskeie areas vir verbetering is. Hierdie areas wat vebeter kan word sluit in die metodes wat gebruik is, deelname van werknemers, die mislukking in die monitering van prestasie en die mislukking in die gee van terugvoering van vordering in so ver die bereiking van doele betref en die onregverdigheid met die toekening van belonings. Die oorgrote meerderheid deelnemers was tevrede met die stappe in die proses soos dit reflekteer in die Prestasie-bestuursontwikkelingsbeleid van die Departement van Gesondheid in die Vrystaat.

Respondente is gevra om insette te lewer ten einde die toepassing van die proses te verbeter. Die grootste inset wat gemaak is, was die verwydering van monetêre beloning vanaf die beleid. 'n Dringende behoefte wat geidentifiseer is ten einde die toepassing van die prestasie-evalueringstelsel te verbeter was die opleiding van bestuurders en werknemers oor alle beroepsklasse. In die algemeen is opleiding, die verbetering in die toepassing van die Prestasie-evalueringsstelsel en die wegneem van monetêre beloning kan die effektiwiteit van die stelsel verbeter ten einde dienslewering te verbeter.

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Acronyms

AU	African Union
APP	Annual Performance Plan
BARS	Behaviour Anchored Rating Scale
BSC	Balanced Score Card
CC	Cost Center
COE	Compensation of Employees
DPSA	Department of Public Administration
ERGT	Existence Relatedness and Growth Theory
FSDoH	Free State Department of Health
FSPG	Free State Provincial Government
GRS	Graphic Rating Scale
HOD	Head of Department
HR	Human Resource
HRM	Human Resource Management
JD	Job Description
KPA	Key Performance Areas
LRA	Labour Relations Act
MBO	Management by Objectives
M&E	Monitoring and Evaluation
MSA	Multisource Assessment
MTEF	Medium Term Expenditure
OD	Organizational Development
PA	Performance Appraisal
PSA	Public Servant Association

PSCBC	Public Servants Coordinating Bargaining Council
PSR	Public Service Regulations
PFMA	Public Finance Management Framework
PMDS	Performance Management and Development System
PP	Performance Plan
RSA	Republic Of South Africa
SAW	Simple Additive Weighting
WPTPS	White Paper on Transforming Public Service

KEY WORDS

Assessment

Evaluation

Fairness

Manage

Monitoring

Performance

Perceptions

Process

Planning

Systems

Motivation

Validity

Reliability

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CHAPTER 1

1.1 Introduction

Democracy in South Africa led to many challenges that needed the intervention of the government to redress the disparities of the apartheid regime and uphold the dignity of human beings. One major challenge, which is still the case today, was to improve the socio-economic status of the population. In its endeavor to improve the livelihood of its populace, the government, guided by the Constitution of the Republic of South Africa (Act 108 of 1996) formulated Policies and Programmes. The Republic of South Africa's Constitution (1996: 195) put emphasis on the efficiency, effectiveness and economy, when delivering government service, while ensuring accountability.

Some of these guidelines formed the basis from which performance in Public Sector Departments could be improved to enable departments to deliver on their mandate. An example is the White Paper on Transformation of the Public Service (1995: 198) that refers to the need to set appropriate standards, define outputs and targets and performances indicators. Most of these guidelines are about the employees conduct and performance in terms of the decision making practices, responsibility, and accountability.

At departmental and organizational level, there are Programmes, Policies and Procedures that contribute further in shaping and setting guidelines and processes to attain the mandate of the Constitution of the Republic of South Africa (Act 108 of 1996).

At organisational and institutional level, these programmes, policies and procedures, address the nature of accountability, responsibility and decision making processes. They contribute in shaping the system and laying down guidelines towards attaining set goals. Performance improvement in the Public Sector Departments cannot be improved without performance improvement at service delivery level, hence, the introduction of Performance Management and Development System.

The Free State Department of Health is one of the key role players in achieving the goals of social and human development. Its mission statement is to "Provide Quality Accessible and Comprehensive Health Care and Empowerment of all Personnel and Stakeholders to function to the best of their ability" (Free State Department of Health Annual Performance Plan, 2013).

The effective and efficient management of individual performance is critical for attainment of institutional strategy and the achievement of strategic objectives. The performance appraisal process, as an integral part of the performance management system, plays a pivotal role.

It is therefore against this background that the study is undertaken to assess the application of the performance appraisal process in Pelonomi Tertiary Hospital.
The following sections briefly discuss the background to the study, research problem, research questions, research methodology and research design.

1.2 Background

The Free State Provincial Government Policy Framework, Performance Management and Development System for Levels 1-12 employees, was approved on the 7th of November 2007 and implemented on the 1st of April 2008. The purpose of the policy is to optimize individual excellence and achievement in order to contribute to the achievement of organisational goals and objectives and improve service delivery.

Management of performance is aimed at improving performance by directing the attention to key areas of activity, which are identified through strategic planning processes. There is evidence to suggest that Performance Management can be conceptualized as the overarching framework for guiding managers in their efforts to increase engagement in their organisations.

Mone and London (2009:206) suggest that when managers and employees set goals collaboratively, employees become more engaged. Macey *et al.* (2009) define employee engagement as the "Employee's sense of purpose and focused energy that is evident to others through the display of personal initiative, adaptability, effort and persistence directed toward the organisation's goal". They further suggest that having high levels of trust and fairness in the culture, is the key to creating and sustaining an engaged workforce, and intervention for driving engagement can fall into the areas of building confidence, resiliency and social support networks, renewing or restoring employee energy.

Research based on a limited study, defines an engaged employee as someone who feels involved, committed, passionate and empowered and demonstrates those feelings in the work environment (Mone and London, 2009: 8). Implementation of the Performance Management Development System is a complex phenomenon that needs the executive team to come together and agree on a single unified integrated approach. According to Simoneaux and Stroud (2012: 74), business plans help a company to set its direction and stay on course; a good performance management and development process helps individual employees chart their career paths and stay on track to achieve professional and company goals.

A well-managed employee performance management system will help to foster a better working relationship between the employees and their employers. Such a relationship is conducive to improving the quality and quantity of deliverables.
The involvement and full participation of both the supervisor and the employee is crucial. The former is very important in that, institutions or organisations cannot thrive nor survive without the effective and efficient contribution of the employees.
It is through achievement of employees' objectives that the overall organisational objectives can be attained. Bacal (1999: 17) views performance management as a tool for success in an organisation. He further explains that an effective performance management does not only help organisations, managers and employees to succeed, it also helps the organisation to achieve its short and long term goals and objectives by helping managers and employees to perform better.

1.3 Problem Statement

Over the years, the performance of hospitals has come under the spotlight, not only in the media, but also in Parliament in the form of audit queries and this has placed enormous pressure on managers, practitioners and policy makers to address the challenges in the health services. There are several factors that are cited as causing a decline in health care services. According to the Hospital Strategy Report (1997), declining budgets, demoralized staff, shortage of some categories of professional practitioners and increased demand for service, which is escalated by the burden of diseases, are some of the reasons that are contributing to the deterioration in health care. An economic crisis has also contributed to the negative effect on public finances.

Adverse events cases are reported continuously, caused by either negligence or incompetent health care practitioners. Hospitals are faced with litigations that run into millions of Rands annually. Some specialized health practitioners are struck off the roll by their Professional Bodies, mostly due to negligence; this happens at a time when the Department of Health is faced with an exodus of health professionals, specialists in various professions visa vie prompt filling of vacant posts, and this creates more shortages.

Despite increasing challenges in the health sector, managers are faced with a daunting task of ensuring that their employees reach performance levels that are considered desirable for the organization. For organisations in the health service to succeed, comply with set standards and to reduce the challenges as cited, there has to be an improvement in the performance of employees despite the limited resources.

The research problem being investigated in this study is that an insufficient understanding exists of the performance appraisal process at the Pelonomi Tertiary Hospital. To ensure quality service, performance of employees has to be monitored and assessed through a systematic performance management process.

This process assist in establishing performance standards and evaluating performance, in order to improve individual and organisational performance and also to arrive at objective administrative decisions such as pay increase and training needs.

1.4 Main Aim and Objectives for the Study

1.4.1   Over-all Aim

The over-all Aim of the study is to assess the application of the performance appraisal process in Pelonomi Tertiary Hospital.

1.4.2   Objectives of the Study

The Research objectives of this study are to:
- Establish if managers and supervisors follow all the steps in the implementation of the performance appraisal as described in the PMDS policy when they assess employees in a cycle period.
- Determine the perception of managers, supervisors and employees in general about the implementation process of the policy throughout the cycle period.

- Determine the understanding, knowledge and experience of the employees regarding the performance appraisal process in Pelonomi Tertiary Hospital.
- Identify the gap in the current administration of the implementation process in Pelonomi Tertiary Hospital against the performance appraisal process.
- Provide recommendations on the effective management of the implementation of the performance appraisal, based on findings.

1.5 Research Questions

The Research Questions are formulated based on the under mentioned specific objectives, following issues of importance, as discussed in the Proposal.

- What is the level of understanding and knowledge on the process to be followed when implementing the performance appraisal process?
- What is the degree of adherence and consistency in all the steps of the process?
- What are the perception of employees in general, supervisors and managers regarding the possible improvements to the performance appraisal system?
- What is the understanding, knowledge and value of the performance appraisal System at Pelonomi Hospital and what improvements can be made?

1.6 Research Methodology

The research methodology focuses on the manner in which the research is planned, structured and executed, in order to comply with scientific criteria. The research methodology assists in explaining the nature of the data and highlights the methods employed that lead to the generalization of appropriate conclusion through applicable data processing. Pilot and Beck (2004: 233) describe methodology as ways of obtaining, organizing and analysing data.

1.6.1   Research Design

A non-experimental, descriptive, exploratory study design will be used in this research. This approach is suitable for the study because it deals with human beings, but does not interfere with human behavior. For ethical reasons, variables are not manipulated as this has the potential for mental and physical harm. The research design is also chosen as it is more suitable for this study because of time constraints. A descriptive study involves the systematic collection and presentation of data to give a clear picture of a particular situation as it is. The advantage of this kind of study is that it can be carried out on a small or large scale. The method also enables the researcher to access hidden information from respondents that is unexpected or unintended. The design is also appropriate for the problem in question. The research design of this study is based on the thematic approach regarding the key issues of importance to the performance appraisals process. This included:

-The performance appraisal process
- The performance appraisal policy
- Implementation phase

1.6.2   Study Area

The study will be conducted in Pelonomi Tertiary Hospital. The researcher opted to conduct the study in this hospital, due to the following reasons:

- The mentioned hospital is an area of work for the researcher; therefore it will be easy to share the information on the findings.
- Performance of the hospital is under the spotlight, as it serves the greater population of Mangaung Metro and Bloemfontein, including hospitals that refer within and outside the Free State Province, and neighboring regions, such as Lesotho.
- Frequently reported complaints and adverse events, which vary in their degree of severity, are due to negligence or incompetence of health care workers.
- The hospital has budgetary constraints, taking into consideration services that are rendered. It is a designated Tertiary Level Hospital, but still renders Secondary and Primary Level services.
- Because of the uniqueness of the hospital, the researcher intends to do in-depth study within the institution with the belief that the findings of the study will form a platform for other hospitals to look into the issues of Performance Appraisal System and its effectiveness. Unit of analysis is the Pelonomi performance appraisal system.

1.6.3   Population and Sampling

Burns and Grove (2007: 40) define population study as all elements that meet criteria for inclusion in the study, from which the sample is actually selected.
In this study, the study population will consist of three groups for interviews, namely line managers, human resource managers and employees and one group for focus group discussion consisting of nursing assistant managers.

Pilot and Hungler (2003: 234) define a sample as a representative part of the population under the study. This part is to have the same characteristic with the population under study, e.g. if the researcher studies population from an urban area with a particular background, the sample should fit this description. Sampling is the process engaged when selecting the sample such that the findings can be generalised to the population.
A simple random sampling of five (5) line managers, four (4) human resource supervisors/managers, as well as seven (7) employees was interviewed. Eight (8) nursing assistant managers were selected for the focus group discussion. It is acknowledged that this study therefore largely focuses on nursing staff and not other categories of staffing.

1.6.4   Data Collection

Data was collected by means of interviews and discussions with a group. Semi-structured, open-ended questions and closed research questions were used to interview employees, as explained in the paragraph above. All employees selected in the sample for the interview responded individually. With the open ended questions, the respondent is not given any possible answers to choose from. Such questions are useful to obtain hidden information that the researcher may not be familiar with. Furthermore, the researcher is able to get information on the attitudes and opinion of respondents. Closed questions give respondents an opportunity to choose from a list of options without expressing opinions and expectations (Varkvisser *et al*., 1991:160-161). The latter is also advantageous if the researcher is interested to know the facts and not opinions.

1.6.5   Data Analysis

Completed questionnaires were processed and analysed using MoonStats and Microsoft Office Excel. The respondents' opinions, experiences, knowledge and understanding were compared with the information discussed in the literature review, to identify gaps and shortcomings. According to Neuman (2000: 506), coding is the process of converting raw data into another form. Open ended questions result in non-numerical responses which are coded before analysis. The end product of the coding process is therefore conversion of data items into numerical codes, representing attributes composing variables. Neuman (2000: 506) further state that coding proceeds towards the development of preliminary categories, which become the tools to sort and clarify subsequent information for analysis and has a different meaning and role in qualitative research.

Raw data is organised into conceptual categories and themes of concepts are created which will be used to analyse data. Coding is not just a simple clerical task, but an integral part of data analysis. The process frees the researcher from entanglement in the details of the raw data. Babbie (1998: 362) states that: the coding process is engaged when conducting quantitative analysis after data collection if other research methods have been employed.

1.7   Outline of the Chapters

The research will be divided into the following chapters.

- **Chapter 1**

The chapter outlined the background and main purpose of the study, the rational, aim and objectives for undertaking the particular study. The chapter will also highlight the various guidelines and legislations for the Public Sector, focusing mainly on services within the Public Sector.
Definition of major concepts will be included in this chapter for easier understanding of issues in the discussion.

- **Chapter 2**

This chapter focuses only on the literature review and will cover a comprehensive understanding of the theoretical overview of performance appraisal processes and systems. Description of what PMDS is, and what it is not and its value to the organization will also be discussed.

The researcher will consult widely so as to get reliable and valid information that will help in improving the resolution being investigated. The researcher will further explore the views and findings of other researchers on the subject matter, support, verify or argue on some. This chapter will also assist the researcher to identify the relationship between ideas and theory to application.

- **Chapter 3**
This chapter focuses on performance appraisal in the South African Public Sector, with the focus on Performance Management Development System (PMDS).

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Different definitions that are most prominent or relevant to this study, models, processes and reasons why PMDS fail will be discussed. A short description of PMDS process in the Free State Department of Health will also be discussed.

- **Chapter 4**

This Chapter discusses the research design and methodology which will be used in the study. The chapter will provide information about the study population, sampling approach and technique, data collection instrument. Limitations to the method followed will be highlighted.

- **Chapter 5**

The chapter presents the fieldwork results in textual and numerical format.

- **Chapter 6**

The discussion in this chapter is the research findings, conclusion and recommendation. Recommendation is presented for practice. The reflection on the implications of the findings is also discussed. Potential themes for further research are identified.

1.8 Conclusion

This Chapter provided a background perspective and indicated how the planning for the study was done. The Chapter indicated the research problem, the aim and research objectives, as well as the research methodology.

The following chapter will provide information on theoretical overview of performance appraisal processes and systems.

CHAPTER 2: THEORETICAL OVERVIEW OF PERFORMANCE APPRAISAL PROCESSES AND SYSTEMS

2.1 Introduction

This Chapter will provide an overview of the available literature and approaches to performance appraisal. Following this overview, a specific focus will be placed on performance appraisal processes. A focus on performance appraisal processes enables a focus on the facilitation of various elements of performance appraisal, as well as how it can be improved.

Performance appraisal is not new as the formal appraisal of employees has existed for centuries. However, the approaches to and reasons for performance have somehow changed and legal considerations have increasingly become important. The most distinctive new features are the use of multiple raters, emphasis on behavior rather than traits, and the use of training to help managers give feedback to their subordinates. At one stage, performance appraisal also relied mainly on the assessment of personality characteristics. Employees were appraised on the extent to which they exhibit characteristics such as tact, enthusiasm and maturity. (http:www.citeman.com./html)

A major focus of recent performance appraisal literature is to evaluate employees in terms of their effectiveness in achieving outcomes. The approach entails establishing desired outcomes and the extent to which they have been achieved through a discussion between a manager and an employee. The appraisal of individual performance is a core responsibility of every manager in any organization. Performance appraisal is a vital tool to measure the performance of an employee and to use the information collected to optimize the resources of the individual in the organization. It is the responsibility of the manager to make every effort to obtain as much objective information about the employees performance as possible. This helps to identify the need for training required by the employee, promotion and demotion. In the public sector, performance appraisal has become important as a key dimension of an integrated approach to performance management.

Following a discussion on definitions, the role and benefits of performance appraisal, the objectives of performance appraisal, the involvement of employees, perceived fairness, motivation and performance institutional arrangements and performance appraisal methods, a specific focus will be placed on performance appraisal processes.

2.2 Definitions of Performance Appraisal (PA) and Performance Management Development System (PMDS)

2.2.1   Definition of Performance Appraisal.

Performance Appraisal has been defined by different scholars and authors in various ways. Some definitions that are most prominent or relevant to this study are briefly discussed below. According to Swansburg and Swansburg (1999: 692), performance appraisal is a control process in which employees' performances are evaluated against

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standards. Standards are written for a job and are used as a measuring tool for qualitative and quantitative evaluation of the performance of the person in the job. Swansburg and Swansburg (1999: 696) define standards as a unit of measurement that can serve as a reference point for evaluating results.

In the www.businessdictionary.com\html, performance appraisal is defined as a process by which a manager or consultant, examines and evaluates an employee's work behavior by comparing it with present standards, document the results of the comparison and uses the results to provide feedback to the employee to show where improvements are needed and why. Performance appraisal is about being fair, objective and accurate during assessment. The definition reduces the subjective factors that are normally associated with managers about rating. The processes, decisions and actions become impartial, transparent and capable to be reviewed.

Schuler (1981: 211) describes performance appraisal as a formal structured system of measuring and evaluating an employees' job, related behaviors and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively in future so that the employee, the organization and society can all benefit. It is clear from above definition that Schuler's' definition is more comprehensive and inclusive of what performance appraisal is all about and who benefits, if effectively implemented. The definition also focuses on the future performance of the employee.

De Vries *et al.* (1981: 2) define performance appraisal as the process by which an organisation measures and evaluates an individual employee's behavior and accomplishments for a finite time period. They further emphasize that evaluations are done annually by the employee's immediate manager. The definition encompasses all key factors that enable managers to make administrative decisions, such as retention, salary increase, promotion, training and development. Assessments of employees' behavior, as well as accomplishments for a finite period of time, provide the information about the employee's effectiveness, ensuring quality service.

Gibson *et al*. (1994: 217*)* define performance appraisal as a systematic, formal evaluation of an employee's job performance and potential for an employee's future development. The definition is about the assessment of an employee's actual performance, behavior on the job and the potential for future development. Development is key as this will improve the performance.

Booyens (1999: 551) describes performance appraisal as a system process whereby employee's strengths and development needs can be evaluated, and where various methods can be used to enhance the employee's productivity.

Performance assessment or appraisal is the process of identifying, observing, measuring and developing human performance in the organization (Cardy and Dobins, 1994: 21).

According to Hetzell (1995: 128) and Gillies (1997: 215) performance appraisal is described as an effective means for increasing an employee's job performance.

According to Fox and Meyer (1995: 94) performance appraisal is defined as a system of personnel evaluation to review performance over a period of time based on mutually agreed upon standards.

The former and latter definitions are about the systematic approach of employees' evaluation, with regard to their performance and potential for development, individually and collectively. The performance is measured by comparing present performance and the already established standards communicated to employees and the process is done over a specific period of time.

Performance appraisal is a process of assessing, summarizing and developing the work performance of an employee. It is a review and discussion of an employee's performance of assigned duties and responsibilities and is based on the results obtained, not on the employee's personality characteristics. The appraisal should measure skills and accomplishment with accuracy and uniformity ((http://edu/Admin/HR/ performance-appraisal.html).

The above definition clearly reflects fairness and objectivity when assessing the ability of employees in performing their tasks. It identifies those who are performing their tasks well, those who are not, and the reasons for such performance, thus making it easier for the supervisor to make administrative decisions. All definitions are explicit in terms of the systematic and objective way of judging the relative worth or value of others, identifying the good and the bad and the wish of employees to know their position and contribution in their organisation. Performance appraisal with regard to employees' evaluation on conduct and behavior in the work environment and how the employees can be supported to ensure improvement needed by the organization, is clearly described.

Performance appraisal is regarded by many as one of the most valuable tool to control and manage employees' performance and ensure productivity. Understanding what performance appraisal is, requires recognition of its complexity which includes inter-alia the following steps:

Step 1 and 2 is very manager driven. According to Nel *et al.* (2006:477), the four key areas in these steps include: alignment with business strategies, alignment with departmental goals, determining employee goals and determining the parameters of an action plan.

Employees as people, demand greater control over their lives and this is something that cannot be overlooked. Employees have to be informed of what is expected of them, how well they are doing and how can they improve where there is a need. From a control point of view, it is essential to establish a range of reflecting acceptable performance at this stage.

In these stages, the manager or supervisor discusses the expectations of the job, the mission and the goals of the organization are clarified and their alignment with the employee's job content. Objectives are set and activities proposed by the employee, are discussed with the manager. Goals and objectives express what should be achieved during the evaluation period and is usually stated as a result and an end state. They present a statement of purpose and direction and form a common starting point for a development plan. What is to be done and how the performance will be measured against the standards with what ratings, is also discussed during these

stages. Both the employee and the manager have to agree on how the process will unfold. It is during these stages that a performance development plan is designed and signed for by both the employee and the manager.

In Step 3 the manager shares the ratings and assessment with the employee.

It is at this stage that employees would want to know how well are they doing toward achieving the organisational goals. Normally, self-assessment ratings and ratings of managers are compared and discussed. The outcome of the evaluation and how well the employee has accomplished specific sets of objectives are discussed at this stage.

The obstacles encountered and how they can be resolved are finalized and a plan of action is put in place. Regular feedback from the manager is important rather than to wait for the annual performance review period. The pro-active feedback process recommended consist of four manageable steps: self-assessment, external feedback, absorbing the feedback and taking action toward change (Jackson J.M. and Strober M.H, 2005: 40). Peer-review is an additional option.

In Step 4 of the above model, the manager announces administrative decisions. Effective implementation of performance appraisal, assist managers in making sound administrative decisions, such as training and development, career management, remuneration, relationship management, as well as performance management.

2.2.2   Definitions of PMDS

Robinson and DeCenzo (2008: 171), state that "Performance Management Development System is a process of establishing performance standards and evaluating performance in order to arrive at objective human resource decisions and provide documentation to support personnel actions".

Armstrong and Baron (1998) define Performance Management as "A strategic and integrated approach to increasing the effectiveness of companies by improving the performance of people who work in them and by developing the capabilities of teams and individual contributors". In linking performance with development, their view is that, Performance Management is about learning at the organisational, team and individual levels. Individual and team learning takes place within the context of the organization and the concept of the learning organisation underpins much of the developmental aspects of Performance Management.

Swanepoel *et al*. (2007: 375), define Performance Management as: "A process which significantly affects organisational success by having managers and employees work together to set expectations, review results and reward performance". With Performance Management approach, an emphasis is on the degree of satisfaction and dissatisfaction with what the Public Sector Organizations provide, where the citizen is seen as the customer. It is expected of public sector organisations to be responsive to customer needs and they must care about the customer's perception of the service provided.

Swanepoel *et al.* (2007: 375), further state that creation of quality standards for service delivery should be a primary objective and should be a significant motivating influence upon those working in the organisation. Any gap between expectation and actual delivery represents customer dissatisfaction.

2.3 Models of Performance Appraisal

According to Murphy and Cleveland (1995), few models of performance appraisal published prior to 1975, were devoted to the identification of factors that influenced the ratings outcome. Little consideration was given to the various types of measures obtained, or to factors that may influence performance. The models paid insufficient attention to the organisational context in which appraisal occurs. They failed to identify issues of concern to both researchers and practitioners and failed to illustrate links between the concerns of current performance research and the practice of performance appraisal

Murphy and Cleveland (1995) further state that, the Four Component Model is preferred to other models because it focuses on specific aspects of the appraisal process e.g. Judgment. This model identifies the context of performance appraisal, especially the organisational context as the starting point from which components should be examined, because the previous models lost sight of how the information fits into the larger understanding of performance.

The two most important components of the model are discussed as follows:

Performance judgment is viewed as part of judgment of the rating process, but not identical to ratings. Judgments represent private evaluation and are context free. They include the appraiser's cognitive capacities, personal bias and prior experience with appraisal tasks. Context bound judgments consist of those aspects that rely on a job or organisation's specific information to define performance levels. For example, performance evaluation cannot proceed without knowledge of the tasks, activities, and responsibilities involved in the job performed by the ratee. It also includes guidelines defining effective and ineffective performance (Murphy *et al.,* 1985).

Performance rating as the second component of this model makes a distinction between judgment and rating behavior. The rating indicates that the rater wishes to convey something to the audience who will read the rating form. The focus is on leniency in rating, discussing that raters assign high ratings even when their private evaluation of rates is not. Raters tend to focus on one set of comparison (usually between individuals) to the exclusion of others where the ratings are likely to reflect only some aspects of their judgment i.e. differences between individuals rather than individual strengths and weaknesses (Cleveland *et.al.* 1986).

2.3.1 The Mental Process Model

This model is a complete description of the psychological components of performance. When fully developed, it specifies all the critical cognitive and social-emotional processes and the interaction among these processes, that when functioning properly, result in skilled performance. In this model, the assessment answer the "Why" question, for example, two employees with the same poor rating for the problem-solving dimension may have different developmental needs. One person may lack knowledge of problem-solving strategies and the other may lack confidence in problem-solving situations. Positively, both employees can depend upon each other to perform well on problem-solving tasks.

Thus, for development, the two employees' assessments diagnosed different cognitive and emotional explanations to create developmental plans that reflect the true training and development needs. Development plans must be based on the results of a valid diagnostic assessment. If the diagnostic assessment is based on an incorrectly specified mental process model, then the resulting development plan will be misguided.
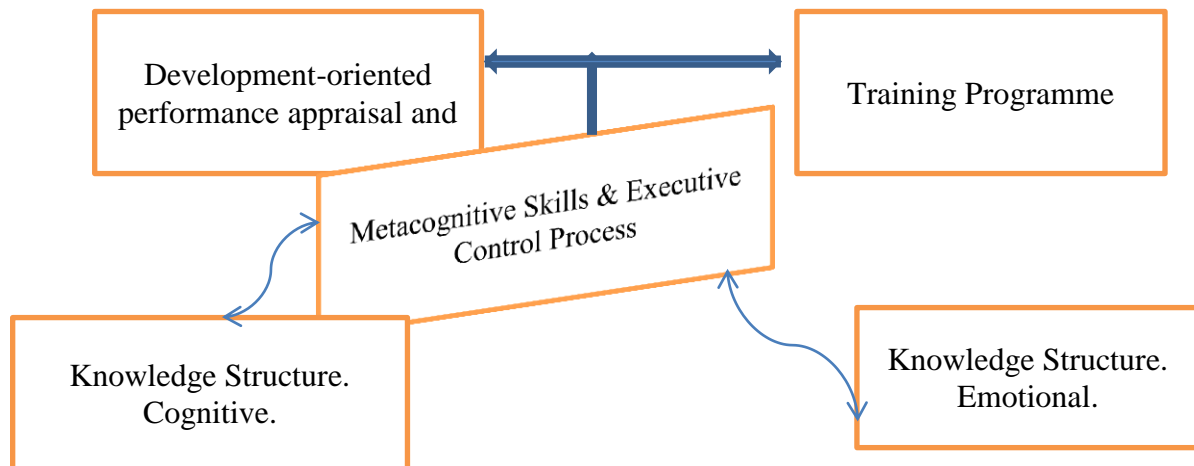
Figure 2.1: MENTAL PROCESS MODEL
Source: to Murphy & Cleveland (1995).

2.3.2 Management by Objectives Model (M B O)

According to Robbins and DeCenzo (2008: 77), Management by Objectives is a system in which specific performance objectives are jointly determined by subordinates and their supervisors, progress toward objectives is periodically reviewed and rewards are allocated on the basis of progress. MBO requires the involvement of a manager and an employee into agreeing on specific and attainable objectives with timeframes.

The model emphasizes on tangible and measurable goals. Individual members are made to know and understand the key results areas and the results expected at the end of the year. It is also important to note that the work is delegated, and the authority responsibility relationship is defined. Once the goal is set, the responsibility lies with the individual to direct him or herself towards achieving objectives. The method can easily define success or failure. The systems' appeal lies on its emphasis to convert overall objectives into specific objectives for organisational units and individual members. It makes objectives operational and instead of making goals to control, it uses them to motivate. As discussed in the above paragraph, the organisational goals are translated into specific objectives for each succeeding level - divisional, departmental and individual. For the individual employee, the system provides specific personal performance objectives. If all individuals achieve their goals, the units' goals will be achieved and subsequently, the organisations objectives will be realized.

Goulding and Harris (1997:275-280) point out that Management by Objectives allows measurable standards to be set, which are not subject to personal opinion of the appraiser.

Goulding and Harris (1997:275-280) further state that objective standards prevent appraisers from drawing on employee's previous performance appraisals, whether good or bad, but use the present.

2.3.3 The Free State Department of Health Model

Although not a theoretical model, but an operational policy, Free State Department of Health Policy Framework is briefly discussed because of its relevance. The phases and core elements of the Performance and Development Management Process in organisational context are as follows:

- Performance Planning is done by both the supervisor and the subordinate.
  It is in this phase that specific objectives and standards of performance are discussed and finalized, the performance plan is compiled and an agreement is reached and signed for by both parties.
- Performance Monitoring involves the continuous monitoring by both the supervisor and subordinate of performance. It enables both to identify performance barriers and address improvement needs as they arise.
- Performance Reviews, Assessment and Feedback. There are two types of performance reviews. There is an informal review and a formal performance review.
- An informal review is conducted at the end of the first quarter and the third quarters. It is where an overview of progress made in reaching objectives and targets, barriers or challenges, including assistance needed, are discussed. The formal performance review is a detailed discussion of progress made in reaching objectives and targets. It takes the form of a discussion and the feedback of the review is documented in the section provided on the performance plan. The supervisor and subordinate systematically review the performance delivered within the specific period and each objective is measured against the set standard and the appropriate rating is allocated.

Performance and development management involves continuous monitoring in order to determine progress and identify obstacles, identify and provide support needed, deal immediately with performance related problems, modify objectives, ensure continua's learning and development.
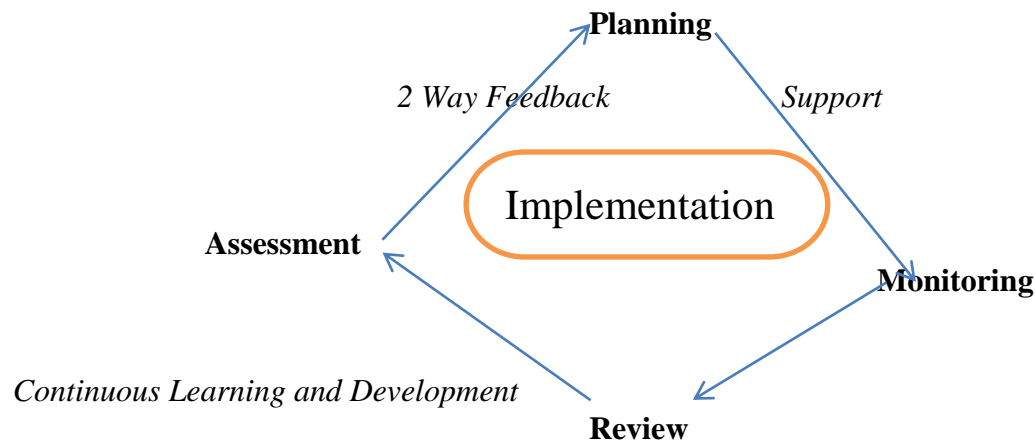
Figure 2.2: SCHEMATIC OVERVIEW OF THE PMDS PHASES
Source: Courtesy of the F.S Provincial Government PMDS Task Team (2008: 7)

2.4 Other Relevant Theories Regarding the Study

It is widely known that the performance appraisal process is not favored by both managers, as well as employees; however, it is helpful to know that there are different models and theories available to choose from. This variety makes the process to be as flexible as possible for effective use. Chen (2012) highlights the following theoretical processes or models and theories that were found to be useful.

2.4.1 European Foundation for Quality Management Model (EFQM)

The model is a self-assessment framework which can be applied to any organisation to evaluate qualitatively the strengths of work performance and the areas for improvement across all of the activities. The model examines what the organisation is doing, looking at five themes: The first theme is about Leadership, People Management, Policy and Strategy. The other four themes are for the results the organisation is achieving. They are: Customer Satisfaction, People Satisfaction, Society Impact and Key Performance Results.

2.4.2 The Satellite Model of Organisational Performance Management

Hersey and Blanchard's (1996: 403) model, illustrates organisational performance management as affected by the series of factors such as, organisational culture, knowledge, human resources, non-human resources and strategic positioning.

2.4.3 The System Model of Performance Management

Spangeberg and Theron (2001:35-37) and Mohrman (1990) proposed that in this model, performance management can be viewed as a system that comprises of inputs, processes, outputs and linkage to other systems. A statement is also made that the model illustrates the connections and that performance from organisational perspective, has a direct link with the individual aspect of performance.

2.5. The Role and Benefits of Performance Appraisal

In the first instance, the benefits of performance appraisal forms part of the functioning of performance management and that the facilitation of the process provides a basis for the assessment of the performance of the individual with the opportunity for review and achieving improvement. A well planned and carefully designed review stimulates the employee's interest and improves job performance.

2.5.1 The Role of the Appraisee

According to Sullivan and Decker (1992: 361) an Appraisee is a person whose performance is evaluated. They discover what is expected of them and are able to set goals. They also gain a better understanding of their faults and strengths and can adjust behavior accordingly. In addition, appraisals create a constructive forum for providing feedback to workers about individual behavior, and, for allowing workers to provide input to their managers. Finally, appraisees are given assistance in creating plans to improve behavior, and are able to get a better grasp on the goals and priorities of the company.

2.5.2 The Role of the Appraisers

Sullivan and Decker (1992: 361) describe an appraiser as someone superior who estimates the value or quality of a subordinate's performance. They are able to effectively identify and measure trends in the performance of their employees, and accurately compare subordinates. They also get a better understanding of their workers' needs and expectations, as well as their own role and responsibilities. Managers are able to use the information to assist their subordinates in planning long term and short term goals and career objectives and to tailor their job responsibilities to make fuller use of their skills. Further, the appraisal helps managers to make informed administrative decisions about promotions and assignments, based on applicable and objective facts.

2.5.3 The Role of the Organisation in Performance Appraisal

According to Johnson B (2004: 83-86), employees are not working in a vacuum, and one of the major criticisms about performance appraisals is that they do not usually take into account the ways in which environment affects the performance of employees.

The appraisal process improves organisational communication, which results in more cooperation and better decision making, greater staff motivation and more informed and productive workforce which leads to a greater organisational focus on comprehensive goals. The process also allows the organisation to achieve a more productive division of labor, develop training and education programs, eliminate bias and irrelevant data from evaluations and decisions, and design effective compensation and reward systems (Sullivan and Decker, 1992: 361).

2.6 The Objectives of Performance Appraisal

The major objective of performance appraisal is to improve the performance of employees and to increase productivity. It is also used to provide feedback on an employee's performance during the review. The review is useful to both the organisational management and the employee who is assessed. Regardless of how organisations use performance appraisals, it is essential that they accurately reflect the employee's actual job performance (Sullivan and Decker, 1992: 351).

According to Joel M. in the Memphis Business Journal (2001), in many organisations, performance appraisal only occurs when management is building a case to terminate someone. He further states that performance appraisal is supposed to be a developmental experience for the employee and a teaching moment for the manager.

Olson (1981: 31) states that the objectives of performance appraisal are to help managers to:
- Identify the key requirements of the job and develop a mutual understanding of responsibilities and goals.
- Evaluate an employee's performance as objectively as possible, against specified job goals.
- Provide the basis for improving job performance by:
  - Identifying areas for employee improvement.
  - Developing an agreed-upon plan to improve employee's performance.
  - Providing support and specific feedback to the employee, increasing the probability that performance will improve.
  - Gaining commitment and involvement from employees.
- Provide a flow of information about the performance and developmental needs of employees, to enhance future personnel decisions about job assignments, promotions, transfers and terminations.
- Achieve greater use of employee skills and capabilities, directly (and indirectly) influencing productivity.

According to McGregor (1960: 17), the three main functional areas of performance appraisal systems are: administrative, informative and motivational.
Appraisal serves an administrative role by facilitating an orderly means of determining salary increases and other rewards, and by delegating authority and responsibility to the most capable individuals. The informative function is fulfilled when the appraisal system supplies data to managers and appraisers about individual strengths and weaknesses. The motivational role entails creating a learning experience that motivates workers to improve their performance.

The modern day objective of performance appraisal is also to facilitate a positive relationship between employer and employee with good communication, clarity on expectations, as well as a focus on personal development.

2.7 Participation of Employees in their Appraisals

The importance of involving employees in the performance appraisal process cannot be overlooked or even be underestimated. Employees need feedback about their performance and want to know how well or bad they perform in their job.

London (2003:83-86) state that, receiving feedback on performance is generally considered a positive and motivating experience, especially in the context of constructive feedback. Goulding and Harrison (1997:275-280) suggest that employers should make the performance appraisal process as transparent as possible. They further state that familiarity with the process helps to alleviate anxiety and to increase the effectiveness of any tool that is used. Employees should have the opportunity to provide input in formatting the evaluation and restructuring the process in order to ensure that the standards for success are both objective and attainable. Involving employees in the appraisal process generates an understanding of its true purpose and encourages willing participation.

According to Holcomb (2006: 572), supervisors who keep their employees informed of their performance as the year progresses, help to eliminate the fear of the unknown. Providing continuous feedback, rather than a single nerve-wracking session, highlights the performance partnership between manager and employee. He further states that consistent feedback also provides employees the chance for continuous improvement and regular communication which contributes to a positive work environment. Furthermore, Holmes (2006: 570) states that positive effects of constructive feedback are numerous and provide employees with an important source of personal and professional satisfaction. A closer and more understanding relationship between manager and subordinate on a one-to-one, face-to-face basis is crucial for the successful implementation of the performance appraisal process. It is a relationship that includes not only formal review sessions, but also daily contacts that involve exchange of information and discussion of progress and problems.

2.8 Perceived Fairness, Motivation and Performance

It is in every individual's interest, especially in the work environment, to know the aims and objectives of the existence of their organisation. When employees have goals to achieve, they tend to strive toward the achievement of that. According to Sullivan and Decker (1992: 155), all human behavior is motivated by something and most human behavior is goal directed: people do things for some reason, to get certain results. Booyens (1993: 434) states that it is not easy to motivate employees since individuals differ in what motivates them. It is therefore important that managers be aware that employees react to perceptions more than to reality and they pay more attention to how employees perceive their job. Motivation to improve performance has consistently been related to perception of fairness. However, when the performance appraisal process is manipulated to increase perceptions of fairness, the manipulation has not been found to have impact on motivation to improve performance (Taylor *et al.*, 1995:11).

Smither (1998: 211) defines fairness as the extent to which procedures and outcomes are seen as just, consistent or appropriate. He further gives an example that, with performance appraisals, fairness perceptions arise from evaluations of the ratings received and rewards tied to those ratings, the appropriateness and consistency of the appraisal process, and the explanations and feedback that accompany the communication of performance ratings. If the performance appraisal process is perceived by employees as arbitrary and unfair, it will not meet the needs of employees or that of the organization.

Further, if employees do not agree with and accept the performance appraisal process and outcome, e.g. ratings, then that performance management system is not meeting the needs of the line managers and supervisors, because the system will result in conflict, dissatisfaction and lack of commitment.

Taylor *et al.* (1995:11) suggest that performance is determined by many factors in addition to motivation (e.g. ability and opportunity) and this may be why improving the fairness of the review process has a greater impact on attitudes and commitment than on performance. Incorporating fairness into the performance management system process through practices such as self-appraisal enhances employee's perceptions that the performance is fair. Perceptions of fairness in turn, lead to positive outcomes such as increased commitment to the organization (Taylor *et al.,* 1995: 11). In addition to the determinants of perceived fairness, managers are provided with insight into how they can utilize motivation techniques to maximize employee behavior in the work environment.

Theories of motivation were formulated during the 1950's and although they are still considered questionable, they are the best-known explanations of employee motivation. Booyens (1999: 457) describe the two types of motivation theories as follows:

Table 2.1: Motivation Theories.

Content Theories	Need Theories
1. Emphasize the specific factors that motivate an individual	Attempt to develop understanding of the psychological process involved in motivation.
2. Imply that motivational factors may be within the individual (e.g. Human needs) or within the environment of the individual (e.g. Job characteristics)	Focus on the dynamics of motivation, from initial energization of behavior, through the selection of behavioral alternatives to actual effort
3. Emphasize individual needs or the rewards that may satisfy those needs.	Include expectancy theory, equity theory, goal setting theory and behavior modification theory
4. Include satisfying people needs for pay, promotion and recognition.	Include clarifying the individual's perception of work inputs, performance requirements and rewards.

Source: Booyens (1999: 457)

Both the content and the process theories are theories of work motivation and differ on what each is focusing on. The content theories focus on the content of motivation and the process theories emphasize how the motivation process works and occurs in the workplace. Factors or needs within individuals that directs, energizes or stop behavior, are explicit of the content theories, whereas process theories are concerned with the process by which motivational factors interact to produce motivation.

According to Robbins and DeCenzo (2008: 267), much as they agree that more valid explanations of motivations have been developed, they state that these early theories, represent the foundation from which contemporary theories grew and that practicing managers regularly use these theories and their terminology in explaining employee motivation.

Maslow's Hierarchy of Needs Theory (Booyens, 1999: 458) state that, within every human being, exists a hierarchy of five types of needs: physiological, safety, social, esteem and self-actualization; as each need become satisfied, the next need become dominant. From the motivation view point of this theory, no need is ever fully gratified, substantially satisfied needs no longer motivate. Therefore according to Maslow, managers need to understand where the employee is in the hierarchy and focus on satisfying needs at or above that level.

McGregor's Theory X and Theory Y propose two distinct views of the nature of human beings' coding to the negative view of managers which he labeled Theory X and the positive view of the managers, labeled Theory Y. In relation to Maslow's theory, Theory X assumes that the physiological and safety needs dominate the individual. Theory Y assumes that social and esteem needs dominate the individual. The Y Theory assumption is that the manager views the employees as creative, seeking responsibility and can excise self-direction. He or she therefore proposed participation in decision making, responsibility and challenging jobs and good group relations, would maximize work effort (Robbins S.P.2008: 269).

Vroom's Expectancy Theory was introduced in 1964 to explain work motivation. Expectancy theory asserts that individuals are motivated by their expectancies (beliefs) about future outcomes (consequences of behavior) and by the value they place on those outcomes. To predict what a person chooses to do and how much effort the person will put forth in doing it, three components are important: expectancy, instrumentality and valence. Expectancy (E) is the perceived probability that effort will lead to a specific performance level or behavior. Instrumentality (I) is the belief that a given performance level or behavior will lead to some outcome (reward or punishment). Valence is the perceived value (attractiveness or unattractiveness) of an outcome (Sullivan and Decker, 1992: 162).

Herzberg's Motivation-Hygiene Theory states that the attitude of an individual towards his or her work can determine success or failure. According to Herzberg, intrinsic factors, such as achievement, recognition and responsibility, advancement and growth are related to job satisfaction. Extrinsic factors such as company policy, administration, supervision, interpersonal relationships and working conditions tend to cause dissatisfaction. To motivate people on their jobs, Herzberg suggested emphasizing intrinsic motivators; those factors that increase job satisfaction (Robbins S.P., 2008: 269).

Vroom's Expectancy Theory states that an individual tend to act in a certain way on the basis of the expectation that the act will be followed by a given outcome and the attractiveness of that outcome to the individual. According to this Theory, the strength of a person's motivation to perform (effort) depends on how strongly the individual believes that he or she can achieve what is being attempted. If the goal is achieved (performance), will he or she be adequately rewarded by the organization?

If so, will the reward satisfy his or her individual goals? (Attractiveness).
(Robbins S.P., 2008: 276).
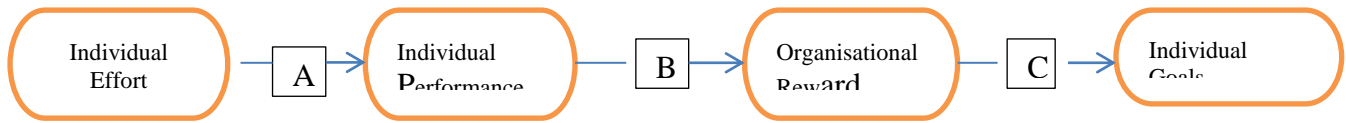
Figure 2.3 Simplified Expectant Theory
Source: Robbins 2008:276

A=Effort- performance linkage.
B=Performance-reward linkage.
C=Attractiveness.

The key issues highlighted by Robbins (276: 2008) are regarded as important factors:
- What perceived outcomes does the job offer the employee? The critical issue here is what the employee perceives the outcome to be, regardless of whether the perceptions are accurate.
- How attractive does an employee consider these outcomes to be? Are they valued positively, negatively, or neutrally?
- What kind of behavior must the employee exhibit to achieve these outcomes? The outcomes are not likely to have any effect on an employee's performance unless the employee knows what he or she must do to achieve them.
- For example, what does "doing well "mean in terms of performance appraisal? What criteria will be used to judge the employee's performance?
- Lastly, how does the employee view his or her chances of doing what is asked? The employee competencies and ability will determine success.

According to Tomey (1988: 234), this theory states that people are motivated by how much they want something and by their estimation of the probability of getting it (expectancy). The theory is further described in the following formula:

$$\text{Motivation= Valence * Expectancy.}$$

M=V*E* I
M=Motivation.
V=Value of reward.
E=Belief that effort will lead to desired performance.
I= Belief that performance will give desired outcome.

The above formula illustrates the relationship between motivation and performance, as influenced by the individual's view of the link between effort (E) and by performance and outcome (I) and the value (V) of the reward.
The theory states that human motivation is affected by the value of outcomes (rewards). According to the theory, the employee will be motivated to work towards the organizational goals if he or she believes that, his or her performance will lead to the desired outcome and that the outcome is worth the effort, as it will be rewarded.
The basic idea underlying expectancy theory is that, motivated behavior results from a combination of individual needs, the value of goals available for the individual to achieve, and the individual's expectance of achieving the goals (Petri, 1986: 218).
The Existence Relatedness and Growth Theory (ERG theory), is a modification and reformulation of Maslow's Need Hierarchy approach, according to Aldefer (1969). In

this theory, Alderfer proposed that, individuals can also move down the hierarchy under certain conditions. Booyens (1999: 462) states that instead of five levels of needs, as suggested by Maslow, Aldefer proposed three basic sets of needs which are:

1. Existence needs, that relate to Maslow lower-order needs and can be satisfied by pay, fringe benefits and safe working conditions.
2. Relatedness needs, that correspond to Maslow's belonging and esteem needs and can be satisfied by social attachments and group membership involving co-workers, supervisors, family and friends.
3. Growth needs that correspond to Maslow's self-actualization needs and can be satisfied through the search for personal and career development through creative work and home activities.

According to Sullivan and Decker (1998: 182), the frustration of higher level needs, leads to an individual focusing upon the next lower level needs in the hierarchy.

According to Booyens (1999: 472), the Path-goal theory attempts to identify the situational aspects affecting leader's leadership behavior by examining the effect of the leader's behavior on group members. The theory examines the degree to which the leader exhibits consideration and determines the individual's perception of available rewards. On the other hand, the degree to which the leader initiates structure, that is, the degree to which concerns with the work or organizational goals is emphasized, determines the individual's perception of paths, or behaviors, which will lead her to her goal.

Sullivan and Decker (1992: 188) state that the Path-goal theory is an effort to apply a theory of human motivation and task performance to the realm of leadership effectiveness.

The Goal Setting Theory is based on three basic propositions:

1. Specific goals lead to higher performance than do general goals, such as 'try your best'.
2. Specific difficult goals lead to higher performance than specific easy goals.
3. Incentives such as money, knowledge of results, praise, participation, competition and time limits affect behavior only if they cause individuals to change their goals or accept goals that have been assigned to them (Sullivan and Decker, 1998: 193).

According to the Path-goal theory, the leader initiates structure to show members how their action will lead to goal attainment and reward. Leaders use consideration to make the path to the goal easier by helping the individuals to remove barriers. Support and encouragement for those facing difficult tasks, contributes to individual's acceptance of high performance goals and obtaining high levels of performance.

The more participation of individuals in setting goals, the more they will be motivated to achieve them.

Robbins and DeCenzo (2008: 300) indicate that the term 'Path-goal' is derived from the belief that effective leaders clarify the path to help their followers get from where they are, to the achievement of their work goals and make the path easier by reducing roadblocks and pitfalls. They further explained the four leadership behaviors as follows:

1. Directive leader as the one who lets employees to know what is expected of them, schedule work to be done, as well as gives specific guidance as to how to accomplish tasks.

2. Supportive leader as the one who is friendly and show concern for the needs of employees.

3. Participative leader as the one who consults with employees and uses their suggestions before making a decision.

4. Achievement-oriented leader as the one who sets challenging goals and expect employees to perform at their highest levels.

The Path-goal theory implies that the same leader can display any or all of the above leadership styles, depending on the situation.

2.9 Integration of PMDs with Other Organisational Processes

Effective implementation of the Performance Management and Development System has to be integrated with other organisational processes and systems. The system should cover all the key elements of an organisation's business and this should reflect in the Vision, Values and Mission Statement of the organisation.

- Linking Strategic Planning with PMDS

According to Part 3 of the Treasury Regulations and Part 111 of chapter 1 of the Public Service Regulations, every department has to have an approved strategic plan. The process of this strategic plan has to link with the Performance Management Development Plan Cycle, where organisational requirements are translated into individual objectives or targets. Strategic planning and management planning and control are primarily aimed at ensuring effectiveness while operational control is aimed at ensuring efficiency. The principles that promote ethical behavior are essential for the public institutions to realize their developmental mandate. Public figures have the obligation of fulfilling their responsibilities by exhibiting acceptable behavior in the society they serve.

According to Mafunisa (2005: 192), ethics is the branch of philosophy dealing with values that relate to human conduct with respect to the rightness or wrongness of specific actions and to the goodness or badness of the motives and ends of such actions.

The South African Government, enacted the legislative framework, the Executive Member's Ethics Act, 1998 (Act 82 of 1998) and the Code of Conduct for Public Servants in an attempt to promote good ethical behavior and professionalism.

The ethics act, gives the directives to executive members of government on how to act in good faith and in the best interest of good governance. The Code of Good Conduct on the other side provides guidelines to all public employees and emphasize on the use of public resources in an efficient, effective, transparent and accountable manner. Failure to enforce or adhere to these rules often leads to corruption, lack of accountability, inefficiency and ineffectiveness (Mafunisa, 2002: 197).

Public servants are expected to display both ethics and professionalism when executing their duties. The basic values and principles that govern public administration are enshrined in chapter 10 of the Constitution of the Republic of South Africa, 1996. These principles include:
- Promotion and maintenance of high standard of professional ethics.
- Efficient, effective and economic use of resources.

- Public Service that is accountable.
- Foster transparency by making information accessible in an accurate and timely manner.

To ensure that organisations and institutions reach their goals, employees must be supported to reach their full potential and training and development is an intervention that managers and supervisors have to consider to address skills gaps and sustain and improve the competency profiles of employees.

Robins and DeCenzo (2008: 169) cite that, employee training is a learning experience that seeks a relatively permanent change in employees by improving their ability to perform their job. Thus training involves changing skills, knowledge, attitudes or behavior. They further state that this change may involve what employees know, how they work or their attitudes toward their job, co-workers, managers, and the organization.

According to Smither (1998:220), most organizations have sections for diagnosing developmental needs and create developmental plans in their regular performance appraisal forms.

The strategy known as competency modeling, which has to do with the knowledge, skills, abilities and other characteristics is also embraced. In linking appraisal and developmental planning, the appraisal is the diagnostic measurement event that must provide information to guide decisions about an individualized, prescriptive development plan. The typical evaluation will focus on a dichotomous decision: promote - don't promote, train - don't train. Because of their complexity, diagnostic measurements depend on the development and construct validity of a mental process model. Smither (1998: 220) further states that effective diagnostic assessment, measures each component of the mental process.

According to Casio and Anguinis (2005: 381), training and development activities are those planned programmes of institutional improvement, undertaken to bring about a relatively permanent change in the employee's knowledge, skills, attitudes and social behavior.

2.10 Institutional Arrangement for Performance Appraisal

2.10.1 Human Resource Management (HRM)

Performance appraisal is an important process in human resource management, because of its effect on the financial decision and program components in an organisation. Tying compensation to performance appraisal is a method that has to be established by human resource management to reward performance that meets or exceeds expectation.

The strategy, implementation and effective functional steps of performance management system and the appraisal as one small part of the entire system, rest entirely on the human resource department. Human resource managers have

responsibilities to determine the level of performance standards to salary increase for various performance levels. However, the HRM function is a supportive function to line management. The department advocates for the company and the employee to encourage strong performance records and job satisfaction which are integral parts of the overall performance management system. (http://everyday life.globalpost.com/role-hr.-performance –appraisal-19415-html).

The key roles of human resource management are leadership training for supervisors and managers on how to properly evaluate employees and give periodic feedback. Performance of employees is also a function of human resource management. Performance issues such as poor performance that requires demotion, suspensions, termination or advice to recommend ways to solve matters related to employees' beliefs about unfair ratings, need the intervention of the human resource department.

2.10.2 Organisational Culture

Organisational culture largely determines and governs employees' behavior and conduct in an organisation. The performance of employees has a great influence in the performance of an organisation. Furthermore, the conduct and behavior of employees is influenced by the leadership style and the expectations of the organization, taking into consideration the history and background of the organisation.

Williams (2002: 40-41) highlights the importance of organisational culture and cultural values and norms of an organisation as reflected in policies and practices.
These are related to dress, personal appearance, social behavior, the physical environment, communication, status symbols, rituals and rules. It is a pattern of basic assumptions of behavior that has worked in the past and is taught to new members as the correct way to perceive, to think, to feel and to act. Williams (2002: 40-41) further cites that organisational culture affects organisational goal alignment. He further quotes Martin (1995: 377) to highlight the characteristics that characterize a strong culture, that is, consistency, organisation-wide consensus and clarity.
In instances where the cultural norms of the organisation differ greatly with the personal values and norms of employees, conflict may occur and as such interfere with the effective implementation of the PMDS.

Del Bueno and Vincent (1986) define organisational culture as a pattern of basic assumptions of behavior that has worked in the past and is taught to new members as the correct way to perceive, to think, to feel and to act. He further quotes Martin (1995: 377) to highlight the characteristics that characterize a strong culture, that is: consistency, organisation-wide consensus and clarity. If the cultural norms of the organisation differ greatly with the personal values and norms of employees, this may cause conflict and as such interfere with the effective implementation of the PMDS. This is also true in the case where a strong culture that encourages participation and the involvement of employees in decision making, affects an organisation's output positively.

2.10.3 The Manager/Supervisor

The manager/supervisor of the employee is the person that is responsible to make administrative decisions that affect the subordinates. He or she is seen as the most appropriate person to make judgments on which to base the decisions. Though this traditional approach is still practiced to date, the following problems have been pointed out by some authors where the supervisor is the sole appraiser.

- The manager may not be in the best position to assess the employee, due to physical distance from the employee, unfamiliarity with the job requirements or lack of opportunities to observe the employee at work. A combination of these can result in inaccurate performance ratings.
- The manager may be interested only in certain aspects of the employee's performance such as technical knowledge, dependability and overlook other aspects. Therefore, the perspective of the supervisor may narrow the performance picture.
- The most common and significant problem is for managers to make administrative decisions (salary increase, promotions) and then manipulate the performance ratings to correspond with those decisions.

Explanations for the incompetence of managers at conducting Performance Appraisal include inadequate cognitive ability, lack of training and role conflict. However, according to Blackwell (2009: 26), if performance ratings will be used for decision-making, managers should provide the final evaluation.
It is important that they serve as gate-keepers, judge the credibility and quality and balance it against other available information.

2.11   Performance Appraisal Methods

There are varieties of methods for the appraisal of employees' performance that human resource managers can select from.
After an organisation has determined its human resource needs, based on tasks to be performed, formulation of a specific strategy for measuring performance within the organisation follows. There are numerous techniques that can be used, however it is important that consideration be taken that an appropriate method is chosen. Evaluation can be formal or informal. To evaluate the real work performance of an employee, both methods should be used. Informal evaluation takes place mainly while the employee is performing her work in the group (Booyens, 1999: 558).

When selecting performance rating methods, a distinction is made between judgment and rating behavior. The rating indicates that the rater wishes to convey something to the audience who will read the rating form. The focus is on leniency in rating, discussing that raters assign high ratings even when their private evaluation of rates is not. Raters tend to focus on one set of comparison (usually between individuals) to the exclusion of others where the ratings are likely to reflect only some aspects of their judgment (i.e. differences between individuals rather than individual strengths and weaknesses (Cleveland *et.al*., 1986).

Formal evaluations are carried out as follows:

2.11.1 Graphic Rating Scales

Graphic rating scales are the most commonly used system in Performance Appraisal. A linked-type graphic scale measurement is used to measure work performance. For example, on a scale from 1 to 5, where 1 is equal to minimal work performance and 5 is equal to maximum work performance.
The evaluator must indicate where she feels that the employee's conduct should be placed on the scale (Booyens, 1999: 558). On several different factors, subordinates are judged on how much of that factor or trait they possess. What this implies is that employees are judged against pre-established criteria.

2.11.2 Peer Group Evaluation

According to Booyens (1999: 562), in this method, people at the same level of employment evaluate one another and compare their performance. Employees are compared with one another. The rank-order method has raters ranking subordinates from 'best' to 'worst'. The paired-comparison method requires raters to select the two best subordinates out of a group on each dimension, then rank individuals according to the number of times each subordinate was selected as one of the 'best.' The technique is also referred to as personnel comparison systems, and in addition to paired-comparison, they include rank-ordering, and forced distribution method.

2.11.3 Peer-Rating

Swansburg and Swansburg (1999: 708), state that peer review is a performance appraisal process among persons with similar competencies who are in active practice. The purposes are to measure accountability, evaluate and improve delivery of care, identify workers' strengths and weaknesses, develop new or altered policies, identify a worker's need for more knowledge, increase workers self-awareness from feedback and increase professionalism. This method rests on the concept that individuals who perform similar work are the best to judge one another's performance. Peers understand the nature of the job: are familiar with the worker's activities, share common concerns and are unencumbered by issues of power, dominance and control. An assessment is done by members of a group to evaluate and appraise the performance of their fellow group member. Research on the peer rating technique, affords extensive evidence in support of its validity and reliability. It is obvious that close contact among group members over a period of time is central to the validity of their appraisal.

2.11.4 Self-Rating

Swansburg and Swansburg (1999: 710) cite that, self-rating is another method of performance appraisal that is little used. In self-assessment, individuals assess and evaluate their own behavior and job performance, though positive leniency tends to be a problem. The advantage of this assessment is that it gives the individual the opportunity to introspect and therefore be able to identify their own strengths and weaknesses, thus judge oneself in terms of performance and work towards change and

improvement. This works well with highly motivated, self–directed and career focused employees.

Employees like self-appraisal because they can articulate their interests and goals and explain how they think they have performed, without being encumbered by their supervisor's judgment or conclusions. The disadvantage of this assessment, according to Smither (1998: 340,) is that self-raters look at their behavior in terms of skills and competence rather than of the level of performance it represent. He further states that self-raters are more likely to compare their performance to that of others rather than to objective standards.

2.11.5 Multisource Assessment (MSA)

Multisource assessment has a variety of names that include 360-degree feedback, multirator assessment, three-dimensional or full-cycle appraisal. The assessment elicits specific objectives, constructive feedback from a variety of sources, with the goal of assessing how the employee is doing. MSA relies on information gained from written forms that contain a series of statements or questions to which raters respond. It opens dialogue between raters and rates thus enhance career growth.

2.11.6 Behavioral Checklist Scale

A check list contains all activities expected of an employee. The appraiser marks the yes or no column to indicate whether a task has been carried out. A space may be provided to comment on any aspect of performance (Booyens, 1999: 561).
According to Douglass (1992: 202), in the Behavioral Checklist Scale, the frequency or degree of performance is not addressed.

2.11.7 Critical Incidents

According to Robbins and Decenzo (2008: 172), the use of critical incidents focuses the evaluator's attention on those critical or key behaviors that separate effective from ineffective job performance. The appraiser describes whatever the employee did that was especially effective or ineffective. The key is to cite specific behaviors and not personality traits. The critical incident method consists of collecting reports of behaviors that are considered 'critical' in the sense that they make a difference in the success or failure of a particular work situation.

2.11.8 Ranking

In this method, the employee is measured against the performance of his/her co-workers in terms of whether he/she does his/her work just as well, better or poorer than his/her colleagues. The evaluator ranks the evaluatee from high to the lowest. Ranking takes into account the different aspects of the job which are to be evaluated (Booyens, 1999: 558).

2.11.9 360-Degree Feedback Appraisal

There are numerous authors who propose definitions of 360* feedback process. Yukl and Lepsinger (1995:45-50) cite that feedback from multiple sources or 360 degree

feedback is a performance appraisal approach that relies on the input of an employee superior, colleagues, subordinates, sometimes customers, suppliers and or spouses.

Jones and Bearley (1996) refer to 360 degree feedback as the practice of gathering and processing multi-rater assessments on individuals and feeding back the results to the recipient. According to Tornow (1993: 221-229), in 360 degree feedback programmes, feedback about a target individual is solicited from significant others, using a standardized instrument.

2.11.10 Behavior Anchored Rating Scale (BARS)

BARS combine major elements from the critical incident and graphic rating scale approaches. The appraiser rates an employee according to items along a numerical scale, but the items are examples of actual behavior on a given job rather than general description or traits. (Robinson and Decenzo, 2008: 172). The Behaviorally Anchored Rating Scale combine the critical incidents method with rating scale methods by rating performance on a scale, but with the scale points being anchored by behavioral incidents. BARS are described as graphic rating scales with specific behavioral descriptions utilizing various points along each scale. Each scale represents a dimension or factor considered important for work performance.

2.11.11 Essay Report

Booyens (1993: 541) states that the evaluator writes her own opinion without predetermined guidelines and that the method is not always reliable as a considerable amount of subjectivity is involved.

Booyens (1993: 541) further explained that the writing ability of the evaluator could make the report unreliable, not because the evaluator intended it, but because the writing is vague to the extent that the report's meeting could be ambiguous. The method is to be used in combination with other evaluation formats and the report should be based on the job description.

2.11.12 Management by Objectives (MBO)

Robinson and Decenzo (2008: 172) defined MBO as a system in which specific performance objectives are jointly determined by subordinates and their supervisors, progress toward objectives is reviewed, and rewards are allocated on the basis of that progress. Robinson and Decenzo (2008: 172) further state that, its appeal lies in its emphasis on converting overall objectives into specific objectives for organisational units and individual members. The objectives in MBO are concise statements of expected accomplishments.

Desires for service delivery need to be converted into tangible objectives that can be measured and be evaluated, because each objective has a concise period in which it is to be completed. Goulding and Harris (1997: 275-280) also state that predetermined objectives for every job tittle and employees, help to ensure that appraisers are properly trained in performance appraisal techniques and appraisees need to feel that they are evaluated according to fair and equitable standards.

2.11.13 Forced Choice Comparison

According to Booyens (1993: 543), the evaluator selects the descriptive statement that best describes the employee, or the statement that describes him/her at least well from a number of descriptions.

Both positive and negative items are grouped together according to certain statistical properties, which forces the evaluator to choose from both in order to describe the employee's behavior. In this method, raters have difficulty distorting ratings in favor of, or against particular individuals, because they have no idea which statements of each group will ultimately result in higher or lower rating. This rating technique is designed, specifically to increase objectivity and to decrease biasing factors in ratings. The discussion provided a brief description of available methods that can be used to evaluate employees' performance.

It is therefore in the best interest of the employees that the method of choice by the supervisor or manager be as objective as possible and be free of bias, leniency, unfairness, to name a few. If the performance appraisal process is not executed fairly and objectively, this may lead to grievances and dissatisfaction.

2.12 Potential Appraisal Problems

Performance appraisals are to provide accurate and relevant ratings of an employee's performance.

However, even when performance evaluation programs are structured appropriately, their effectiveness is diluted by the improper use of subjective use of measures. According to Sullivan & Decker (1992: 358), no matter what type of appraisal device is used, problems that lessen the accuracy of the performance rating can arise. The most potential appraisal problems are:
- Leniency error, where managers tend to overrate employees performance.
- Recency error, the evaluator recalls recent performance and tends to forget more distant events.
- Hallo error, some employees are rated above average across dimensions, others are rated average and a few are rated below average on all dimensions.
- Ambiguous evaluation standards occur when appraisal forms use rating scales that include words that different managers attach different meanings to.

Context bound judgments consist of those aspects that rely on job or organization specific information to define performance levels. For example performance evaluation cannot proceed without knowledge of the tasks, activities, and responsibilities involved in the job performed by the rate. It also includes guidelines defining effective and ineffective performance. (Murphy *et al.,* 1985).

2.13 Performance Appraisal Process

From above discussion, it is clear that performance appraisal is a process that requires careful planning, information gathering and a formal interview. Effective and efficient implementation of the process, can promote good relationship and communication between the supervisor or manager and the employee. The process can also produce goods and services in high volume and of good quality because employees know what is expected of them and against what standards they will be judged. Performance

appraisal is also a never ending process; it is ongoing and is not an annual event. The process comprises of phases that have a timeline that spans for a twelve months period. The phases are divided as follows:

Phase 1 Setting Expectations.
In this phase, performance standards are established and rating methods are selected.

Phase 2 Monitor and Measure.

Employees' performance is measured and evaluated relative to expectations. It is in this phase that preparations are made for performance discussions.

Phase 3 Feedback and follow through.

A performance discussion takes place in this phase. The supervisor provides feedback to the supervisee against agreed standards. After discussions, recording is done. At the beginning of the process of performance appraisal, managers must set performance standards. The standards will be used as a base to compare the actual performance of employees. Establishment of standards must be in accordance with the organisation's strategic goals. The standards set should be clear and easily understandable and in measurable terms and must be set at a level which is demanding but realistic.

This simply means, aiming for a service level that is higher and adopting a working culture of a more dedicated, efficient and customer focused workforce. This phase requires setting of the criteria to judge the performance as either successful or unsuccessful and the degrees of the contribution to the organizational goals and objectives. Once set, these should be communicated to all employees within the organization as well as appraisers and evaluators. If necessary, it is at this stage that the set standards can be modified depending on the relevant feedback received from employees and evaluators.

According to Booyens (1999: 606), a standard is a written description of the desired level of performance, containing the characteristics associated with excellence for measuring and evaluating actual performance or service delivery. Booyens (1999: 607), further states that standard formulation does not only involves setting standards themselves, but also establishing the criteria which will apply to ascertain whether or not a standard has been met. The criteria comprise of concrete proof that a standard has been met and this requires the development of indicators which refer to measurable norms or outcome statements.

Heideman (1993:4), states that the successful formulation of standard requires the following:

- Believe that the standards are desirable and useful.
- The will and knowledge to develop standards.
- The resource for developing the standards and subsequently implement them.
- The ability to promote the standards and to educate potential users in how to use them.

- The recognition that standards must be tailor-made to the specific organisation for which they are intended.

2.13.1 Types of Standards and Approaches

According to Heideman (1993:7) the three types of standards are described as follows:
- Structure standards refer to the support system required for health services to be delivered. This applies to human, financial and physical resources needed to deliver the service.
- Process standards describes how specific actions should be performed and thus apply to what is done-, activities that constitute, care, service and management.
- Outcome standards relate to the objectives that were achieved and address the results, both clinical and nonclinical of what is done with available resources.

The three approaches as described by Decenzo and Robbins (1998) quoted in *European Journal of Social Sciences-Volume 7, number 3 (2009: 93-94)*, that there are three existent approaches for measuring performance appraisal, these are discussed as follows:
- Absolute standards are used when employees are compared to a standard, and their evaluation is independent of any other employee. Included in this standard are the following methods: essay appraisal, critical incident appraisal, the check list, and the graphic rating scale, forced choice and behaviorally anchored rating scales.
- Relative Standards, in this category of appraisal methods, employees are compared against other employees. The most popular of the relative methods are the group order ranking, individual ranking and paired comparison.
- Objective approach, employees are evaluated on how well they have accomplished a specific set of objectives that have been determined to be critical in the completion of the job. This approach is frequently referred to as Management by Objectives (MBO). Management by Objectives is a process that converts organisational objectives into individual objectives. It consists of four steps, goal setting, action planning, self-control and periodic reviews.

360 Degree Feedback Appraisal evaluation is the latest approach to evaluate performance. It involves evaluation input from multiple levels within the organisation as well as external sources. Hoffman (1995: 82-86) explains that 360 degree feedback is an approach that gathers behavioral observations from many layers within the organisations and includes self-assessment.

2.13.2 Selecting Performance Rating Methods

The different methods of performance appraisal already discussed, each has advantages and disadvantages.
It is therefore necessary that when a decision is taken to choose a particular method, that method should be reliable, trustworthy and free of error. It should also be a method that compares employees between them and the organisations vision and

mission. Jafari *et al.* (2009:97) in their comparison framework have identified six (6) important criteria which are:

Training needs evaluation, Coincidence with institutes, Excite staff to be better, Ability to compare, Cost of method and Being free of error.

- **Training needs evaluation**: this criterion determines that the appraisal method has the ability to distinguish staff's training needs.
- **Coincidence with institutes**: this criterion determines that a method can coincide itself with organisation's institutes or not.
- **Excite staff to be better**: this criterion focuses on employees, their motivation, creating feedback and assist to human resource planning.
- **Ability to compare**: whenever an organisation wants to make a decision about preferment, eviction, privation, wage and payment and displacing, it should evaluate its employees and compare them.
- **Cost of method**: it contains cost of procurement, codifying and implementation of cost method.
- **Being free of error** Performance appraisal evaluation process must be free of errors such as, 'halo' effect and leniency errors.

According to Jafari *et al.* (2009: 95), the framework helps human resource managers to select their suitable method with attention to methods' features and apply it in organisation and be sure of doing appraisal successfully. In this element, a distinction is made between judgment and rating behavior. The rating indicates that the rater wishes to convey something to the audience who will read the rating form. The focus is on leniency in rating, discussing that raters assign high ratings even when their private evaluation of rates is not.

Raters tend to focus on one set of comparison (usually between individuals) to the exclusion of others where the rating are likely to reflect only some aspects of their judgment (i.e. differences between individuals rather than individual strengths and weaknesses (Cleveland *et.al,* 1986).

Winston and Creamer (199), state that there are numerous methods to measure employee's performance appraisal, but some methods are not suitable in some cases. Effective appraisal systems should address clarity, openness and fairness: recognize productivity through rewards, and be cognisant of appraiser leadership qualities.

2.13.3 Implementing Performance Appraisal Process

Measuring the actual performance of the employees is the most difficult part of performance appraisal. It is a stage that requires careful selection of the techniques of measurement. Personal bias must not affect the outcome of the process because it is during this stage that human resource decisions are taken. The appraisal should reflect a fair judgment of an employees work performance and to eliminate personal prejudice and feelings of favoritism, the appraiser must:

- Consider each performance area independently and not assume that excellence in one area implies excellence in all areas. Same with poor performance.
- Appraisal must be based on observed performance during the appraisal period, not on what is expected in the future.

- Evaluate performance throughout the entire appraisal period and ratings should be considered in context with the total performance.
- Consider appraisal in terms of the employee's present duties, not in terms of the duties of a future or past description.

Smither (1998: 220) explains the three general determinants of perceived fairness that relate to procedures and feature of performance management process as follows:

- Procedural fairness as the appropriateness of the decision process and that it is primarily determined by whether or not the recipient has a chance to offer input or a voice in the decision.
- Interpersonal fairness, addresses treatment during the formation and communication of the decision. It includes honesty, ethicality, feedback and communication. The feedback and communication dimensions include adequacy or thoroughness as well as timeliness.
- Outcome fairness is fairness associated with the outcome of the decision. It is based on a matching of actual outcomes with expected or anticipated outcomes. Expectations are formed through prior experiences and comparisons with relevant others.

Through communication with coworkers, employees may form expectations regarding evaluation they will receive and the rewards (e.g. bonus or merit increase) that should follow from the evaluation. Should the reward falls short of this expectation; the outcome will be perceived as unfair. Evaluation or rewards that meet or exceed expectations will be perceived as fair.

There are many performance appraisal processes in the literature; however, all are directed towards improving employees work performance. Their aim is to reach higher productivity outcomes by the help of preset standards.

The individual performance is documented and feedback is given and decisions are made. In preparation of the appraisal process, an initial meeting with the employee is held. An Appraisal Form and determination of an overall rating is discussed and agreed upon. As stated in Part VII of the *Public Service Regulations of 2001,* that the performance of all persons appointed in the public service shall be managed in accordance with a performance agreement. The appraiser must familiarize herself or himself with all aspects of the process. Understanding of the duties and requirements of the position held by the employee is essential. According to Erasmus *et al*. (2005: 280), signing of the performance agreement does not complete the appraisal process, but performance must be reviewed on regular basis. The employee is made to understand the duties and requirements of the position held, Job Description is reviewed and signed for. An Appraisal Form and determination of an overall rating is discussed.

2.14 The Most Common Appraisal Process used in Organisations

2.14.1 Define the Job and Performance Standards

Review of work plans and personal objectives are discussed at this stage, this is important because employees must know what tasks are critical and the job should be

well defined. They must know what is expected of them and against what standards will they be judged.

Standards of acceptable performance should be determined for each task. Performance standards should be measurable, understandable, equitable and achievable.

2.14.2 Plan for Performance

In an effective organization, work is planned out in advance, planning means setting performance expectations and goals for individuals and groups to channel their efforts towards achieving organizational objectives.

Involving employees in the planning process help them to understand the goals of the organization, what needs to be done, why it needs to be done, and how well it should be done. Both the supervisor and the subordinate must develop a plan for the rating period to guide the subordinate work. During this step, the subordinate must understand the key tasks of the job, the results and conduct required in the job, and the standards of performance.

2.14.3 Monitor Performance

The employee and the supervisor should be actively involved in monitoring the employee's performance. The supervisor must provide ongoing feedback to employees and groups on their progress toward reaching their goals throughout this period. Ongoing monitoring provides the opportunity to check how well employees are meeting predetermined standards and to make changes to unrealistic or problematic standards. Monitoring assist supervisors to identify unacceptable performance at any given time during appraisal period therefore assistance can be provided timeously to address such performance rather than wait until the end of the period when summary rating levels are assigned. Good performance must be reinforced and poor performance be corrected and the employee should be encouraged to discuss both performance success and problems.

2.14.4 Appraise Performance and Conduct Performance Review

The supervisor completes the performance appraisal form and conduct performance appraisal interview with each employee. This is the period in which employees are told how well they are doing, why they are doing well or poorly and what they can do to improve or maintain their performance.

This is a useful step to summarize the employee performance. It is helpful for looking at and comparing performance over time or among various employees. Best and poor performers are identified easily because rating record is assigned only to individuals not to groups and it is based on work performed during an entire appraisal period.

2.14.5 Reward Performance.

A basic principle of effective management is that all behavior is controlled by its consequences.

The consequences can be both formal and informal and both positive and negative. During this final stage of appraisal, good performance is reinforced with reward. Rewarding means recognizing employees individually and as members of groups, for

their performance and acknowledging their contributions to the organization mission and goals.

Rewarding good performance assists the institution to attract qualified people, retain current skilled personnel, and motivate the existing workforce to improve their performance and productivity. (Ivancevich, *et al.,* 2011: 189).

The reward system should be capable of differentiating among various levels of employee performance. The highest performer would get the greatest reward and the lowest performers would get the smallest reward or no reward.

The last step of the process is to take decisions which are either to improve the performance of the employees or take corrective action against the employee. It is during this stage that human resource decisions like rewards promotions, demotions, transfers and other related matters taken (http://appraisals.naukrihub.com/process.html).

2.15. Objective approach as the preferred choice

The Objective Approach is the preferred choice because performance is defined by setting of goals. It is also a technique that fosters employee participation in goal setting, decision making and feedback. Employees are assessed on measurable goals and how well they have achieved agreed upon goals rather than on performance standards only. Overall objectives of the organisation are cascaded or translated to the level of employees as discussed under the Management By Objective Method. Management by Objective (MBO) is an appraisal method that correlates well with the chosen approach.

Robbins *et al. (*2004:7) state that, the appeal of MBO lies in its emphasis on converting organisational objectives into specific objectives for organisational units and individual members. At the individual level, objectives are chosen and set mutually; both the manager and the employee agree on how and when the assessment will be carried out and feedback be given. In MBO, continuous feedback on progress toward achievement of goals is done. It is important that assistance and support is provided during feedback process rather than interference in the employee work.

Smither's (1998: 220) three general determinants of perceived fairness, related to procedures and feature of performance management process as previously discussed, forms the bases of the Objective Approach wherein individual employees are involved from the beginning to the end of the process, hence the acceptance and approval of the process as being fair.

In objective approach, the actual performance is compared with the standard performance. Comparing will tell the deviations in the employee performance from set standards. The results are then discussed with the employee on one-to-one bases as done in the initial stage of the process.

Results, problems and possible solutions are discussed with the aim of solving problems. The objective approach facilitates the discussions to encourage and motivate the employee to perform better.

2.16 Conclusion

The most common appraisal process used in organisations and objective approach as the preferred choice were discussed.
The foundation for a new performance management system in the public sector is found in the Constitution of the Republic of South Africa Act, No 108 of 1996 followed by other legislative guidelines.

From the theoretical perspective in this chapter, it is clear that Performance Management and Development is an integral part of the organization that is committed to achieving organizational goals; therefore, its integration with the strategic plan and other systems is crucial for attainment of organizational strategic goals. What is of importance is to see the successful application of the appraisal process, the commitment of managers, consultation and participation of employees. It is also clear from the appraisal process that, the exercise is not just a once-off event but is on-going and continuous. The benefits of successful implementation are for both the organization and the individual employee.

Performance Appraisal is viewed as a system and a process. As a system, three elements will be discussed in the next chapter, namely inputs, processes and outputs are identified. The researcher's opinion is that all are equally important as they lay the foundation from which any organization can realize its goal, however, the focus in this study will be more on the application of the process.

CHAPTER 3: PERFORMANCE APPRAISALS IN THE SOUTH AFRICAN PUBLIC SECTOR WITH THE FOCUS ON THE PERFORMANCE MANAGEMENT DEVELOPMENT SYSTEM (PMDS)

3.1 Introduction

Reform in the South African (SA) Public Sector brought about the new approach in managing Public Sector services. This new approach is about focusing on, and evaluating the outcomes and impact of government programmers, policies and projects. The direction it took, decentralized the management of public services, thus promoting the managerial autonomy and professionalism. However, measures had to be put in place to manage, monitor and evaluate performance.

Minogue (1998: 26) stated that, if managers are given greater freedom to manage, they must correspondingly, be under an obligation of accountability for their performance. This means, meeting specified targets within specified resources and this can only be done through a system of performance management, involving performance agreements and performance targets.

To improve, monitor and evaluate public sector performance, also instill the culture of service delivery, the SA public sector introduced the Performance Management and Development System (PMDS).

3.2. Regulatory Framework

For the purpose of this study, in order to understand the concept performance management and development in the Public Sector and how it links to service delivery, it is important to trace its origins. It is also important to note that there are legislative guidelines that underpin the performance Management and Development System in the Public Sector. In addition to the Acts, there is Public Service Regulations, Resolutions of the Public Service Coordinating Bargaining Council, Treasury Regulations, 2001 and the Batho Pele White Paper. The Constitution of the Republic of South Africa, (Act 108 of 1996) laid down the foundation for monitoring and evaluation of policies, programmes and projects in the Public Sector.

The country was responding to the need to improve public service delivery through governance and demonstration of the delivery of tangible outcomes. To deliver on its mandate and long term strategies, the government adopted an outcome based evaluation so as to attain development outcome. Section 195 of the Constitution further refers to the efficiency, effectiveness and economy when delivering government service while ensuring accountability.

3.2.1 Public Service Act, 1994 (Proclamation 103 of 1994)

Efficient management and administration and effective utilization and training of staff are some of the responsibility of the Heads of Departments as stipulated in Section 7(3) (b) of the Act. The process of PMDS is in line with both responsibilities and if there is adherence thereof, provision and maintenance of quality service can be

assured. Section 3(5) clearly stipulates that performance appraisal should be provided in the Public Service.

The act further stipulates that performance in the public sector shall be managed in a consultative, supportive and non-discriminatory manner. Section 12 (4) (b): provide for the inclusion by mutual agreement of specific performance criteria for evaluating performance of the Head of Department (HoD).

3.2.2. Public Finance Management Act (1999) and Treasury Regulations (2002)

Public Finance Management Act (1999) with Treasury Regulations, 2002: (s5.2 & 5.3) requires that objectives set be measurable while performance is monitored with corrective action taken when necessary. Taking into consideration the first phase of PMDS, whereby both the supervisor and the subordinate sit to discuss the standards and objectives so as to get the maximum benefit from the process. Setting of measurable objectives is an essential part of PMDS.

3.2.3 Public Service Coordinating Bargaining Council, Resolution 10 of 1999

Clause 5.12 of the Resolution points out that the success of the Public Service in delivering its operational and development goals depends primarily on the efficiency and effectiveness with which public servants carry out their duties. It actually lay down the foundation for the framework of managing performance in the Public Service. Based on the Resolution, managing performance is a key human resource management tool to ensure that:

- Employees know what is expected of them.
- Managers know whether the employee's performance is delivering the required objectives.
- Poor performance is identified and improved.
- Good performance is recognized and rewarded.

3.2.4 Public Service Regulations (PSR) 2001

Public Service Regulations (PSR 2001) as amended, Chapter1 Part V111, requires that the Executive Authority should determine in consultation with their departments, a system that links individual performance to organizational goals.

Chapter 1, PART V. A. 1 (a) of the PSR, indicates that remuneration in the Public Service shall aim, within financial constraints, to support efficient and effective service delivery and provide appropriate incentives for employees.

Part v. A2 (d) requires that in determining an employee salary, an executing authority shall take into account the employee's performance. Public Service Regulation 1997; (sB1) requires that Public Service Organizations set goals and measurable targets.

3.2.5 Labour Relations Act 1995

Schedule 8 of the Labour Relations Act, 1995 makes provision for dealing with incapacity and poor performance of employees. Though it is not possible to dismiss an employee based on performance plan or performance agreement, but these are tools that can be used as evidence during disciplinary hearing, when all other avenues of remedying underperformance were undertaken without success. Incapacity

procedures as contemplated in the Labour Relations Act can be followed as the need arise.

3.2.6 Batho Pele White Paper, 1997

The Department of Public Service Administration (DPSA) developed the White Paper on Transforming Public Service Delivery (Batho Pele White Paper) in 1997. The paper required that both national and provincial departments develop performance management systems. Service delivery indicators and measurement of performance were to be included in the system. The Batho Pele White Paper is a strategy designed to instill a culture of accountability and caring by public servants. It is through this strategy that public servants can become service orientated and be influenced to strive for service delivery improvement. It reflects government's commitment to a citizen-centered approach to service delivery, anchored by eight principles which are: consultation, service standards, access, courtesy, information, openness, transparency, redress and value for money.

According to Du Toit (2001: 109), it is essential to have guiding principles for public officials on how to conduct their work within a particular framework or environment in which they work. Therefore, the eight principles are the appropriate guidelines to be used to ensure that all public service staff conduct is managed and controlled properly. Through these principles, it recognizes the importance of service delivery from the point of view of the recipient, hence the importance of public institutions to use these principles as guiding tools when implementing the new approach of public service management.

White Paper on Reconstruction and Development 1994: (s5.7.1), envisaged that productivity gains will be achieved through the implementation of Performance Management System. The White Paper on the Transformation of the Public Service, 1995: (s11.4) refers to the need to set appropriate standards, outputs and targets and performance indicators.

3.2.7 Green Paper on National Performance

Green Paper seeks to find best ways through which government can deliver on its mandate. Its approach is based on achieving outcomes. To improve government performance, the desired outcomes must first be identified, the outputs measures, be defined and must be monitored, key activities listed and inputs be identified and listed. Once this delivery chain is developed, it will be translated into Performance Agreement between the President and his Ministers and Members of the Executive Council who must give feedback with regard to progress made.

3.3 Developing an Effective PMDS

Performance Management Development System should cover all the key elements of an organisation's business and should reflect its Vision, Values and Mission Statement. The other important aspect is for organisations to adopt a Balanced Score Card (BSC) framework to ensure that each element of the Performance Management framework is given equal importance during the implementation process. A properly

developed BSC, acts not only as a means of measuring organisational performance, but also as way of clarifying objectives and managing the critical success factors that impact upon delivery. (Fraser R., 2007).

According to Whittaker (2001: 10) a successful BSC is one that communicates a strategy through an integrated set of measures that includes both financial and non-financial items. It is therefore critically important that the organisations strategy outlines what is to be achieved and then develop the most appropriate and effective measures and indicators for measuring what was achieved.

Swanepoel *et al.* (2007:375), state that creation of quality standards for service delivery should be a primary objective and should be a significant motivating influence upon those working in the organisation. Any gap between expectation and actual delivery represents customer dissatisfaction. The primary focus of Performance Management is developmental in nature. It also provides for effective feedback to inadequate performance and for recognizing outstanding performance.

Armstrong (1998) indicates that from both the private and public sector perspective, the objectives of Performance Management can be defined as follows to:
- Align organisational and individual goals.
- Foster organisation-wide commitment to a performance-oriented culture.
- Develop and manage the human resources needed to achieve organsational results.
- Identify and address performance inefficiencies.
- Create a culture of accountability and a focus on customer service.
- Link rewards to performance.

Therefore, Performance Management is not about quality service delivery only, apart from rewards, if correctly applied and implemented, it has significant benefits for public servants in terms of personal development. It is also a broad term used to describe the way individual's work performance, career and development needs are managed. The process establishes a shared understanding about what is to be achieved, how it is to be achieved and gives direction and guidance to manage and develop employees.

The Performance Management and Development System is an approach to how work is done and organised. Further success will be achieved if the process is driven from the highest level of management. Performance Appraisal or Performance Review on the other side is a formal interaction between an employee and his/her manager. It is an evaluation period during which the employee is provided with a feedback about performance.

The performance of the employee is discussed in details and weaknesses and strengths are communicated with the view of identifying opportunities for development. The evaluation is commonly done quarterly or bi-annually. The purpose is intended to inform employees of their performance. It further gives the opportunity to reward good and outstanding performance. Managers and supervisors get the opportunity to observe the performance, identify weaknesses and strengths, measure performance and develop human behavior.

3.4 Key Principles in PMDS

The Public Service Regulations (Part vii A of Chapter 1) and the Handbook of Performance Management and Development (August 2000) stipulate the following key principles, underpinning the effective implementation of PMDS:

- Departments shall manage performance in a consultative, supportive and non-discriminatory manner in order to enhance organisational efficiency and effectiveness, accountability for the use of resources and the achievement of results.
- Performance management process shall link to broad and consistent staff development plans and align with the department's goals.
- Performance management process shall be developmental, but shall allow for effective response to consistent inadequate performance and recognizing outstanding performance.

Other principles include:

- PMDS should be implemented in an open and transparent manner and within a culture of partnership and involvement of all.
- The implementation process needs to be supported locally and centrally in the context of an implementation plan, drawn up in each department with the resources made available to support implementation.
- Effective systems of feedback should be developed as part of the implementation of the Performance Management and Development s System in order to assess and improve performance at all levels.

3.5. Performance Management and Development in South Africa

The White Paper on Transforming Public Service Delivery (WPTPS) spells out eight transformation priorities. Among these priorities, Transforming Service Delivery is the key. As stated in the WPTPS: 1997, Transformed South African Public Service will be judged by one criterion: its effectiveness in delivering service which meet the basic needs of all South Africans. At another level, the public administration is obliged by the constitution of the country to adhere to a number of principles. Principles relevant to this paper include:
- A high standard of professional ethics that must be promoted and maintained.
- Peoples' needs to be responded to.

In line with the principles, the WPTPS called on the National and Provincial Departments to make service delivery a priority. The Batho Pele Policy Framework outlines eight principles, derived from chapter 11 of the WPTPS, which introduced a more customer-focused way of working. As already stated it is a strategy used to instill a culture of accountability and caring, as well as a strategy that encourages Public Servants to become service oriented and guides them to achieve service excellence. The framework on Public Service Management led to the adoption of Public Management Development System. The system was introduced in the Public Sector to monitor, review and assesses performance, reward outstanding performers and identify underperformers so that they can be trained and developed.

To ensure implementation and compliance with the mentioned documents, assessment of public sector performance, with regard to productivity and service delivery, was at the forefront. The government placed greater emphasis on performance, in particular with regard to expectations of the stakeholders and customers. This is in line with the understanding that public service in a democratic society is not a privilege, but a legitimate expectation hence, the introduction of several guidelines and prescripts. The most prominent one is the Public Service Regulations as it was the primary guide to departments in developing and implementing their departmental Performance Management Systems.

Regulation v111 B.1 required that each executing authority must determine a system for Performance Management and development for their employees.
All the departments within the Public Sector were to have the system in place with effect from 1st April 2001. The Department of Public Service Administration (DPSA) provided guidance through the Performance Management handbook and training sessions with the help of other training providers.

3.6 Performance Management Development Process

According to the Public Service Commission (2007), PMDS process assist organisations in establishing a climate conducive to motivating employees to develop and achieve high standards of performance. It is an ongoing day to day participative process that is intended to:
- Ensure a common understanding of performance expectation.
- Constantly improve employees' enthusiasm to meet performance expectations.
- Develop employees.
- Recognize and reward employees who constantly perform at a superior level.

Employee Performance Management includes:

- **Planning of work and setting expectations**

In an effective organisation, work is planned in advance. Planning in this context means setting performance expectations and goals for individuals and groups, so as to channel their efforts towards achieving organisational objectives.

- **Participation of employees**

In the planning phase help them to understand the goals of the organisation, what needs to be done, why it needs to be done and how well it should be done. Employee performance plans should be flexible so that they can be adjusted for changing programmes, objectives and work requirements.

- **Monitoring performance**

Monitoring is about consistently measuring performance and providing ongoing feedback to employees and work groups on their progress toward reaching their goals. Ongoing monitoring provides the opportunity to check how well employees are meeting predetermined standards and to make changes to unrealistic or problematic standards.

By monitoring continually, unacceptable performance can be identified early and assistance be provided to address such performance, rather than wait until the end of the cycle period when rating levels are assigned.

- **Develop the capacity to perform**

Developing the capacity means, increasing the capacity through training, giving assignments that introduce new skills or higher levels of responsibility,
Improving work processes or other methods. Providing employees with training and developmental opportunities encourages good performance, strengthen job related skills and competencies and helps employees keep up with changes in the workplace.

- **Rating performance periodically**

Rating is about evaluating employee or group performance against the elements or standards in an employee's performance plan and assigning a summary rating of record. Rating is based on work performed during an entire period of assessment. Although group performance may have an impact on an employee's summary rating, a rating of record is assigned only to an individual, not to a group.

Nel *et al.* (2006: 477) and Swanepoel *et al.* (2003: 389) have divided performance-rating techniques into two categories which are described as follows:

- **Relative Rating**

According to Nel *et al.* (2006: 477), this technique requires supervisors to compare an employee's performance with the performance of other employees doing the same job.
He further states that a failure of this technique is that it does not make it clear how great or small the difference between employees are, nor does it provide absolute information so that managers can determine how good or how bad the workers' performance is.

- **Absolute Rating Technique**

This technique requires that supervisors make judgments about an employee's performance, based on performance standards. The technique makes it possible for employees to get feedback that is more specific and helpful, because ratings are made on separate dimensions of performance.

- **Rewarding good performance**

Rewarding means recognizing employees, individually and as members of groups, for their performance and acknowledging their contribution to the organisation's goal. Recognition of good performance is an ongoing, natural part of the day to day experience and does not have to wait for nominations for formal awards to be solicited.

3.7 Implementation of the PMDS Process

Performance Management and Development is regarded as an ongoing process that involves Planning Performance, Management of Performance and Evaluating Performance.

Successful implementation of the PMDS can only be achieved when employees are fully involved and consulted during the initial stages of implementation and continually throughout the cycle. Goals should be set, work to be planned routinely, progress toward goals measured and employees should receive feedback. Standards are set but care is taken to develop the skill needed to reach them. Formal and informal rewards are used to recognize outstanding performance and results that accomplish the mission of the organisation. For the process to start, the job description, work programme, performance plan and performance development plan are to be available.

3.7.1 Planning and its Importance

Planning is the most critical step in the Performance Management Development Cycle, because of the dynamic and complexity of the work environment that managers are faced with. As stated by Robbins and DeCenzo (2008: 72), planning encompasses defining the organisation's objectives or goals, establishing an overall strategy for achieving those goals, and developing a comprehensive hierarchy of plans to integrate and coordinate activities. In general, planning is concerned with what is to be done and how it is to be done. With planning, management clearly defines the path it wants to take to get from where it is to where it wants to be. Barton (2009: 15) states that "Good planning means articulating what you want to achieve, how you will achieve it, through a hierarchy of cascading plans, measures and reports that flow from corporate objectives to tactical plans across the departments and divisions".
Barton (2009: 15) further states that planning is a key element of Performance Management approach and that smart organisations are winning through an integrated strategy for Performance Management.
They drive enterprise performance through planning; they monitor performance through score carding and understanding performance.

3.7.2 Management and Evaluation of Performance

An effective Performance Management process enables managers and supervisors to evaluate and measure individual performance and optimize productivity. In these steps of the process, employee's daily activities are aligned with strategic objectives, accountability related to performance expectations is clarified, documentation of employee's performance is done to support administrative decisions and reduce grievances and disputes.

The need for skills development is established and intervention is done accordingly. Effective management and implementation of the PMDS facilitates the effective delivery of strategic and operational goals. The process ensures that there is a shared understanding of what needs to be achieved and it provides management with the tools for leading and developing staff in attaining organisational goals.

It is also through the PMDS that employee's personal goals can be reconciled with organisational goals to increase productivity and profitability of an organisation.

Benefits as stated in the Wikipedia, the free encyclopedia, include:

1. **Improved Management Control**.
   - Simplifies communication of strategic goals scenario planning.
   - Helps managers to comply with legislative requirements.
   - It is flexible, responsive to management needs.

2. **Motivated Workforce**.
   - Professional development programmes are better aligned directly to achieving business level goals.
   - Improves employee engagement because everyone understands how they are directly contributing to the organisations high level goals.
   - Create transparency in achievement of goals.
   - Optimizes incentive plans to specific goals for over achievement, not just for business as usual.

3.8 Reasons why PMDS Fail

Welsford (2000) cites that there are common ways in which ethical behavior manifests itself in the Performance Management system, therefore contributing greatly to failure of the system. She also states that, even though Performance Management system has been implemented and used in many organisations over the past decade, the process remains fraught with imprecision and dissatisfaction amongst management and staff alike. Welsford (2000) further states that the process is viewed as an unnecessary evil, rather than serving as an opportunity for providing direction, growth and alignment of goals.

According to the survey conducted by the Aberdeen Group in 2007, 11% of the 600 respondents that took part in the survey indicated that they were dissatisfied with their current Performance Management system. Reasons cited for the dissatisfaction include:
   - Managers are not adequately trained.
   - Ratings are not consistent among appraisers.
   - Managers want to be liked by their subordinates.
   - Goal setting is tough and imprecise.
   - Leaders do not lead by example.

Some of the above stated reasons can be classified as unethical behavior and are a great determining factor in the success or failure of an employee performance in any business. In the study conducted by Mbajwa (2011), of which the purpose was to identify the main problems that the Department of Environment and Nature Conservation (DENC) could encounter during implementation and use of a Performance Management, based on employee perspective, findings were as follows:

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- The lack of positive attitudes to Performance Management system was found to have an impact on the use and implementation of the Performance Management Development System.
- The lack of management had high impact.
- Problem of information and communication technology which does not support PMDS adequately.
- Defining too many performance indicators had small impact.

Problems which were identified as being difficult to be resolved included: lack of management commitment, organisational members' lack of positive attitudes to the PMDS, no organisational member appointed to take ownership of the PMDS. According to this research, there were top ten ranking problems with high ranking scores and this indicated that they can create major difficulties for implementing the PMDS, and that the chance of encountering these problems is high in the DENC in comparison to other problems. Almost all the problems ranked in the top ten, seem to have scored highly in terms of severity of their impact, therefore, that indicated that they are the problems which have an impact that they are not easily solved and that they can easily become tenacious for the organisation.

The survey questionnaire was answered by fifty respondents and interview questions were answered by four respondents.

3.8.1   Attitudes and Perceptions of Employees

Managers need to be aware that employee's attitudes and perceptions have to be dealt with prior to the implementation of the PMDS Cycle. Managers and supervisors must pay close attention to how employees perceive their jobs and management practices. Employees organise and interpret what they see, and create the potential for perceptual distortion and this makes them react to perceptions and not realities. In a study conducted by Nakani (2005), in the Office of the Premier, Eastern Cape Province, in order to identify attitudes and perceptions of managers and employees regarding the implementation of the system, findings were as follows:

- There was poor communication and lack of involvement of staff in the development and implementation of Performance Management System.
- Senior management was not committed to the successful implementation of PMDS.
- There was poor performance planning and poor management of performance, as evidenced by lack of performance expectations that are set between employee and supervisor.
- There was lack of mechanisms to improve performance.

Recommendations made by the researcher related to communication, implementation aspects, performance improvement and aspects of performance management. These recommendations were expected to contribute to more effective and efficient implementation of a Performance Management system.

3.8.2   Elementary Aspect of Individual Performance

Lockett (1992:37-39) emphasizes that performance needs to be managed more closely and that some people need to have more regular reviews than others.

According to Lockett (1992:37-39), the inexperienced or those who need considerable support, for example, should be reviewed more regularly. He further states that if this aspect is not adequately addressed, it may cripple performance at an organsational level, because the latter depends on collective contributions made by individual employees.

3.8.3   Aligning Performance with Organisational Needs

According to De Waal and Fourman (2000: 44-45), for organisations, departments and teams to work effectively, managers have to align and coordinate their activities. They state that the reality is that different people within the same organisation are pulling in different directions. The result is that there is no synergy, because efforts cancel each other. In contrast, there is maximum synergy when 'everyone's actions are aligned'.

3.8.4   Needs and Behavior

According to Smith P.H and Brouwer J.P. (1977:19-20), a quick explainable set of assumptions about human behavior is contained in the statement that all behavior expresses underlying psychological needs. They further explain that what a person does is an expression of what he or she is. That the forces within, psychological needs, determine actions, purpose, words and the world view.
They also claim that in the effective individual, the means for satisfying needs are socially acceptable and lead to productive behavior. The ineffective person on the other hand, satisfies needs in unproductive and sometimes, self-defeating ways.

3.9 Elements in the Performance Appraisal Process

Initially managers made subjective ratings without any point of reference, except for their own opinion. The shift has resulted in an approach that views performance appraisal as a system comprising of inputs, processes and outputs.
- Inputs: what individual employees bring to the job?
- Processes: are systems and procedures which convert inputs into outputs. Therefore an awareness of processes within the organization is important to ensure that they remain in line with vision and mission of the organisation.
- Outputs: are the results achieved. Williams (2002: 53) states that output represents that which an organisation produces or the services it delivers. He further states that the output from one subsystem will be an input to another subsystem.

The above elements are therefore necessary to manage performance of employees in any organisation. It is the researcher's view that these elements lay down the foundation from which an organisation can realize its strategic objectives.

This is possible because the organisation is able to identify what its needs are in terms of resources, both material and human, to produce outputs and necessary processes can easily be put in place.

3.10 PMDS in the Free State Department of Health

The Free State Department of Health Policy on Employee Performance Management Development (PMDS) was adopted in 2005; amended on the 7th November 2007 and implemented on the 1st April 2008. According to Free State Provincial Government Policy Framework: Performance Management and Development System's aim is to: "Optimize individual excellence and achievement in order to contribute to the achievement of organisational goals and objectives and improve service delivery". The PMDS Policy provides a standardized framework for employee performance on salary level 1 to 12, appointed in terms of the Public Service Act, 1994 (Proclamation 103 of 1994) within the Free State Province in the department. Three levels are involved in the system:
At organisational level the Executive Authority and the Head of Department (HoD) determine the strategic priorities and overall key results areas of the department.

At component level, components undertake the execution of projects and activities that lead to the achievement of the integrated business plans and at employee level, each employee develops a performance agreement jointly with her or his supervisor. The performance cycle is a 12-month period for which performance is planned, executed and assessed and is aligned to the same period as the Department's Annual Business Plan: that is from the 1st of April to the 31st March of the following year.

3.10.1 Aims of Performance Management

The aim is to optimize every employee's output in terms of quality and quantity, thereby improving the Department's overall performance and service delivery.

3.10.2 The Performance Cycle

This takes place at the employee's level and is an on-going interactive process between an employee and his or her supervisor about the employee's performance.
For effectiveness of operation, the cycle is divided into integrated phases.

3.10.3 Performance Planning and Agreement

Performance planning and agreement is the cornerstone of performance management, development at individual level. Employees are to sign performance agreements before the end of the first quarter of the new cycle. Supervisors who are authorized to enter into a performance agreement with another employee must be at level 9. Agreements between the supervisor and the employee must be about attainment of performance objectives, mutual responsibility for achieving objectives with available resources and conditions that will encourage achievement of those objectives.

3.11 Performance Monitoring, Review and Assessment

Performance must be continually monitored to identify performance barriers and changes and to address development and improvement needs.

This phase is also about assessing and monitoring progress toward achieving set objectives. It also enables the supervisor and jobholders to identify performance barriers and address development and improvement needs as they arise. The five rating scales utilized, are illustrated below.

Table 3.1: Rating Scale.

Rating	Category	Description
1	Unacceptable Performance	Performance does not meet the standard.
2	Performance not fully effective.	Performance meets some of the standards expected of the job.
3	Performance fully effective.	Performance fully meets the standards.
4	Performance significantly above expectation.	Performance is significantly higher than the standard expected in the job.
5	Outstanding performance.	Performance far exceeds the standards expected of a jobholder at this level.

FSDoH PMDS Policy (2008)

Performance review and assessment must take place on a quarterly basis. There are two types of performance reviews, the informal review that takes place at the end of the 1st and 3rd quarter. The formal review is a detailed discussion of progress made in reaching objectives and targets. In terms of the Public Service Regulations, 1/VIII B. 4(b), an employee's supervisor shall monitor the employee's performance on a continuous basis and give feedback on his or her performance; orally, if the employee's performance is satisfactorily, in writing if unsatisfactory, in writing or orally during the first six months preceding the employee's annual formal performance assessment covering the whole cycle.

Training, development and support, that the jobholder needs to enable him or her to reach the agreed objectives, must be identified and captured in a Personal Development Plan and should be included in the Performance Development Plan.
Where the ability of jobholders to achieve objectives of performance and conduct, as stated in the Performance Plan, is affected negatively due to changed circumstances, for example lack of resources, the process should be managed by the supervisor and jobholder.

3.12   Conclusion

It is clear from above discussions that the PMD is a system that was designed to improve service delivery and productivity in the Public Sector. The Constitution of the Republic of South Africa Act, No 108 of 1996, followed by other legislative guidelines, lays the foundation for the management of performance Public Service Sector. The chapter discussed the concept PMDS in detail, including its origin. In all the prescripts, an emphasis is on performance with regard to management, monitoring, evaluation and assessment. The success of the application of the PMDS depends on the commitment of managers as the custodians of the policy, and on participation of employees.

The PMDS is a process whereby each steps or phase was discussed in detail to highlight its importance to ensure the success of its application. Managers in the

Public Sector have the authority to manage the application and Public sector employees are to be encouraged to participate in its application.

The field work will focus on recording the actual practices and how process and system can be improved. This will be the topic of discussion in the next chapter.

CHAPTER 4:   RESEARCH DESIGN AND MEHODOLOGY

4.1 Introduction

This chapter will present a brief discussion of the research design and methodology for this study. The discussion is on issues and factors to be considered and utilized during the study in an attempt to ensure the reliability, validity and credibility of the findings. This chapter will give detailed information and description of how the research will be conducted. A brief description on the two research domains will also be discussed, namely qualitative and quantitative research.

Information about study population, study area, data collection instruments and interview methods, sampling approach and techniques, will be discussed, as well as limitations to the methods. Two methods of data collection will be utilized in an attempt to ensure the validity and reliability of the results. The study is undertaken to assess the application of performance appraisal in Pelonomi Tertiary Hospital.

4.2 Research Methodology

Research Methodology focuses on the manner in which the research is planned, structured and executed in order to comply with scientific criteria. The Research Methodology assists in explaining the nature of the data and highlights the methods employed that lead to the generalization of appropriate conclusion through applicable data processing. It is concerned with the steps, procedures, techniques and specific tasks to be followed by the researcher in the implementation of the research design. Pilot and Beck (2004: 233) describe methodology as ways of obtaining, organizing and analyzing data.

In this chapter, the researcher will explain the process that will be followed in order to find answers to the research problem. Discussions will be about the research design and methodology, including study population, sample and sampling technique, data collection, ethical issues and limitation of the study.

4.3 Research Design

According to Burns and Grove (2003: 195), a research design is a blue print for conducting a study with the maximum control over factors that may interfere with the validity of the findings. From the three non-experimental designs, which are: the correlational, criterion-one-group and the cross-sectional designs, the researcher will use a cross-sectional study in this research. The reason is that the researcher will include Line Managers, Human Resource Managers, Assistant Nursing Managers and Employees in general.
The research design is chosen as it is more suitable for this study, because the study will be carried out in one hospital.
The design is convenient in that Pelonomi Tertiary Hospital staff in their different occupational classes and age groups will be included in the study at the same time. The design is also appropriate for the problem in question and it can be carried out on

a small scale. In this design, the researcher can access information that is unexpected or unintended from respondents.

4.4 Study Area

The study is conducted in Pelonomi Tertiary Hospital, in the Free State Province. The Provincial Accident and Emergency Unit (Trauma Center) was also opened in 2006. The facility is situated in the Mangaung Metro Municipality, previously known as Motheo (DC 17). The hospital does not only serve the population of Mangaung Metro, but also the entire Province from other health facilities, including neighboring countries, such as Lesotho. It should also be noted that the Eastern Cape bordering regions refers most of its patients to Pelonomi.

The hospital serves as a teaching institution for both nurses and doctors from the University of the Free State Medical School, as well as the Nursing Faculty. Despite the services that are rendered, the budget allocation is not sufficient, the huge amount (72%) of the total budget is for compensation of employees, followed by cost drivers such as National Health Laboratory Service, Blood and Catering for patients. (Pelonomi Financial Report: August 2014). Commissioned beds are seven hundred and twenty (720) and usable beds are six hundred and twenty (620). The current staffing is one thousand, eight hundred and fifty eight (1858) and has 14% vacancy rate (Human Resource Report: August 2014). Despite the challenges, the hospital performance depends on the performance of all employees, hence the need to implement the Performance Appraisal System.

The researcher intends to do an in depth study within the hospital where she is working and she believes that the findings of the study will form a platform for other hospitals to ensure compliance to the PDMS Policy.

The other reasons for choosing Pelonomi as the study area are:

- The performance of the hospital employees is expected to meet the National Core Standards, despite the budgetary constraints. Every staff member has to perform to the best of his or her ability to ensure contribution to the attainment of the vision and mission of the hospital.
- The researcher, as she is an employee in the same hospital, will present the findings and recommendation to the management of Pelonomi Hospital.

- It is therefore important that performance of all officials be monitored continuously and where necessary, support in terms of training and development, be given.

4.5 Study Population

Burns and Grove (2007: 40) define population study as all elements that meet criteria for inclusion in the study from which the sample is actually selected.
The study population will consist of seven employees, five line managers, three human resources managers and eight nursing managers.

The study population is important in that a research problem relates to a specific population and the population encompasses the total collection of all units of analysis about which the researcher wishes to make specific conclusion (Welman *et al.,* 2005: 52).

In this study, the researcher wishes to make a conclusion on the Application of Performance Appraisal Process in Pelonomi Tertiary Hospital.

4.6 Sample and Sampling Technique

Welman *et al.* (2005: 55) state that this is an important stage of the research in that potential participants are selected from the entire population from which researchers generalize their results. It is only when the results can be generalized from a sample to a population that the results of research have meaning beyond the limited setting in which they were originally obtained.

Burns and Grove (2007: 40) define population study as all elements that meet criteria for inclusion in the study from which the sample is actually selected. In this study, the study population will consist of Pelonomi Tertiary Hospital employees, across all disciplines, at the level of assistant managers, line managers, supervisors and employees in general.

Pilot and Hungler (2003: 234) define a sample as a representative part of the population under study. For example, if the researcher studies population from an urban area, population under the study must have the same characteristic with a particular background, then the sample should fit the description.

According to Babbie (1998: 194), probability sampling is about selection of a random sample from a list of the names of everyone in the population to be studied. The researcher will select a sample from a list of line managers, human resource managers and employees. Purposive sampling is used in this study.

According to Parahoo (1997: 232), purposive sampling is a method of sampling where the researcher deliberately chooses who to include in the study based on their ability to provide necessary data.

The type of purposive sampling in this study is the homogeneous sampling. The reason for choosing this technique is to get information from participants about the application of performance appraisal, based on their knowledge, understanding and experience.

4.7 Data Collection Tool

Data was collected by means of interviews. Semi structured open-ended and closed questionnaires were asked. Closed questions give respondents an opportunity to choose from a list of options without expressing opinions and expectations (Varkvisser *et al.,* 1991: 160-161). The questions were arranged in such a way that the discussion flows as naturally as possible without being time consuming. Questions were well defined and easy for the respondents to answer, as well as easy for the researcher to conduct interviews and score.

Questions were formulated to provide information needed for each objective and were specific and precise to ensure validity and reliability.

They also enable the researcher to obtain complete and accurate information as much as possible within a reasonable limited time. Furthermore, the researcher was able to get information on the attitudes and opinions of respondents.

4.8 Data Collection Process

According to Babbie (1998: 458), data collection is the systematic and precise process of collecting information relevant to the research undertaken, using methods suitable for that particular study. In this study, interviews and focus group discussions were conducted with participants in the sample. Understanding and experience of the respondents were readily expressed. Participants were requested to sign the consent letter to ensure that participation is voluntary, and that the anonymity and confidentiality is adhered to by the researcher.

An approval letter to conduct research was presented to the relevant managers so as to get their support and to ensure that respondents adhere to schedule times for both the interviews and participation in the focus group discussion.

4.9 Focus Group Discussion

One session of a focus group discussion was conducted. The group consisted of Assistant Nursing Managers. The researcher facilitated the discussion and a tape recorder was used during the discussion.

Permission was requested before the discussion, to allow all participants to give consent. Ground rules were laid to ensure the smooth running of the discussions, and these included:

- No use of telephones except in emergency cases because the interview took place during working hours. All phones were put on silent.
- One participant to talk at a time.
- Participants were asked to respect one another's expression of opinion, experiences and inputs.

According to Holloway and Wheeler (2002: 110), in the focus group discussion, researchers interview participants with common characteristics on experience for the purpose of eliciting ideas, thoughts and perceptions about specific topics or certain issues linked to an area of interest.

4.10 Data Analysis and Interpretation of Results

According to Mouton (1996: 161), data analysis involves two steps, that is, reducing collected data to manageable proportions and identifying patterns and themes. Completed semi-structured questionnaires was processed and analysed, using MoonStats and Microsoft Office Excel.

Coding is the process of converting raw data into another form. Coding proceeds towards the development of preliminary categories, which become the tools to sort and clarify subsequent information for analysis.

Babbie (1998: 362) states that, the coding process is engaged when conducting quantitative analysis after data collection, if other research methods have been employed. Coding has different meanings and roles in qualitative research.

Raw data is organized into conceptual categories and themes of concepts are created which will be used to analyze data. Coding is not just a simple clerical task but an integral part of data analysis. The process frees the researcher from entanglement in the details of the raw data Neuman (2000: 506). Data was converted into numerical codes, representing attributes composing of variables being investigated.

4.11 Ethical Consideration

The researcher ensured that she received permission before commencement of the study. Participants in the sample were informed of the main objective and the procedure of the study. Participants who wanted to remain anonymous were reassured that their choice is respected. Most of all, subjects participating in the study were informed that their participation is voluntarily, hence the signing of consent.

4.12 Qualitative and Quantitative Research Approach

The research study is divided into two broad categories: that is qualitative and quantitative research approaches. The qualitative research is used to answer questions about the complex nature of phenomena, often used with the purpose of describing and understanding the phenomena from the point of view of participants. According to Burns and Grove (2003: 19), the qualitative approach is a systematic subjective approach used to describe life experiences and situations to give them meaning. This approach will be used in this study to explore the perspectives, feelings and most of all, the experiences of the respondents.

Quantitative research on the other hand, is used to answer questions about relationships among measured variables with the purpose of explaining, predicting and controlling phenomena. The rationale to use the qualitative approach is to determine and describe the understanding, knowledge, perceptions and experiences of employees on the application of the performance appraisal system in Pelonomi Tertiary Hospital.

4.13 Conclusion

The discussion of this chapter is about the research design and methodology. Further clarification of the process and procedure for conducting the study was discussed. It is also clear from the discussions in this chapter that the researcher attempted to minimize errors and bias by ensuring that the research sample is well represented through the use of probability sampling as discussed. The interviews and the discussion conducted with the focus group had no indication of means from the researcher to influence the views of the respondents.

CHAPTER 5:   FIELDWORK RESULTS OF THE RESEARCH CONDUCTED IN PELONOMI TERTIARY HOSPITAL

5.1 Background and Introduction

The study was conducted in Pelonomi Tertiary Hospital in the Free State, the only tertiary hospital in the Province, with six hundred and twenty (620) usable beds and seven hundred and twenty (720) commissioned beds. The current staffing is one thousand, eight hundred and fifty eight (1858) with a vacancy rate of 14%. (Human Resource Report August, 2014). Major tertiary services that have huge financial implication include trauma, burns, spinal, intensive care, orthopedics, neonatology, obstetrics and gynecology. The hospital does not only serve the population of Mangaung Metro, but also of the entire Free State Province from other health facilities that refer, including neighboring countries such as Lesotho. It should also be noted that the Eastern Cape bordering regions refers most of its patients to Pelonomi. The hospital also serves as a teaching institution for both nurses and doctors from the University of the Free State Medical School as well as the Nursing Faculty (Pelonomi Business Plan, 2012/ 2015).

The huge amount (72%) of the total budget is for compensation of employees (Pelonomi Financial Report, 2014/2015). The remaining twenty eight (28%) is for goods and services. Despite the budget constraints, the hospital has to render quality care. In the past two to three years, the researcher has observed a decline in patient care and service delivery in clinical, supply chain/finance and administration and support services. The decline is also reflected in the number and types of complaints received and the adverse events reported. What is emerging as a new trend is that complaints are not only from patients and clients, but also from doctors and nurses (Pelonomi Quarterly Adverse Events Reports, 2011/2012 and 2013/2014). Complaints are as a result of dissatisfaction with service delivery, hence the interest to conduct the study on the application of performance appraisal in Pelonomi Tertiary Hospital.

5.2 Methodology

The focus of the study was on the application of the performance appraisal process in Pelonomi Tertiary Hospital, and the fieldwork emphasis was on the five key areas within the process, with the intention to establish the current practices and future options for improvement.

The fieldwork's result is discussed under the following selected four themes or key areas, which are:

- Employees' participation.
- Process implementation (Feedback and Review Sessions).
- Link between the hospital strategy and the PMDS.
- Fairness and rewards.

A sample of seven (7) line managers was selected from two hundred and eighty six (286) line managers, of the five (5) Human Resource Managers, three (3) were selected, and seven (7) employees were selected from one thousand seven hundred

and sixty two (1762) employees. In total fifteen (15) respondents were interviewed and twenty two (22) questions were asked.

A focus group discussion was held with eight (8) nursing managers on the 12th November 2014, at their workplace. The researcher decided on the group of nursing managers only, because of the complaints and grievances that are received from nurses, after every review session.

The researcher facilitated the focus group discussion and a colleague was asked to operate the tape-recorder. The focus group was conducted as another method of the research study in fulfillment of the Master's Degree in Public Administration. Participants provided information in a group discussion. All eight (8) assistant nursing managers were included in the group discussion. Questions asked were more specific than general and participants were given ample time to give complete answers, consideration taken that the time taken is not prolonged unnecessary. During the discussion, attention was given to non-verbal cues and body language and this provided the researcher with the opportunity to ask for more clarity in a sensitive manner and to probe for more appropriate and relevant responses. The discussion was designed to gather information from the participants with regard to the following questions:

- The challenges that are experienced with performance appraisal.
- The most important steps that must be followed in the implementation of the performance appraisal process.
- In their opinion, what in the present performance appraisal process and systems would they like to see changed.

Eight (8) nursing managers took part in the focus group:

- Six females and two males.
- Two of the females were 40-45 years old; two males were 40-45 years old; one male 45-50 years old. Three females were 50-55 years old.
- All participants worked in Pelonomi for more than twenty (20) years.

The chosen participants were selected purposively. As already indicated in chapter 3 of this thesis, purposive sampling refers to a non-probability sampling method in which the units to be observed are selected on the researcher's judgment about which respondents are most useful (Babbie, 2010: 193).

5.3 Research Findings

Respondents were asked twenty-three questions; the first five were on demographic information for all participants. The following table depicts the study's population by gender and other selected background characteristic.

Table 5.3.1: Study population by gender and selected background characteristics. (%)

Variable	Male	Female
Age Group		
31-40	80%	20%

58

51-60	60%	40%
Highest Qualification		
Grade 10 and below.	20%	0%
Diploma and above	60%	20%
Post/ Occupation.		
Non Professional	20%	20%
Professional	60%	0%
Experience		
1-5yrs	20%	20%
6-10yrs	0%	20%
11-15yrs	20%	0%
21and above	40%	0%

5.3.1 Employees' Participation

A question was posed to both employees and line managers about employee's engagement and participation during the implementation process of performance appraisal. Results revealed that, 60% of employees indicated that there is an engagement of employees. The response about participation of employees revealed an even (40%) spread of uncertainty and disagreement among employees. The percentage is explained as being caused by the grievances that are lodged, however, eighty 80% knows the steps that must be taken to improve the application.

To further assess the degree of participation of employees during implementation of the performance appraisal, the questions were asked to line managers about staff members' knowledge about PMDS and PA process, data revealed that 60% is knowledgeable and 40% were uncertain.
The results are good and encouraging, however the concern is that the results are not in congruent with the percentage (80%) of participants who knows what is to be done to improve the application of PA process.

The same question about the staff being knowledgeable about PMDS and PA, was posed to the human resource managers and their response differed; one (1) respondent indicated that it is not all staff members that are knowledgeable about the PMDS policy (Free State Policy Framework: Performance and Development Management System, 2008); she alluded to the fact that when training is conducted, the majority of staff members, especially doctors and nurses do not attend. The other respondent was uncertain and the last respondent indicated that staff members are knowledgeable. Although the issue of training was raised by one respondent as a reason for other staff members not to be knowledgeable about PMDS policy and PA appraisal process, the results in this question are a concern.

From the three respondents, it is only one respondent that is certain about staff knowledge and understanding.

5.3.2 Employees' Perception

Employees were requested to rate the following aspects with regard to perception.

Table 5.3.2: Degree of perception on the application of Performance Appraisal (%)

Perception	Poor	Fair	Good
All or most staff members are happy with the application of Performance Appraisal.	60%		40%
Sufficient training was given to all staff members.	80%	20%	
The system has made all staff members aware of their responsibilities.	20%		80%
Every staff member contribution toward achievement of organizational goals is recognized and rewarded.	20%	20%	60%
Happy with the assessment methods that are used.	60%	20%	20%

The survey results in table (5.3.2), illustrate that sixty percent (60%) of the respondents in the sample are of the opinion that staff members are not happy with the application of performance appraisal process and the assessment methods used.

It is also alarming to note that eighty percent (80%) of the respondents in the sample indicated that sufficient training was not given, though they acknowledge that trainings have been conducted.

The respondents indicated that the understanding of the purpose of performance appraisal differs among staff members, because the majority associates it with cash bonus. Interesting from the data is that sixty percent (60%) of the sample believe that the performance appraisal made all staff members aware of their responsibilities, as well as their individual contribution towards achievement of organisational goals and recognition of rewards.

Non-participation of employees can be one of the contributing factors to unsuccessful application of the PA process. The policy (Free State Policy Framework: Performance and Development Management System, 2008); was compiled to ensure increased productivity of institutions within the Public Sector and inculcate the culture of performance in the work environment.

Managers are to take a leading role to involve employees throughout the phases of the process. According to the researcher's view, participation of employees may encourage and motivate employees to perform in line with the set standards. The opposite side of the view is that, non-participation may cause poor performance and non-compliance to set standards which may result in non-achievement of desired goals. In the worst scenario, non-participation may contribute to dissatisfaction with the PA application of the process in general, including the methods used to assess performance, and this may affect other aspects of the job.

As stated in Part VII of the *Public Service Regulations of 2001,* performance of all persons appointed in the public service shall be managed in accordance with a performance agreement.

Understanding of the duties and requirements of the position held by the employee is essential. The question is, how will the success of the application of the PA be ensured if employees do not participate?

5.3.3 Process Implementation and Frequency of Review Sessions with Employees

Employees were asked about their knowledge with regard to the steps involved in the performance appraisal process. Hundred percent (100%) of the respondents do know and understand the performance appraisal process and steps. Interestingly, data revealed that only sixty percent (60%) of the sample is involved in the process and all (100%) respondents indicated that they know the steps because they have access to the PMDS policy and not that the steps are being implemented. Sixty percent (60%) of the sample also indicated that the performance plan is discussed with them, but data revealed that only 40% get feedback about their performance.

Although 100% of respondents indicated that there is a strategy (training and refresher course) in place to help and support managers, the same is not used, hence the failure to apply the process correctly. As already alluded to by one of the respondents from HR managers, the majority of staff is not trained.

A question was posed to line managers as to how often the review sessions are conducted with subordinates. Data revealed that the majority (80%) of the respondents conducts reviews biannually, in September and March of the following year. Twenty percent (20%) of the respondents indicated that they conduct reviews quarterly. Frustrations raised for failure to conduct reviews as expected, that is quarterly, included time constraints, disagreement with allocation of scores and lack of cooperation of employees because most of the times they fail to honor appointments for review sessions, shortage of staff is cited as the main reason for not honoring appointments. The same questions were posed to employees as to how often do they get feedback on their performance and interestingly, 80% indicated that they never receive feedback about their performance. The only communication that they receive takes place at the end of the performance cycle, when they are to sign performance assessments for allocated scores.

A question was posed to employees as to which group of employees is more critical about Performance Appraisal Process. When responding to the question, the findings revealed that (100%) of the respondents indicated that employees, managers and representatives of organised labour, are equally critical. Respondents were asked if any measures can be put in place to improve the situation. The following were cited:

- *Correct implementation of the PMDS Policy.*
- *Management of PMDS, should be one of the key performance areas of the managers and be specified in their Job Descriptions.*
- *Managers to be trained.*

Human Resource managers were asked if effective and efficient implementation of performance appraisal helps the Human Resource Section to make administrative

decisions. The survey results revealed that all (100%) respondents agreed with the statement.

5.3.4 Employees' Level of Satisfaction

Employees were asked to rate their level of satisfaction with regard to performance appraisal process. See table below.

Table 5.3.3: Degree of satisfaction on performance appraisal process

Aspect	Degree of satisfaction		
	Satisfied	**Uncertain**	**Dissatisfied**
Assessment method	40%	0%	60%
Engagement to discuss objectives	20%	0%	80%
Knowledge and understanding of roles	60%	20%	20%
Linking performance to hospital vision and mission.	60%	20%	20%
Aligning performance with rewards.	20%	20%	60%

The Table above illustrate that, 40% of respondents are very dissatisfied with the assessment methods and 80% with engagement to discuss objectives. It is also noteworthy that 60% of the sample indicated that they are satisfied with the knowledge and understanding of their role during assessment. When asked about alignment of outstanding performance to rewards, 60% were very dissatisfied. The reasons cited for the dissatisfaction were:

- Employees do not participate in the implementation of the PA process.
- There is too much favoritism when it comes to recognition for outstanding performance.
- Managers are complaining of financial constraints as one of the reasons why the performance appraisal cannot be implemented correctly.
- There seem to be confusion with the application process between managers and employees.

The importance of ongoing communication between managers and their subordinates, during the application of the process need to be emphasised. Employees must be informed, not only of their job contend and standards, but must also be informed of all the phases in the PA process and methods to assess performance, in order to promote the successful application of the process. Performance planning and signing of performance agreements are the cornerstone of PMDS at employee level. Signed performance agreements before the application of the process, is crucial as the discussion will also include the frequency of the review sessions.

According to the policy (Free State Policy Framework: Performance and Development Management System, 2008: 14), performance reviews should take place on a quarterly basis. Informal reviews are conducted at the end of the 1st and 3rd quarters.

The review gives managers and supervisors an opportunity to discuss progress made in reaching objectives and targets; the jobholder, to discuss barriers/ obstacles and

assistance required. The formal review is a detailed discussion between the jobholder and the supervisor in which the objectives are measured against the set standards and appropriate rating is given.

During the discussion, the supervisor is expected to give the jobholder constructive and systematic feedback on performance and the information must be used as a base for developing performance and development plans for the next review period.

Ongoing monitoring of employees' performance will set a successful platform for review sessions and the discussions between jobholder and supervisors will be fruitful as every aspect of employees' performance and assessment will be attended to timeously.

5.3.5 Link between the Hospital Strategy and the PMDS

Line managers were asked if there is a clear link between the hospital strategy and goals with the PMDS and how it can be used to support the strategy and goals. Data revealed that eighty percent (80%) of the respondents agreed that there is a link and PMDS can be used as a support system to ensure achievement of the strategic goals of the hospital. The twenty percent (20%) of the respondents, who were uncertain, explained that they know that there are strategic goals, but they have not as yet familiarized themselves with the Annual Performance Plan (APP) of the hospital, to be able to align it with the performance plan of employees. The majority (80%) of line managers indicated that they are confident in using the performance appraisal to assess the employees. The response was attributed to the knowledge and understanding of the process and the experience acquired since the implementation of the PMD policy.

A follow up question was broadened to establish the line managers' responses with regard to their opinion on the use of Performance appraisal as a tool to measure employees' performance. The respondents were to give their opinion on the use of the PA as a tool to measure performance. Data analysis revealed that 60% of respondents agree to a small extent that performance appraisal is an effective and objective tool to measure performance. Fourty percent (40%) agreed to a small extent that PA is helpful, as it minimizes and grievances. Respondents were asked to explain what could be the contributing factors to their experience, the following explanations were given.

- *Minimal complaints are received.*
- *Continuous assessment helps to develop employees and it gives the opportunity to raise complaints.*
- *The document helps to explain why a particular score is given.*

A specific question was posed to human resource managers on whether the Job Descriptions of employees are aligned to the strategic plan of the hospital. The survey results illustrate that 66.67% of respondents agree with the statement and 33.33% indicate that, it is only some job descriptions that are aligned. The results are disturbing, taking into consideration the importance of alignment of job descriptions with the strategy of the hospital. It is disturbing because achievement of the hospital

strategies is determined by the performance of the staff. Human Resource Managers play an important role in performance of employees in an organisation as they are the custodian of the performance appraisal system.

Despite the fact that managers are aware of the strategic plans as linked to the job description (JD), a well-structured training as well as ongoing performance monitoring is necessary.

The competency of managers to monitor and assess performance must be tested.

Training of employees and managers about the application of the PA process is important as it will also highlight the strategies of the organisation and shed a light of where the organisation is heading to and how to get there. The development of employees' performance plans rests with the managers at operational level.

This practice need to be corrected by the human resource section as it creates gaps and inconsistency, thus contribute to poor application of the process. The human resource managers as the custodian of the PMDS policy have to ensure that there is uniformity with performance plans of employees within the same occupational class to prevent unnecessary complaints.

The aim of performance and development management in the Free State Provincial Government is to optimize individual excellence and achievement in order to contribute to the achievement of organisational goals and objectives and improve service delivery. (Free State Policy Framework: Performance and Development Management System, 2008: 5). Therefore, the link between the hospital strategy and PMDS is very crucial.

5.3.6 Fairness and Rewards

Line managers were asked if they give their staff recognition for outstanding performance. Seventy five percent (75%) of respondents agree that they do give recognition for outstanding performance and twenty five percent (25%) said sometimes they do. With regard to the question asked about consistence and fairness in the application of performance appraisal process, sixty (60%) of employees indicted that consistency is practiced to a great extent. The indication was that, with every cycle, the process is the same. Employees are called at the end of the cycle to sign assessment forms because they are to be submitted without delay. Fifty (50%) of the employees were asked to rate their level of satisfaction with regard to alignment of outstanding performance to rewards, the results showed that fifty (50%) of participants are very dissatisfied and reason cited for the response was that there is too much favoritism when it comes to recognition for outstanding performance. Fairness was again discussed in the focus group by assistant managers nursing, where the relationship among staff members was raised as a challenge by some managers, they indicated that inappropriate scores are allocated to undeserving subordinates because of fear of jeopardizing relationships. Another example given with unfairness was about awarding of rewards across occupational classes. They alleged that doctors are regarded as high performers and their scores are always high with very little evidence to justify the scores.

Taylor *et al.* (1995) suggest that performance is determined by many factors in addition to motivation (e.g. ability and opportunity) and this may be why improving

the fairness of the review process has a greater impact on attitudes and commitment than on performance.

Incorporating fairness into the performance management system process through practices such as self-appraisal enhances employee's perceptions that the performance is fair. Perceptions of fairness in turn, lead to positive outcomes such as increased commitment to the organization. (Taylor *et al*. 1995).

Lack of consistency, subjectivity and familiarity between managers and subordinates, are major challenges that need to be eliminated to achieve the required fairness and appropriate awarding of rewards.

Taking the example as cited by Taylor et. al. (1995) into consideration, that is: 'Incorporating fairness into the performance management system process through practices such as self-appraisal enhances employee's perceptions that the performance is fair'. The most difficult and challenging issue to managers would be, how the employees can judge their own performance and how they can measure their performance against each other, without being subjective ? The other challenge would be, will managers have the competency to assess the reliability and validity of the scores?

5.4 Focus Group Report

5.4.1 Introduction

As already discussed under methodology, a focus group discussion was held with eight nursing managers on the 12th November 2014, at their workplace. The researcher facilitated the discussion and a colleague was requested to operate the tape-recorder.

Responses to the three (3) questions asked are discussed as follows:

1. The challenges that are experienced with performance appraisal.

- One participant raised a concern about different job descriptions in one occupational class of the same post level. She further alluded on the key responsibilities and objectives that are not correct.
- Five of the participants indicated that that they are confused, not sure how to measure performance because of the request to stay within the budget and the motivation needed to justify high scores.
- The financial constraints is challenging because the staff perform with expectation and later they are told that there is no money.
- Assigning of appropriate scores for nurses is difficult because nursing tasks and activities are similar across disciplines. Activities that are carried out by nurses are the same daily, year in year out. As managers, it is difficult to identify specific activities that are above average or beyond expectation.

Discussion about the meaning of performance above average or beyond expectation was very intense.

'Performance above average or beyond expectations has different understanding and perception. What is performance above average or expectation?

The following frustrations and concerns were raised:
- They allocate scores based on their assessment and during moderation; the scores are reduced because there is no evidence.
- Grievances are lodged with the committee but feedback is never received.
- Understanding of performance above average differs among nursing managers.
- Unfairness across occupational classes. All doctors are alleged to be high performers and they are not expected to produce evidence to justify their performance.
- The relationship among staff members makes it difficult to give appropriate score because of fear of jeopardizing relationships.
- When the policy was introduced, it was associated with money, therefore performance appraisal is associated with money and everyone feels that they deserve to get cash bonus. They work under very difficult circumstances where there is shortage of both material and human resources.
- Resources that are not available make it difficult for staff to perform at their best and line managers together with supervisors, struggle to assess correctly because they know the challenges. These challenges are seen as obstacles for performance.
- One participant reiterated on the fact that performance assessment is only done annually and at the last moment when it should be done continually. Assessment is only done to be compliant and is not done correctly.

2. The most important steps that must be followed in the implementation of performance appraisal.

- One participant stressed on ensuring availability of and completion of the job description in line with the department of health.
- All participants cited signing of performance agreement as being very crucial because evaluation cannot be done without it.
- One participant indicated that the entire process is good, the change should be directed towards line managers and supervisors who are failing to adhere to quarterly reviews. Where scores are low, staff to be exposed for training and where performance scores is high, rewards to be given.
- One participant reiterated on doing quarterly reviews and giving of feedback to improve performance.

Opinion on what in the present performance appraisal process and system would they like to see changed.

- The overwhelmingly contribution made by participants is the removal of monetary reward.

'The current process is correct, but the monetary reward is a challenge. It should not form part of the processes.

- Once assessment is done, a staff member is scored, there must not be tampering of scores by anyone, because that is a matter between the supervisor and the supervisee.
- The current system that includes the moderating committee is subjective. The policy is not clear about provision of evidence to justify scores beyond expectation; therefore, the system must be reviewed.
- The moderating committee must not be at the level of the province, but must be at the level of the cost center.

When responding to what can be done to improve the application of performance appraisal in Pelonomi Tertiary Hospital, the majority of respondents said they need more training and that the appraisal process must be applied according to the stipulated steps and time frames. Two-thirds of the respondents stated that, employees must be treated fairly and equally when it comes to appraisals and allocation of scores. In the nursing managers' group discussions, unavailability of resources, both material and human was raised as the major obstacle to enable employees to perform at their best.

5.5 Conclusion

It is clear from the responses and discussions that the nursing managers have challenges with the implementation of performance appraisal processes and systems. Most of the challenges are not as a result of the PMDS policy document, but are as a result of failure to adhere to the process as it reflects in the policy. This is a source of concern because managers are supposed to be taking a lead in guiding the process, as well as the implementation thereof. The major concern is that the knowledge and understanding of the purpose of the performance appraisal is not clear among nursing managers, taking into consideration the work experience and the posts level of participants. The process is not applied correctly and the issue of monetary reward in the policy is misunderstood. The importance of giving feedback is also a challenge and this is caused by lack of planning before implementation.

CHAPTER 6: RESEARCH FINDINGS, CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

The Free State Department of Health adopted the performance appraisal process as a framework to manage employee's performance from salary level 1-12. The performance appraisal process is used as a tool to manage, monitor and assess employees' performance in order to achieve individual excellence and to achieve organisational goals and objectives and improve service delivery. In addition, managers use the performance appraisal process to train, to prepare for career pathing and to reward outstanding performance.

The PA process also assists human resource managers to make administrative decisions. The link therefore, of the strategic goals of the hospital and employees objectives plays a pivotal role as this lays the foundation towards achievement of organisational goals. Managers are to strive toward correct application of the performance appraisal process.

Ongoing monitoring to measure performance as well as conducting performance reviews to assess progress towards achievement of goals forms the bases for the successful implementation of the appraisal process. It is through correct application of the performance appraisal process that individual excellence can be optimized.

In this study, interesting aspects and issues were raised during the interviews and in the discussion group. These will be discussed in the paragraphs below. Although the sample was small, the insights that emerged suggest follow up of the study of a larger sample and an addition of some questions. The follow up study will be directed to human resource managers, line managers and nursing managers only, because of the findings of the study.

6.1.1   Employees' Participation

It was found that 60% of the employees in the sample reported that they are never involved in the implementation of the performance appraisal process and that performance feedback is never given. The finding is that, employees become involved in the process at the end of the assessment cycle. The practice was found to be consistent across occupational classes, both clinical staff and non-clinical staff. Of interest, is that the majority, more than 2/3 of the total percentage of participants has reported that they are knowledgeable about the process and have full understanding of the performance appraisal steps. Eighty percent (80%) of line managers have also reported understanding and knowledge of the performance appraisal process.

6.1.2   Process Implementation (Feedback and Review Sessions)

It was found that the application of performance appraisal process and systems is very poor.

Although the majority, hundred (100%) percent of the human resource managers reported that this may be attributed to lack of management support, the finding is that, the nursing managers and line managers who should be ensuring that the performance appraisal process is implemented according to the PMDS policy,

(Free State Policy Framework: Performance and Development Management System, 2008), who, according to the research results, have the knowledge and the understanding of the steps of the process, are not sure of what is to be done during implementation of the process. The assistant managers nursing have also indicated that they have a challenge to allocate scores because they do not know what performance beyond expectation is, because nursing is routine. It is therefore not surprising that the review is reported by 80% of employees that it is done annually, irrespective of the fact that the PMDS policy is clear that the review must be done quarterly. Further finding is that performance assessment forms are completed and submitted for compliance and not because there has been monitoring of employees performance.   Although the majority (63.77%) of participants in the sample reported to be generally happy with the process as it reflect in the PMDS policy, and not the practical implementation of the process, the overwhelming majority (80%) of employees are not happy with the methods that are used, as well as the assigning of scores. The same view is shared by line managers and nursing managers who are the implementers of the performance appraisal process. The results findings is that eighty percent (80%) of the participants in the study have reported that they have the knowledge and understanding of the policy but what came out clear is that there is non-compliance to the policy. The researchers view in this matter is that, if there is knowledge and understanding among line managers and employees as it is revealed from the results, why is the application process a challenge in Pelonomi Hospital?

6.1.3   Link between the Hospital Strategy and the PMDS

The finding in this matter is that, line managers, assistant managers nursing and human resource managers have indicated that they are not sure of the availability of employees' job descriptions that are aligned to the strategic goals of the hospital. Twenty (20%) percent of line managers in the sample further indicated that they are not familiar with the Annual Performance Plan (APP) of the hospital, and cannot link it with the job description of the staff. The results are not surprising because 60% of the employees in the sample reported that they are never involved in the implementation of the process, performance feedback is never given whereas 80% of line managers have reported understanding of the implementation of the steps involved in the performance appraisal process.

6.1.4   Fairness and Rewards

It was found that there is no fairness with the allocation of scores during review session, as revealed in the study, seventy five (75%) percent of line managers have indicated that they do recognize and reward outstanding performance however eighty (80%) of the employees reported that they are allocated performance scores without being assessed. Employees also indicated that they are allocated scores to comply with the annual assessment report submission date.

In the nursing manager's discussion group, two third (2/3) of the participants indicated that there is a challenge with allocation of scores because they are not sure of what is performance beyond expectation.

According to the nursing managers, allocation of appropriate scores is difficult considering the difficult conditions under which nurses are working.
The actual performance of nurses must be considered and recognized as performance beyond expectation. The results finding also revealed that there is unfairness among occupational classes.

6.2 Conclusion

6.2.1 Participation of Employees in the Performance Appraisal Process

In chapter two of this thesis, participation of employees in the application of performance appraisal was discussed. Employee's participation generates an understanding of the true purpose of the performance appraisal process and encourages participation and corporation. Employees must be given the opportunity to provide inputs in formatting the evaluation and restructuring of the process to ensure that the standards for success are adhered to.

It is stated clearly in the policy (Free State Policy Framework: Performance and Development Management System, 2008:9) that, employees and their supervisors must discuss the objectives and standards of performance. Compile the performance assessment plan reach an agreement on the contents thereof and both the supervisor and the subordinate must sign performance plans. Based on the results finding, there is poor participation and involvement of employees in the application of performance appraisal process.

Throughout the interviews and in the discussion group, there was no indication that there is participation and involvement of employees in the appraisal process except at the last phase of the process where scores are allocated and this usually happens at the end of the cycle.

The results findings have shown that the majority of managers do performance assessments to comply with the requirements, that is, annual submission of performance assessment reports to ensure that all staff is appraised as at the 31st of March and not to assess for achievement of goals or to manage poor performance.

6.2.2 Process Implementation (Feedback and Review Sessions)

In the performance appraisal process, several steps are involved, although all are equally important, each step has its importance. For the purpose of this discussion, and the key issues raised in the research study, the focus is on the importance of giving feedback to employees and to conduct review sessions in order to ensure the success of the process. Employees have the interest to know how well their performance is. It is also important for managers to communicate with subordinates about their performance so as to give guidance and support where necessary. In most instances, especially with positive feedback, employees tend to be more motivated and would like to perform even better to maintain their standards.

It is in the human nature that everyone wants to be recognized and be valued. Likewise, every employee will have interest to know how much of their contribution towards achievement of organisational goals is valued. The contribution of employees can be articulated well during review sessions. According to Erasmus et al. (2005:280), signing of the performance agreement does not complete the appraisal process, but performance must be reviewed on regular basis.

The performance appraisal process also provides managers with the opportunity to take the necessary actions to develop their staff where performance deficiencies are identified hence the importance of correct implementation of the process. It is therefore the responsibility of managers to ensure that the employees performance plan and performance development plans are seen as working documents that can be referred to in order to ensure that employees' performance is monitored consistently and that there is assurance that every action taken is directed towards achievement of organisational goals. Survival and high performance of any organisation is dependent on the performance of its employees. As already discussed in Chapter 1 of this thesis, employees are the vehicle of every organisation.

6.2.3   Link between the Hospital Strategy and the PMDS

Performance appraisal is a process that is undertaken to ensure the ultimate performance of the organisation. It is therefore crucial that the link between organisational and individual employee performance objectives must be clear and there must be a concerted effort to drive all activities towards achievement of these objectives. The link between the strategic goals of the organisation and employees objectives manifests clearly as the strategic goals cascade down to the level of the employees objectives.

It is therefore important that this link be strengthened and this can be achieved through performance plans that are managed and monitored throughout the assessment cycle.

The results finding that some line managers are not familiar with the annual performance plan as well as the results finding that some human resource managers are uncertain about the link of job descriptions with strategic goals is disturbing. The challenge is that, if the custodians of the PMDS policy are uncertain of the link, this compromise achievement of the hospital goals.

6.2.4 Fairness and Rewards

In chapter two of this thesis, the researcher has discussed the importance of fairness and how the appraisal process should reflect a fair judgment of employees' performance to eliminate personal prejudice and feelings of favoritism. The three general determinants, procedural fairness, interpersonal fairness and outcome fairness as described by Smither (1998: 220), were also alluded to. Of the three determinants, the interpersonal fairness is more appropriate in this discussion as it addresses the treatment during the formation and communication of the decision. It also includes feedback and communication dimensions and includes adequacy or thoroughness as well as timeliness. All variables contained in the latter sentence addresses what should the focus be during the application process of the PA to ensure its success.

Based on the results findings especially of the assistant managers group discussions, there is clear evidence that performance appraisal is about allocation of scores to employees for monetary rewards. The challenges raised were about staying within the budget allocated for performance bonus and the availability of the budget. The assistant managers nursing also raised the challenge of scores being lowered by the moderating committee and fear of allocating lower scores to prevent jeopardizing the relationships.

According to the research results, seventy five percent (75%) of the line managers have indicated that they do recognize outstanding performance by giving reward, the challenge with the finding is that, rewarding of outstanding performance is not in line with the PMDS policy. The research results showed that sixty (60%) of employees indicated that with every assessment cycle, employees are called at the end of the cycle to sign assessment forms, because the assessment report has to be submitted without delay.

6.3 Recommendations

It must be noted that since the implementation date (1stApril 2008) of the performance appraisal process to date, there has been several challenges and recommendations made to improve the effectiveness and efficiency in the application of performance appraisal process. Based on the literature review and the research findings, the following recommendations are made.
The recommendations will be discussed under Pelonomi Tertiary Hospital and the Free State Department of Health.

6.3.1 Recommendations for the Free State Department of Health

- **PMDS Policy**

It is recommended that The Free State Department of Health must review the policy with regard to the monetary reward in recognition of outstanding or beyond expectation performance. Awarding of cash bonuses is a challenge at both the level of the department and at the level of the hospital.

At the level of the department, availability of funds has recently been a major challenge. For the past two to three years, there has not been any payment of cash bonuses and the reason cited was that the department is faced with financial constraints. Despite the fact that it is clearly stipulated in the PMDS' policy that cash bonuses will be paid pending the availability of funds, the scores obtained have raised expectation for payment of cash bonuses. Non-payment has led to many grievances and disputes being lodged by employees to their UNIONS and PMDS is now a matter that is frequently under discussion in the Public Sector Co-coordinating Bargaining Council (PSCBC), PSA informus 6/2013 and 1/2015. In the researchers' view, monetary rewards can be replaced by hosting annual events where employees with outstanding performance are honored in the presence of their families, colleagues and management at all the levels of the department. Certificates and trophies be given instead of money.

At the level of the hospital, research findings in this thesis, has shown that even managers, who are the custodian of the PMDS policy and who are to manage, monitor, assess and measure the employees performance, cannot distinguish the difference between normal, expected performance and performance beyond expectation. Scores are allocated randomly and carelessly at the end of the cycle, just to submit assessment reports and as such, this increases the number of employees with high scores. Among the challenges highlighted by nursing managers in the discussion group, the social relationships that exists, gives some of the managers and supervisors the opportunity to allocate high scores to employees who do not deserve it in an attempt to keep their relationships with subordinates in good standing.

In the researcher's opinion, the scores are just allocated to ensure that non-deserving employees receive cash bonuses and there seem to be poor control over the matter.

- **Job descriptions**

Employees' performance is managed and monitored to get the best possible output for attainment of strategic objectives of the organisation.

It is for this reason that each employee must have a job description and performance plan aligned to work programme. Key responsibilities of the job descriptions must also be aligned to the strategic objectives of the department. The responsibility and accountability of job descriptions lies with Organisational Development.

It is therefore recommended that Organisational Development must develop a strategy to monitor and audit the availability and uniformity of job descriptions in all institutions of the Free Department of Health. Although the researcher did not investigate the availability and uniformity of job descriptions, the matter emerged during interviews with several participants, that there are some officials who do not have a job description and performance plans. Some participants alluded to the fact that, where the job descriptions and the performance plans are available, there is a challenge with allocation of weights to objective in the same occupational class.

An example cited is that, in one performance plan of a professional nurse, an objective will be assigned 30% weight and in another ward, the same objective will be weighed 60%. No matter the score that will be given, the weight that is the highest will automatically get the high score. It is for this reason that the recommendation is made. The other recommendation is the inclusion of employee performance assessment as a key responsibility in the job descriptions of managers and supervisors so as to ensure adherence to the PMDS policy.

6.3.2 Recommendations for Pelonomi Tertiary Hospital

- **Trainings of all employees**

The need for training, especially with regard to assessment and measurement of performance to allocate scores, has been raised as a major obstacle for correct application of performance appraisal. Training and re-training of employees must be done and this must be done as frequent as possible to accommodate the newly appointed employees.

For managers and supervisors, trainings must be coupled with workshops to assist them to be more competent in the monitoring and measuring of employee's performance. Training of managers and supervisors will enhance their competency with regard to the application of the PA process.

- **Job descriptions, work-programmes and performance assessment and development plans**

The application of performance appraisal is dependent on above documents.
No employee performance assessment can commence without the mentioned documents. All three documents are regarded as tools that will ensure correct application of the process.

The availability of the three documents cannot be overlooked. It is therefore the responsibility of human resource managers to ensure that every employee has all the stated documents. In the performance planning phase of the policy (Free State Department of Health Policy Framework: Performance and Development Management System, 2008: 8), it is clearly indicated that the mentioned document needs to be in place. It is the opinion of the researcher that managers must ensure that each employee has a file that among other documents has the documents as stated above before commencement of the PA cycle.

- **The PMDS Committee**

An effective PMDS Committee is needed to monitor the application of performance appraisal process. The members must represent all occupational classes within the hospital. The committee must ensure that there is adherence to the PMDS policy. The focus must be directed towards monitoring of the implementation process and the frequency of review sessions (quarterly and bi-annually), as stipulated in the PMDS policy. The committee will also assist in ensuring that every employee has a job description, work-programme and performance plan. The application of the performance appraisal process will also be monitored to ensure fairness across occupational classes.

- **The Moderating Committee**

The hospital moderating committee must be revived. Members must comprise of executive management and an organised labour representative. The committee will assist in ensuring that the weights as assigned to objectives are appropriate and that there is uniformity. Managers and supervisors will be invited to the committee bi-annually to present the scores of employees and provide evidence to justify the scores. In cases where managers fail to justify the scores, the committee will advise so that subordinates are not disadvantaged. The moderating committee must be consistent with their activities so as to gain support and cooperation from all stakeholders including organised labour representatives.

6.4. Areas for future Researchers.

In the researchers view, the following are some of the areas in the application of Performance Appraisal that needs future researchers to investigate.
- Effective implementation of the application of Performance Appraisal may have an influence in improving the attitude of health care workers.
- Assess the role of Performance Appraisal in changing the attitude of health care workers.

- Performance Appraisal is a functional control system that can be helpful to an organisation's performance.
- Performance Appraisal can be used as a tool to build employees' character and strengthen one's integrity.
- Performance Appraisal is a reliable tool to use to facilitate advancement in individual's career.
- Performance Appraisal can be used as a tool to encourage employees to be interested in the career that they initially where not interested in.
- Peer Review is a valid and reliable method to measure and enhance employees performance.

6.5 Conclusion

This thesis has provided the theoretical as well as practical overview of the application of performance appraisal in general, and in particular, in Pelonomi Tertiary Hospital. However, it is worth noting that when the Public Sector embarked on Performance Appraisal, the main goal was to improve and emphasise on performance, both at individual and organisational level. The system made a shift from inputs and processes to outputs. It required public organisations, managers and employees to work towards achievement of performance targets and output objectives.

The introduction of performance agreements and contracts, alongside performance evaluation and incentives, have to a large extend, great influence on the performance of employees and of the organisation. The Performance Appraisal is used to measure the actual performance against the standards. It can also be used as a control system. According to Robbins and DeCenzo (2008:356), control is the management function that involves monitoring activities to ensure that they are being accomplished as planned and correcting any significant deviation. They further state that an effective control system ensures that activities are completed in ways that lead to the attainment of organisation's goals. Therefore the availability of the "tools" (Job Description, Work Programme and Performance Plan) are important to ensure effective implementation of the performance appraisal,

Although the findings of the study revealed that 60% of the respondents reported non-participation and involvement in the application of performance appraisal process, the reality is that the PA process does create a platform for building employer and employee relationship. The work related relationship that provides platform to discuss and give direction as to the expectation of employees toward attainment of organisational objectives.

Chapter one of the study discussed the background of the study with the intention to provide the significance and relevance of the study. To address the research problem, objectives were developed in order to assist in answering research question.

Chapter two critically evaluated and analysed the literature review relevant to the study. The literature reviews assist researchers to identify what is already studied to avoid duplication and repetition. The Chapter provided an overview of the available

literature and approaches to performance appraisal. Following this overview, a specific focus was placed on performance appraisal processes.

The purpose in Chapter three was to provide overall information and background on some of the issues relating to the theoretical overview of the topic under discussion. Attention is given to the different definitions of Performance Management Development System (PMDS) by different authors, what is the system all about, its origin, based on the legislative and regulatory framework that underpins the Performance Management System and Performance Appraisal. The benefits of the system and why it fails to produce the benefits expected.

In chapter four, the methodology used to collect and analyse data was discussed. The methods used to collect data and how it was analysed, were highlighted. The sample selected and the reasons for such selection were explained.

In Chapter five, the fieldwork research results were discussed. The preceding paragraph of the chapter provided a profile of Pelonomi Tertiary Hospital.

Chapter six of the study is about the research findings. In general it is clear that the majority of respondent does understand and know the process of performance appraisal, but there is still a challenge with the application of the process.

The conclusions as discussed were drawn up based on the data collected and analysed in chapter six. All objectives of the study have been achieved. The set objectives have assisted and guided the researcher to develop informed and correct conclusions and recommendations. Recommendations that may assist the management of Pelonomi Hospital and the Free State Department of Health to address challenges identified in the application of PA. The study in general brought about better understanding of the application of Performance Appraisal in Pelonomi Tertiary Hospital.

The lesson on PA in this thesis can also be fruitfully applied to other provincial departments and national departments where relevant. Cognizance should also be taken that performance management and performance appraisal generally speaking, are experiencing increasing attention in AU and other structures and also internationally, where results based M&E has been emphasised. The challenges in future are the integration of all aspects of performance management into one integrated strategic performance system.

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