

Employee Performance Management and Development System at the Kwa-Zulu Natal Provincial Department of Public Works

by
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DECLARATION

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ABSTRACT

The argument presented in this study is that the tough economic climate has made it more critical for the South African government to improve the performance of the departments and the quality of services it delivers with limited resources. The introduction of employee performance management and development system (EPMDS) was aimed at utilising the human resources to enhance the quality of services delivered to the public. The challenge was described by DPSA in its assessment report that departments are failing to effectively implement the EPMDS. Similar to other departments, this has also been the case with the KZN Department of Public Works. Therefore, the purpose of this study at the Department of Public Works in KwaZulu-Natal was to evaluate the employee performance management and development system with the aim of identifying the challenges that affect the implementation of the EPMDS. A qualitative research design was used to investigate the EPMDS currently implemented in the KZN DPW.

The study found that there is a performance management policy in the department developed to manage the performance of employees. The implementation of the EPMDS in the department is a challenge because supervisors in the department view performance management as the responsibility of human resources management section and do not take ownership of the EPMDS. This in turn leads to communication and commitment challenges between the supervisor and employees. The study also revealed that there are no consequences for supervisor who abdicate their performance management responsibilities to HR units; this must be resolved through an amendment of the performance management policy. This study recommended normative approaches to an effective EPMDS for the KZN DPW. The objective of this study was to suggest solutions in which the EPMDS can be improved based on the challenges identified by the study. The study further proposed the development of an electronic automated system to be linked with all other existing ICT systems in the department, more specifically to the PERSAL system. Compulsory EPMDS training was recommended to equip supervisors and employees with the necessary skills to communicate and discuss performance management issues, especially on how to improve the performance of employees.

OPSOMMING

Die argument wat in hierdie studie aangevoer word, is dat die moeilike ekonomiese klimaat dit nog belangriker vir die Suid-Afrikaanse regering maak om die prestasie van departemente en die gehalte van dienste wat met die beperkte hulpbronne gelewer word, te verbeter. Die bekendstelling van die werknemerprestasiebestuur- en ontwikkelingstelsel (WPBOS) is gemik op benutting van menslike hulpbronne om die gehalte van dienste wat aan die publiek verskaf word, te verbeter. Die uitdaging wat deur die Departement van Openbare Dienste en Administrasie in hul assesseringsverslag beskryf word, is dat departemente versuim om die WPBOS doeltreffend te implementeer. Soos met ander departemente was dit ook die geval met die KwaZulu-Natalse Departement van Openbare Werke. Die doel van hierdie navorsing by die Departement van Openbare Werke in KwaZulu-Natal was om 'n kritiese ontleding te doen van die WPBOS met die doel om die uitdagings te identifiseer wat die implementering daarvan belemmer. 'n Kwalitatiewe navorsingsontwerp is gebruik om die WPBOS te beskryf wat tans by die Departement van Openbare Werke in KwaZulu-Natal geïmplementeer is.

Daar is bevind dat daar 'n prestasiebestuursbeleid in die Departement is wat ontwikkel is om die prestasie van werknemers te bestuur. Die implementering van die WPBOS in die Departement is egter 'n uitdaging omdat die lynbestuurders in die Departement prestasiebestuur as die verantwoordelikheid van die Menslike Hulpbronne-eenhede beskou, en dus nie eienaarskap van die WPBOS aanvaar nie. Dit lei tot probleme met betrekking tot kommunikasie en verbintenis tussen die lynbestuurders en werknemers. Die studie toon ook dat daar geen gevolge is vir lynbestuurders wat hul prestasiebestuursverantwoordelikhede na Menslike Hulpbronne-eenhede afskuif nie, en dit moet deur 'n wysiging van die prestasiebestuursbeleid hanteer word. Normatiewe benaderings tot 'n doeltreffende prestasiebestuurstelsel vir die KwaZulu-Natalse Departement van Openbare Werke word aanbeveel. Een van die doelstellings van hierdie studie was om oplossings voor te stel vir die verbetering van die prestasiebestuurstelsel op grond van die uitdagings wat deur die navorsing geïdentifiseer is. Een van die voorstelle wat in die studie gemaak word, is die ontwikkeling van 'n elektroniese geoutomatiseerde stelsel wat aan ander bestaande elektroniese stelsels in die Departement gekoppel word, en meer spesifiek met die

PERSAL-stelsel. Verpligte WPBOS-opleiding word aanbeveel om bestuurders en werknemers met die nodige vaardighede toe te rus om prestasiekwessies te kommunikeer en te bespreek, vernaamlik hoe die prestasie van werknemers verbeter kan word.

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Table of Contents

Declaration	Error! Bookmark not defined.
Abstract	Error! Bookmark not defined.
Opsomming	iError! Bookmark not defined.
Acknowledgements	Error! Bookmark not defined.
List of figures	Error! Bookmark not defined.
List of tables	Error! Bookmark not defined.
List of addenda	Error! Bookmark not defined.
Abbreviations	Error! Bookmark not defined.
Chapter 1 Introduction and problem statement	1
1.1 Introduction	1
1.2 Background	2
1.3 Preliminary literature review	3
1.4 Overview of legislation on EPMDS in South Africa	3
1.5 The problem statement	5
1.6 The research questions	6
1.7 Aim of the study	7
1.8 Research objectives	7
1.9 Significance of the study	7
1.10 Population and sampling procedure	8
1.11 Research design and methodology	8
1.12 Reliability and validity	9
1.13 Limitations of the study	10
1.14 Ethical considerations	10
1.15 Outline of chapters	10
Chapter 2 Literature review of performance management and development systems	12
2.1 Introduction	12
2.2 Background of performance management and development system.....	12
2.3 Definition of performance management and development system.....	13
2.4 Purpose of the performance management and development system	14

2.5	Employee performance management and development system in the public sector	15
2.6	Employee performance management and development system and the new public management (NPM)	16
2.7	Employee performance management and development system theories .	17
2.7.1	Goal-setting theory.....	17
2.7.2	Management by objectives.....	17
2.7.3	Expectancy theory	18
2.7.4	Contingency theory	19
2.8	Advantages of the performance management and development system ..	19
2.9	Elements of an employees performance management and development system.....	21
2.10	Fundamentals of an effective Employee performance and development system.....	22
2.11	The employee performance management and development cycle: macro perspective	22
2.11.1	Performance planning	24
2.11.1.1	Strategic performance planning	25
2.11.1.2	Annual performance planning.....	26
2.11.1.3	Operational performance planning.....	26
2.11.1.4	Resource performance planning.....	26
2.11.1.5	Employees performance planning.....	27
2.11.2	Performance measurement	27
2.11.3	Performance monitoring and evaluation	28
2.12	The employee performance management and development system: micro perspective	29
2.12.1	Characteristics of an effective employee performance management and development system.....	32
2.12.1.1	Establishment of employees objectives – role definition.....	34
2.12.1.2	Signing of performance and development agreement.....	35
2.12.1.3	Development of the performance and development plan	35
2.12.1.4	Continuous monitoring and feedback – performance appraisal.....	36
2.13	Integrating of employee performance to institutional performance.....	37
2.13.1	Balanced score card	38

2.14	Employee performance management and development system`s challenges.....	39
2.15	Conclusion	42
Chapter 3 The legislative and policy framework of EPMDS in South Africa		44
3.1	Introduction.....	44
3.2	Legislation and policy framework for employee performance management and development system	45
3.3	The Constitution of the Republic of South Africa, 1996	45
3.4	White Paper on Transforming Public Service Delivery (Batho Pele), 1997	46
3.5	The framework for strategic plans and annual performance plans, 2010 ..	47
3.6	Framework for managing programme performance information, 2007 ...	49
3.7	White Paper on Human Resource Management in the Public Service, 1997.....	49
3.8	White Paper on Public Service Training and Education, 1998.....	51
3.9	Skills Development Act (97 of 1998)	52
3.10	Public Service Act (103 of 1994).....	53
3.11	Public Service Regulations, 2001	53
3.12	Labour Relations Act (66 of 1995)	55
3.13	Employment Equity Act (55 of 1998).....	55
3.14	Public Finance Management Act (1 of 1999)	56
3.14.1	National Treasury Regulation, 2001	57
3.15	Statistics Act (6 of 1999)	58
3.16	The government-wide monitoring and evaluation plan, 2007	59
3.17	National development plan- 2030 vision (NDP).....	60
3.18	Conclusion	60
Chapter 4 KwaZulu-Natal Department of Public Works: Case study		62
4.1	Introduction.....	62
4.2	The KwaZulu-Natal Department of Public Works	62
4.2.1	Structures and processes of EPMDS in the KZN province	63
4.3	Legislative mandate of the KZN Department of Public Works.....	65
4.3.1	The Government Immovable Asset Management Act (19 of 2007).....	65

4.3.2	The Construction Industry Development Board Act (38 of 2000).	66
4.3.3	The Council for the Built Environment Act (43 of 2000).....	66
4.3.4	The Professional Council Act (43 of 2006).	66
4.4	Vision and mission of the KZN Department of Public Works	66
4.4.1	Transparency	67
4.4.2	Excellence	68
4.4.3	Motivated Workforce	68
4.4.4	Sustainability.....	68
4.4.5	Accountability	68
4.5	KwaZulu Natal Department of Public Works departmental structure	69
4.5.1	Directorates and services rendered by the KZN DPW	71
4.5.1.1	Programme 1: Administration.....	71
4.5.1.2	Programme 2: Property management.....	72
4.5.1.3	Programme 3: Provision of buildings, structures and equipment (Operations)	72
4.6	Implementation of employee performance management and development system in the KZN DPW	73
4.7	Employee performance management in the KZN DPW.....	75
4.7.1	Employee performance management and development system framework, 2006 (macro level)	75
4.7.2	Department of Public Works EPMDS policy framework, 2012 (micro level).....	78
4.7.2.1	Reporting on performance of employees	81
4.7.2.2	Performance grievance process.....	82
4.7.2.3	Employee performance development.....	83
4.8	Role-players in the implementation of employee performance management and development system	84
4.8.1	The role of Premier’s Office	84
4.8.2	The role of human resources in the Department	85
4.8.3	The role of the Department of Treasury.....	87
4.8.4.1	Head of Department (HoD).....	89
4.8.4.2	Performance moderating committee (PMC).....	89
4.8.4.3	Supervisors.....	90
4.8.4.4	Union representatives.....	90

4.9	Conclusion	90
Chapter 5 Research design and methodology		91
5.1	Introduction.....	91
5.2	Research design and methodology.....	91
5.3	Study population and sampling procedures	91
5.4	Data-collection methods	92
5.4.1	Pilot study (pre-test).....	93
5.4.2	Interviews.....	93
5.5	Units of analysis.....	93
5.6	Limitations of the study	94
5.7	Ethical considerations	95
5.8	Data analysis and interpretation.....	95
5.9	Section A: pilot study (pre-test).....	95
5.9.1	Data analysis of the pilot questionnaire	96
5.10.	Findings of focus group discussions and interview	99
5.10.1	Findings from the focus group discussions with the deputy manager and the two assistant managers for human resource utilisation and capacity under programme 1: group 1.....	99
5.10.2.1	Responsibility of implementing EPMDS.....	99
5.10.2.2	Signing of performance agreements by employees.	100
5.10.2.3	Alignment of the EPMDS to the department`s performance and the translation of KZN DPW objectives.	100
5.10.2.4	EPMDS training for supervisors	100
5.10.2.5	Development of EPMDS training manuals.....	101
5.10.2.6	Impact of the EPMDS training in the implementation of EPMDS.....	101
5.10.2.7	Key requirements for a successful implementation of EPMDS.	101
5.10.2.8	Purpose of implementing EPMDS.....	102
5.10.2.9	EPMDS implementation process	102
5.10.2.10	Amendments to the EPMDS.	103
5.10.3	Findings from the focus group discussion with 3 deputy managers (Middle Management) and the 3 assistant managers (junior management) for programme 3: group 2	105
5.10.3.1	Elements of an effective EPMDS.	105

5.10.3.2	Management of poor performance.....	106
5.10.3.3	Essential in managing employee performance thus ensuring effective performance.	106
5.10.3.4	Communication and discussing performance on a regular basis.	107
5.10.3.5	Motivational key factor most likely to influence the performance of employees.....	107
5.10.3.6	Communication of the operational plan to with employees	108
5.10.3.7	Performance data collection methods.	108
5.10.3.8	Frequency of collecting performance data in a performance cycle.	108
5.10.3.9	Scoring and rating process on the EPMDS.....	109
5.10.3.10	Incentives for rewarding good employee performance.....	110
5.10.4	Findings from the focus group discussion with the three HR practitioners who are at supervisory level under programme 1.	110
5.10.4.1	Effective implementation of the EPMDS.	111
5.10.4.2	Predominant EPMDS complaints and grievances.	111
5.10.4.3	Key requirements for the successful implementation of the EPMDS. ...	112
5.10.4.4	Key aspects that underpin a successful EPMDS.....	112
5.10.4.5	Capturing of the EPMDS data in the department.	112
5.10.5	Findings from the focus group discussions with the four administration employees.....	113
5.10.5.1	Satisfied with the management and the implementation of EPMDS.....	113
5.10.5.2	Process to be followed in order to ensure the EPMDS is effective and efficient.	113
5.10.5.4	Performance agreement signed with the supervisor.	115
5.10.5.5	Average rating received in the last EPMDS review	116
5.10.6	Findings from the interview held with the director: human resources management (program 1).	117
5.10.6.1	Benefits and value of using the EPMDS	117
5.10.6.2	Integration of macro performance and micro performance.	117
5.10.6.3	Challenges that contribute to poor implementation of the EPMDS.....	118
5.10.6.4	Champions and key role players in the integration of the macro and micro EPMDS.	118
5.10.6.5	Requirements of a successful EPMDS.....	119
5.10.6.6	Performance moderation committee.	119

5.10.6.7	Management of performance grievances	120
5.10.6.8	Management of unsatisfactory or poor performance by the supervisor..	121
5.10.6.9	Repercussions for non-compliance to the EPMDS policy framework. ..	121
5.10.6.10	The use of one EPMDS for all government departments.	121
5.11	Conclusion	122

Chapter 6 Evaluation (discussion) of implementation of the EPMDS in the KwaZulu-Natal Department of Public Works 123

6.1	Introduction	123
6.2	Employee performance management policies	123
6.3	Perception and understanding of EPMDS	125
6.4	Implementation of the EPMDS	128
6.4.1	Role-players in the implementation of EPMDS	129
6.4.2	Integration of the EPMDS processes	130
6.4.3	Performance monitoring processes	131
6.4.4	Performance measurement	131
6.4.4.1	Scoring/rating	133
6.4.4.2	Performance reviews	134
6.4.4.3	Performance appraisal meeting	136
6.4.5	Lack of communication and commitment from supervisors	137
6.4.6	Performance management training	139
6.4.7	Personal development plans (PDPs)	140
6.4.8	Administration of grievances	141
6.4.8.1	Disciplinary action	142
6.4.9	Performance data system	142
6.5	Conclusion	143

Chapter 7 A Normative approach (recommendations) to the EPMDS challenges in the KwaZulu-Natal Department of Public Works..... 144

7.1	Introduction	144
7.2	Performance management policies	145
7.2.1	Institutionalisation of EPMDS in the Department	146
7.3	Perception and understanding of EPMDS	146
7.4	Process of the EPMDS	147

7.4.1	Role players in the EPMDS	147
7.4.1.1	Role of the Premier’s office and the HOD.....	148
7.4.1.2	Senior managers	148
7.4.1.3	Supervisors.....	148
7.4.1.4	Employees.....	149
7.4.1.5	Human resource management section.....	149
7.4.2	Integration of EPMDS processes	153
7.4.2.1	Combined technique (MBO & Goal-setting) for integration of performance	154
7.4.3	Performance monitoring	155
7.4.4	Performance reviews.....	156
7.4.4.1	Performance appraisal meetings	157
7.4.5	Improvement of communication and commitment from supervisors.....	157
7.4.7	Personal development plan	161
7.5	Proposal for an automated performance management system	162
7.6	Summary of the study	165
7.6.1	Chapter 1	165
7.6.2	Chapter 2.....	166
7.6.3	Chapter 3	167
7.6.4	Chapter 4.....	167
7.6.5	Chapter 5	168
7.6.6	Chapter 6.....	168
7.6.7	Chapter 7.....	169
7.7	Conclusion	169
	References.....	171
	Annexures	182

List of figures

Figure 2.1: The performance management and development cycle	23
Figure 2.2: The cascading steps of performance planning	25
Figure 2.3: Logic model (outcome sequence chart).....	28
Figure 2.4: Linking employees performance to a public institution`s performance....	30
Figure 2.5: Employee performance management and development phases	31
Figure 2.6: Employees performance and development cycle	32
Figure 2.7: The stages of the employees` performance management and development process.....	33
Figure 4.1: DPW cascading process of the EPMDS from macro to micro.....	64
Figure 4.2: Departmental senior management structure.	70
Figure 4.3: The process of performance management in the KZN Department of Public Works (Macro).....	74
Figure 4.4: KZN DPW key performance information concept.....	77
Figure 4.5: DPW human resource organogram	86
Figure 4.6: Key performance information concepts	88
Figure 5.1: Number of years of experience	98

LIST OF TABLES

Table 4.1: KZN DPW staff breakdown	70
Table 5.1: Focus groups and interview respondents	94
Table 5.2: Pilot questions to respondents	96
Table 5.3: Amendments to the EPMDS policy (existing vs new)	104
Table 5.4: Training received highlighted in your PDP	114
Table 5.5: Performance agreement	115
Table 5.6: Performance review rating.....	116

LIST OF ADDENDA

Annexure A: Letter requesting authorisation and approval by HoD	182
Annexure B: HRD study approval and support letter	183
Annexure C: Pilot study questions to respondents	184
Annexure D: Checklist for EPMDS documents submission compliance	185
Annexure E: A sampled circular highlighting the EPMDS implementation challenges in the KZN DPW	186
Annexure F: Letter to respondents booking interview date	187
Annexure G: Data collection tool	188

ABBREVIATIONS

APP	Annual Performance Plan
DMC	Departmental Moderating Committee
DPSA	Department of Public Service and Administration
DPME	Department of Performance Monitoring and Evaluation
DPW	Department of Public Works
EA	Executive Authority
EMPDS	Employee Performance Management and Development System
EXCO	Executive Committee
GAF	Generic Assessment Factor
GWM&E	Government-Wide Monitoring and Evaluation
HoD	Head of Department
HRD	Human Resource Development
HRM	Human Resource Management
IRC	Intermediate Review Committee
KRA	Key Result Area
KZN	KwaZulu Natal
LRA	Labour Relations Act, 1995
M&E	Monitoring and Evaluation
MEC	Member of the Executive Council
NPM	New Public Management
PA	Performance Agreement
PDP	Personal Development Plan
PFMA	Public Finance Management Act, 1999
PG	Provincial Government
PM	Performance Management
PMS	Performance Management System
PSA	Public Service Act, 1994
PSC	Public Service Commission
PSR	Public Service Regulations, 2001
RSA	Republic of South Africa

CHAPTER 1

INTRODUCTION AND PROBLEM STATEMENT

1.1 INTRODUCTION

Internationally, public sector institutions are developing performance systems and strategies to enhance the quality of goods and services they deliver to their citizens (Morra-Imas & Rist, 2009:105). Governments have a duty to develop and implement policies that will improve service delivery (Crous, 2004:575). According to the Department of Treasury 2017 Budget Report (RSA, 2017:1), the South African government has negatively been affected by the impact of the economic recession in 2008, which has caused a huge deficit in tax revenue. This is evident in the reductions of budget baselines of national, provincial and local governments. This necessitated provincial government departments to plan effectively in order to optimise the utilisations of their human resources in ensuring efficient service delivery. It was evident that this could be achieved by developing and implementing an effective employee performance management and development system (EPMDS) (Mayne & Goni, 2017:13). Tovey, Uren and Sheldon (2010:4) argue that EPMDS is a powerful tool that connects employee performance to the public institution's performance.

The importance of the EPMDS is confirmed by Armstrong (2009:9) describing “Performance management as a systematic process for improving public institution's performance by developing the performance of employees.” One of the reasons this definition has been widely accepted is because it emphasises the issue of combining employee performance to public institution`s performance in the achievement of public institution`s goals. ‘Alignment’ is a key ingredient in implementation of a successful EPMDS, as the alignment of the employee`s performance to the objectives of the public institution is crucial. If that connection between the public institution`s goals and employee`s contribution is weak or absent altogether, this has the potential to impact adversely on both the performance of employees and that of the public institution. The objective of this study is to evaluate the implemented EPMDS in the Department of Public Works of Kwa-Zulu Natal Province and whether it contributes to the enhancement of service delivery. This chapter includes background information, aim of the study, research questions and objectives, research design and methodology, and outline of chapters.

1.2 BACKGROUND

The South African (RSA) government is under continual pressure to improve the performance of public institutions and the quality of goods and services delivered, but has limited resources (Van der Waldt, 2014:2). This necessitated the Department of Public Service and Administration (DPSA) to introduce and implement the EPMDS so that the needs of the public can be catered for (RSA, 2007a:1). According to Tovey *et al.* (2010:4), EPMDS is a powerful tool that connects an employee performance to the overall public institution's performance. Bhengu (2015:2) citing Curtis (1999) argues that this is the responsibility of supervisors in public institution`s to ensure there is a connection of employees performance to the public institution's performance. Effective service delivery in the public sector is not possible without a sound EPMDS (Mayne & Goni, 2017:13).

Rao (2004:17) argues that supervisors have a perception that it is simple to implement the EPMDS, since it deals with only one aspect of performance management. The challenge arises when it must be aligned with the public institution's performance, which needs all systems to be coordinated towards meeting one objective. O'Boyle (2016:45) stresses the point that if employees are unable to deliver, the ripple effect is negative for the public institution's performance. On the other hand, Muller, Bezuidenhout and Jooste (2011:343) argue that of all the processes involved in the EPMDS, the performance appraisal is the most challenging supervisors to implement effectively. This has led to supervisors avoiding doing the performance appraisal, as it requires an ongoing process of engagement with the employee (Muller *et al.*, 2011:343). Bussin (2012:148) supports the above notion that effective implementation of an EPMDS may seem simple, but it is elusive, time-consuming and requires commitment. The EPMDS is a vital tool for developing effective and productive employees in order to ensure that the objectives of public institutions are realised. The aim of EPMDS in the public sector is to provide a framework that improves employees' performance and thereby contribute towards service delivery. Even though there are numerous processes and policies that guide the EPMDS, which are discussed in chapter 3, there are still challenges that affect the system. An argument presented by Muller *et al.* (2011:343) is that the selection of the most suitable instrument for assessing EPMDS can limit the negative outcomes of a biased employee assessment process. Mwangi and Kiambati (2015:1) argue that the success of the public sector depends on the

institution's ability to utilise its human resource skills. Deb (2008:16) stresses that effective employee performance management and development creates a competitive advantage for public institution, but this does not come about automatically; it needs to be developed, monitored and integrated to the overall EPMDS. It is therefore significant to link employee performance (micro performance) to public institution's performance (macro performance) and to manage both at the same time, but independently. In the light of the above background, an evaluation of the implementation of the EPMDS used by the KZN Department of Public Works is necessary to identify the challenges that affect the implementation of the EPMDS.

1.3 PRELIMINARY LITERATURE REVIEW

This study evaluated the EPMDS that is currently being implemented by the Department of Public Works in KwaZulu-Natal province, with the focus being on employee performance. A good point of departure is to review the theoretical framework for an EPMDS. A theoretical argument presented by Grobler and Warnich (2011:293) is that the "EPMDS is the process that significantly affects the public institution's success if it is not implemented properly; it requires supervisors and employees to work together to set expectations, review results and reward employees performance". The implementation of EPMDS in the public sector has encountered several unforeseen challenges and has had some unintended consequences (Van Thiel & Leeuw, 2002:118-119). Van Thiel and Leeuw (2002:118) argue that these unforeseen consequences and unintended challenges have negatively affected the public institution performance. The major asset of a public institution is its employees and for the public institution to be able to achieve its objectives, the performance of employees is crucial. The EPMDS entails the processes of planning, budgeting, reporting, assessment, reviewing, rewarding and developing performance (Schneier, Beatty & Baird, 1987:231). In other words, these processes are portions of a greater performance management process and are expected to be entrenched in the overall EPMDS (Armstrong, 1996:176).

1.4 OVERVIEW OF LEGISLATION ON EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM IN SOUTH AFRICA

The purpose of this section is to provide a basis for comprehension of the issues concerning statutory and regulatory requirements pertaining to EPMDS. To operationalise and substantiate the research objectives of this study and further

introduce legislative framework that have a direct bearing on the development and implementation of the EPMDs. This section provides a brief overview of the legislative framework that drives and guides the EPMDs in RSA. The aim is to explain the context and perspective of the study. The public sector in South Africa has comprehensive prescripts for managing employee and public institution performance (Public Service Commission, 2007:1).

Several performance management frameworks have been promulgated to steer the EPMDs process and to ensure that the objectives of the South African government are realised by effectively managing the performance of employees thus enabling the delivering of goods and services to the public (Erasmus, Swanepoel, Schenk, Van der Westhuizen & Wessels, 2005:270). Erasmus *et al.* (2005: 270) argue that at the foundation of EPMDs is the Constitution of the Republic of South Africa (1996). The South African Constitution, 1996 (RSA, 1996) sets the tone for the establishment, management and governance of public administration. The Public Service Act, 1994 (103 of 1994) has a crucial part in regulating the employment of public employees and the stipulation of the EPMDs processes in the public sector (RSA, 1994). The Public Service Regulations, 2001 are subordinate to the Public Service Act, 1994 (103 of 1994) and provides detailed explanations and guidance on the implementation of EPMDs in the public sector. The Public Service Regulations, 2001 enables supervisor to manage the performance of their departments effectively and efficiently (RSA, 2001a). The Public Service Regulations, 2001 addresses a number of key performance principles on which the implementation of performance management must be based. Section 72 of the Public Service Regulations, 2001 provides a structure for managing performance in the public sector. Section 72 of the Public Service Regulations, 2001 provides a guideline for structuring, signing of performance contracts and managing agreements between the employee and the supervisor.

The White Paper on Human Resource Management in the Public Service, 1997 provides a policy framework that supports the public service to develop human resource practices, which in turn supports the development of a professional public service (Van der Waldt & Du Toit, 1999:386). The intention of the White Paper on the Transformation of the Public Service, 1995 is to establish a planning framework that will guide the development and implementation of new legislation and policies aimed

at transforming the South African public sector (Fox, Bayat & Ferreira, 2006:20). Furthermore, performance management in the South African government (Khoza & Adam, 2007:86) is supported by the Public Finance Management Act (1 of 1999) (RSA, 1999). Section 40 (3a) of the Public Finance Management Act (1 of 1999) states that the head of the department should properly present and align the predetermined objectives with the institution financial status and performance outcome at the end of the financial year. The applicable legislative, policy and regulatory frameworks that underpin the EPMDS in the public sector in South Africa are explained in Chapter 3.

1.5 THE PROBLEM STATEMENT

An assessment report by the DPSA dated 31 May 2001 on the state of readiness of government departments to “implement the EPMDS” revealed that the public sector has a history of ineffectively managing the performance of employees (RSA, 2001b:1). This has also been the case with the KZN Department of Public Works, according to the service delivery improvement strategy report that was developed by the HR section to enhance and nurture the performance of employees in the department (KZN DPW, 2006a:2).

A series of service delivery improvement workshops have been conducted by the KZN Department of Public Works since 2006, the purpose being to train the supervisors and employees in order to enhance the Department`s performance (KZN DPW, 2006a:2). The notional background to these workshops was that the EPMDS was poorly implemented and there was no alignment between employee performance (micro performance) and Department`s performance (macro performance). According to the minutes of the KZN DPW (2006a:2), the department has been unsuccessful in meeting its performance targets. Years later, these challenges still persist. The human resource section has attributed this challenge to the ineffective implementation of the EPMDS in the department. This challenge was then explained as supervisors being unable to effectively implement and comprehend the purpose of the EPMDS. The implementation of EPMDS is a function and responsibility of supervisors together with employees. Performance must be managed properly in order to effectively influence the employee and hence implementation of the EPMDS is at the centre of improving service delivery by the department.

Against this background, the EPMDS serves as an enabler for service delivery improvement and public institution`s performance. Employees from the performance management section under programme 1, which deals with the EPMDS administration issues, recommended that for the EMPDS to be productive for the department, it must be aligned to department`s activity with the available human resources to achieve the desired goals. The argument was further elaborated by the employees from the performance management section that if the supervisor and employee are unable to undertake the implementation processes of the EPMDS, the department will continue being unable to meet its objectives. According to Verweire and Van den Berghe (2004:2), there are many reasons why supervisors are unable to utilise the EPMDS; one of the reason stipulated is the lack of EPMDS implementation training which contributes to the inability to develop performance targets and appropriately review progress of employee against set performance targets. According to Sahu (2007:1), EPMDS is a vital instrument in moving the public institution from planning to execution. This study evaluates the implementation of EPMDS at the Department of Public Works in KwaZulu-Natal. The objective is to identifying the challenges that affect the implementation of the EPMDS. The approach to the study is based on the fact that the EPMDS has been fully adopted throughout the Province of KwaZulu-Natal, but there are still challenges that contribute to the ineffective implementation of the system.

1.6 THE RESEARCH QUESTIONS

- What does the literature revealed on the EPMDS?
- The extent to which EPMDS influences the performance of public institutions and in particular KZN Department of Public Works?
- What does the PMS entail in its conceptual meaning and application in the public service?
- How is the EPMDS applied in the KZN Department of Public Works?
- What are the challenges facing the EPMDS in the KZN Department of Public Works?
- What is the solution to resolving the EPMDS problems encountered by the KZN Department of Public Works?

1.7 AIM OF THE STUDY

The aim of this study is to evaluate the implementation of EPMDS in the KwaZulu-Natal Department of Public Works. The researcher also investigates the level of institutionalisation of the EPMDS by the KZN Department of Public Works. This research will further explore the challenges to the implementation of the EPMDS at the KZN Department of Public Works. The system has been fully implemented throughout the province of KwaZulu-Natal and in all departments, but there are still challenges that contribute to its ineffective implementation. Lastly, the researcher will provide recommendations to resolve the identified challenges.

1.8 RESEARCH OBJECTIVES

- To explore the literature on EPMDS and the influence it has on public institution performance;
- To analyse the EPMDS legal framework in the public sector and in KZN province;
- To evaluate the impact of the EPMDS on the KZN Department of Public Works;
- To recommend solutions for an effective EPMDS for the KZN Department of Public Works.

1.9 SIGNIFICANCE OF THE STUDY

Based on the challenges mentioned it could be deduced that this study was worth conducting, as it would establish challenges that impede the implementation of the EPMDS in the KZN DPW. Furthermore, there have been several interventions by the HR section in the KZN DPW to resolve the EPMDS challenges (KZN DPW, 2006a:2). These challenges were explained by the HR section that the cause of ineffective performance by the department could be attributed to implementation of the EPMDS by supervisors. This study will contribute to the implementation improvement of the EPMDS in the KZN DPW by identifying challenges and providing solutions.

Padovani, Yetano and Orelli (2010), cited by Bhengu, (2015:4) argued that to comprehend the challenges impacting on the implementation of EPMDS in the public sector, the meaning of an effective PMS must be defined and understood. A review of the literature on performance management showed that there was consensus among performance management scholars that a functional EPMDS in the public sector can be judged on how successfully a public institution achieves its obligations by utilising its

human resources effectively (Lusthaus, Adrien, Anderson, Carden & Montalvan, 2002:16). Therefore, it was important to evaluate the performance management and development system that is currently being implemented by the Department of Public Works and provide solutions to resolve the performance management challenges.

1.10 POPULATION AND SAMPLING PROCEDURE

The study area at the KZN DPW in Pietermaritzburg was selected, since it was close and accessible from the researcher's place of work and residence. The study population was limited to the KwaZulu-Natal Department of Public Works head office employees, which is a controllable sample given the limited time and resources available to complete the study. The KZN Department of Public Works is structured into three programmes: programme (1) administration; (2) property management; and (3) operations, which is responsible for the delivery of integrated infrastructure planning and management for the KZN Province.

This study population focused on the head office employees only and it used a sampled list of supervisors and employees in programme 3 (operations) which is the core function of the DPW and also included programme 1 (administration) employees because of their role in the EPMDS implementation. The respondents were selected based on availability and willingness to take part in the study (Bernard, 2000:127). A non-probability sampling method was used as respondents were conveniently selected. These respondents were selected after participating in the pilot study that was conducted prior to the study.

1.11 RESEARCH DESIGN AND METHODOLOGY

Gorard (2013:10) emphasises that the research design is a way of organising a study. The purpose is to generate reliable evidence that will support and provide convincing answers to the research questions. This is supported by Mouton (2001:56), who says that the research design is focused on the final results. The research design of this study is qualitative; the researcher analysed and described the implementation of the EPMDS in the KZN DPW. A qualitative study was found to be suitable, because the researcher intended to interact with and gain the respondents' perspectives on the topic in their natural setting and in their own terms. Prior to the study the researcher conducted a pilot study by emailing a set of questionnaires to 30 selected respondents. The purpose of conducting a pilot study was to assist the researcher to pre-test the questions, refine one

or more aspects of the final questions to be used and select respondents for the focus groups. The outcome of the pilot study enabled the researcher to select the respondents as focus groups to be included in the final study. According to Van der Waldt (2014:10), it is essential to establish clarity and address possible misunderstanding of questions by piloting the questions first. Seventeen respondents responded from the pilot research questionnaire and these respondents were then selected for the final study.

The researcher also performed a content analysis by studying KZN DPW reports (strategic plans, annual reports and operational reports) and HR planning documents. The researcher was able to extract valuable secondary data from the annual performance reports, operational reports, service delivery improvement plans and the human resource sectional performance analysis reports. In qualitative research data analysis and interpretation are presented in the form of themes, categories, words and interpreted accounts. A case study research design of KZN Department of Public Works was used in this research. A pilot study (quantitative) and four focus group discussions were conducted as well as one semi-structured interview with the HR Manager. Focus group respondents were grouped in terms of their post level from programme 1 and programme 3.

1.12 RELIABILITY AND VALIDITY

Bhattacharjee (2012) cited by Sisa, (2014:321) defined reliability as the extent to which the measure of a construct is consistent or dependable. Oliver (2008:68) citing Van As and Van Schalkwyk, (2001) argues that if a test model or measurement is reliable, it means that it is consistent supplying the same answer at different points in time. Reliability and validity are important in social science research to determine data quality and ensure meticulous analysis and a reliable conclusion. Reliability and validity depend on the accuracy and trustworthiness of the instruments of data collection (Bernard, 2000:46). Extensive field notes were compiled through prolonged engagement and persistent observation with selected respondents. This enabled the researcher to collect raw data to enhance the validity and reliability of the study. The environment of the focus groups discussions and the semi-structured interview enhanced the validity of the findings. Face validity was confirmed upon meeting with respondents during the data-collection process and observing their behaviour to be positive. The anonymity of respondents and the independence of the researcher were

preserved to ensure that results were trustworthy. The researcher conducted a pilot study from a sampled group of employees to identify probable challenges in the research design to ensure that the measurement instruments produce reliable data. As an employee of the Department, the researcher is well known to the respondents and this enabled the researcher to build trust, which led to obtaining reliable data.

1.13 LIMITATIONS OF THE STUDY

The researcher conducted a case study on the Department of Public Works in KwaZulu-Natal. The study was limited to the KwaZulu-Natal Department of Public Works, head office programme 1 and 3 employees only. The results of the study may not be generalised to all public institutions, because of the unique nature of each public institution. The study did not include programme 2 directorate and the four regional office employees.

1.14 ETHICAL CONSIDERATIONS

Ethical requirements were taken into account by the researcher during the research. All respondents were notified in advance of the interviews. Permission was obtained from the accounting officer of KZN DPW and the study was supported by the Director Human Resource Development. This was done to ensure the integrity of respondents' contributions.

1.15 OUTLINE OF CHAPTERS

Chapter 1

Chapter 1 provides an introduction and the background to this study. The purpose and the problem statement are explained in this chapter. Chapter 1 also explains the research questions, aim and objectives as well as the significance of the study. This chapter explained the research design and methodology used and the chapter layout.

Chapter 2

The chapter presents a literature review on EPMDS. The definition and the meaning of the EPMDS is stipulated then analysed. A brief history and a background of the EPMDS is discussed. The advantages and the challenges of the EPMDS are explained. The chapter is structured to narrate the whole process of the EPMDS, beginning with the macro performance level and then the micro performance.

Chapter 3

Chapter 3 explains the legislative and policy framework that give effect to the implementation of EPMDS in the South African public sector.

Chapter 4

Chapter 4 explains in detail the province of Kwa-Zulu Natal, role of the Department of Public Works and the type of EPMDS that is implemented by the Department. The institutional structure and systems of the department are also discussed in this chapter.

Chapter 5

Chapter 5 describes the data-collection and methods used, and presents results based on the KZN DPW. The chapter describes the procedures followed during the data-collection processes.

Chapter 6

Chapter 6 discusses the results and findings of Chapter 5. Chapter 6 further provides an evaluation of the EPMDS in the KZN DPW in order to conduct a comparison with the literature examined in Chapter 2, policies on EPMDS and the case study. Themes are formulated in this chapter to discuss the findings. Chapter 6 offers an analysis in relation to the legislation that was explained in Chapter 3 and the data collected from Chapter 5.

Chapter 7

Chapter 7 discusses the concluding remarks and recommends the approach that must be used by the Department of Public Works to improve the implementation of the EPMDS.

CHAPTER 2

LITERATURE REVIEW OF PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEMS

2.1 INTRODUCTION

Scholars such as Williams (2002:1) and Van der Waldt (2014:4) argue that the concept of ‘performance’ has different dimensions and applications. Both authors note there are two areas of EPMDS on which attention is focused. The first is public institutions’ performance and then employees’ performance. The aim of Chapter 2 is to provide an overview of the theoretical framework of EPMDS. The chapter will begin by explaining the theoretical background to EPMDS and then defines common definitions to which most authors agree on. The chapter outlines the core elements of EPMDS, with an emphasis on performance planning, the purpose of performance management and new public management (NPM). Lastly, the emphasis will be on the EPMDS, which is the focus of this study. The literature on EPMDS explained in this chapter describes the EPMDS cycle, and the design and development of the EPMDS.

2.2 BACKGROUND OF PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

According to Beer and Ruh (1976:60) and Armstrong and Baron (1998:43), the notion of performance management and development of employees in the workplace can be traced back to ancient times. The concept “performance management and development” was first coined in 1976 by Beer and Ruh (1976:60) in their study of the EPMDS that was in place at the Corning Glass Works in the United States of America, entitled *Employee Growth Through Performance Management*. According to Beer and Ruh (1976:60), the purpose of developing the EPMDS at Corning Glass Works was to counter the challenges of management by objectives (MBO). On the other hand, Armstrong (2009:2) argues that documented evidence of EPMDS can be traced back to the early 1960s. Demartini (2014:1) describes the changes that occurred in the field of EPMDS over the years as the performance management revolution. The author explains that this is due to competitive pressure that encouraged public institutions` to adapt to new systems and innovations in order to survive. Authors such as Bhattacharyya (2011:9) and Sahu (2007:1) argue that historically EPMDS was established to support the process of wage agreements between employees and employers. This then led

Hunter (2012:185) to state that performance is the amount of effort that employees` apply to achieve certain work standards. It is difficult to achieve high levels of performance, if the EPMDS is poorly designed and implemented. In fact, the EPMDS targets the improvement of the results of employee`s performance output by linking these efforts to the public institution`s goals and objectives. The EPMDS enables the process whereby the performance of the employee can be improved by ensuring effective communication, learning and working arrangements and development as well as recognising and rewarding their efforts. According to Sahu (2007:1), the idea of EPMDS has been acknowledged as an important intervention in the area of HRM.

2.3 DEFINITION OF PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

A critical review of the literature makes it evident that performance management scholars have not reached a consensus on how it should be defined (Demartini, 2014:9). However, there are some common trends detected in the literature that could be used to define a comprehensive EPMDS. Padovani *et al.* (2010) cited by Bhengu, (2015:16) argue that to comprehend the challenges affecting the implementation of an EPMDS in the public sector, it is necessary to define the concept of an effective EPMDS. According to Rao (2004:10), EPMDS includes thinking through different aspects of performance, recognising important areas of performance management, reviewing and enhancing performance-related competencies (Rao, 2004:10).

The EPMDS includes a process of adopting targets and objectives, providing feedback, offering advice and encouraging employees to perform at high levels (Storey, 2005:48). Deb (2008:39) describes EPMDS as the complete and collective method, system and approach of aligning employee goals with public institution`s targets and objectives in such a way that employees are dedicated to improving public institution performance. The EPMDS incorporates all structures that will ensure that public institution`s strategic objectives are achieved in an efficient and effective manner. Grobler and Warnich (2011:293) describe the EPMDS as a system that has an impact on public institution`s performance, it requires supervisors and employees to work together to manage effectively, review results and reward performance.

On the other hand, Rao (2004:10) argues that the EPMDS is a process of managing what is expected to be delivered. Van der Waldt (2014:5) citing Kanyane and Mabelane

(2009) states that the performance management and development system is an integrated framework that aims to measure the performance of both the public institution and of its employees.

Demartini (2014:9) defines a EPMDS as the evolving formal mechanisms, processes, systems and networks used by public institution`s for conveying and implementing the key objectives. Sahu (2007:1) defines EPMDS as that system, which combines planning, measuring, monitoring and evaluation of set goals. Armstrong and Baron (2005:14) define the EPMDS as “A comprehensive, continuous and flexible approach to the management of the public institution, teams and employees which involves the maximum amount of dialogue between those involved”. Grobler and Warnich (2011:293) define “EPMDS as the process which can greatly impact on the public institution`s success if it is not implemented properly; it requires supervisors and employees working together to set expectations, review employees results and reward effective employees performance”.

The EPMDS requires an understanding of competencies that are essential to the job or tasks associated with that job (Rao, 2004:53). It is a process of developing competencies generating the motivation required for optimal performance of employees. Kandula (2006:5) and Sahu (2007:4) argue that the EPMDS is a process of developing executive strategies with the objective of transforming the raw potential of human resource into processed invention. According to Verweire and Van den Berghe (2004:2), there are many reasons why public institutions are unable to meet their performance targets, one being the inability to align employees' and public institution's performance.

2.4 PURPOSE OF THE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

In order to comprehend the true essence of performance management, it is essential to recognise the purpose of the EPMDS. According to Walker, Boyne and Brewer (2010:1), there is an increasing body of literature that is being accumulated that supports the idea that an effective EPMDS result to a higher level of public institution`s performance. The public institution`s performance is the overall target that must be achieved by the implementation of the EPMDS. Okyere-Kwakye (2009:22) argues that public institution`s performance involves the actual output or outcomes of a public institution as measured against its planned outputs (or goals and objectives). Public

institution's performance in the public sector can be viewed as how successfully a government department achieve its strategic objective, achieve its mission and how well the human resources are utilised (Lusthaus *et al.*, 2002:16).

Kusek and Rist (2004:12) argue that the purpose of performance management can be viewed as means to track the utilisation and distribution of resources; these can be either human resource or financial resources with the aim of attaining the public institution's objective. O'Boyle (2016:46) argues that the degree of success that the public institution can attain in applying the elements of the performance management can be traced in the utilising of its human, financial and technical resources to service stakeholders needs, meeting the public institution's objectives, and generating a culture where the emphasis is on creating permanent practices of success. There are critical elements that ensure an effective public institution's performance: management, structure of the institution, employees and performance measurements including performance monitoring systems. It can therefore be said that the means to achieve various end goals become more important than focusing on one specific resource end goal.

2.5 EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM IN THE PUBLIC SECTOR.

A background to performance management helps one understand the importance of the EPMDS in the public sector. The majority of high-performing institution's, whether in the public or private sector, have an effective EPMDS that is developed and implemented effectively (Artley and Stroh, 2001:i). Furnham (2004), cited by Bhengu, (2015:14) argues that the adoption of explicit performance management in the public sector began in the 1970s in North America, followed later by the countries in Europe. According to Borgonovi, Anessi-Pessina and Bianchi (2018:ix), the public sector uses the EPMDS to measure, analyse and evaluate the effectiveness of employees. Moore (1998) cited by Van Dooren, (2006:13) argues that the EPMDS in the public sector is about creating public value, just as performance in the private sector is about creating private value. The author argues that public value is created when a public institution effectively delivers on its services, whereas private value is created when a private institution expands its profits (Van Dooren 2006:13). According to Van der Waldt (2004:64), public institution's mandate is on providing public services and goods unlike the private sector which produces goods for profit. Radebe (2013:5) citing De Waal

and Gerritsen-Medema (2006) and Ingram and McDonnell (1996), argues that in order to optimise the success of EPMDs in the public sector, the public institution must adopt a performance-driven culture to be embedded in all structures of EPMDs.

Munzhedzi (2011:14) citing Simeka Management Consulting (2004) argues that EPMDs in the public sector must not be seen as an authoritative framework for compliance by supervisors rather as tool to manage performance of employees effectively. The author states that when EPMDs in the public sector is considered as an authoritative compliance framework, it creates numerous complications that obstruct the effective application and implementation by supervisors (Munzhedzi, 2011:15). It is clear from the literature that performance management in the public sector emphasises the accountability of public institution`s to their clients and delivery of services to the public. The literature also supports the view that EPMDs in the public sector should allow the performance information of a public institution to be available to the public and should create a platform for easy access to this information.

2.6 EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM AND THE NEW PUBLIC MANAGEMENT (NPM)

The inclusion of the new public management (NPM) in the performance management literature is an indication that the two are closely related as both aim to improve the efficiency and effectiveness of public institution, thus improving service delivery (Walker, Boyne & Brewer, 2010:10). The relationship between EPMDs and the NPM becomes evident when studying the literature on EPMDs. According to Christensen and Laegreid (2010:1) NPM is a general concept denoting a movement of administrative reforms that have had an impact on the public sectors over the last few decades. It is important to note the crucial aspects of NPM, which coincide with the values of the EPMDs (Christensen & Laegreid, 2010:1):

- Targets to enhance effectiveness and efficiency of public institutions;
- It enhances the responsiveness of the public institutions to its clients;
- Aims to reduce fruitless expenditure, thus giving value for money;
- Aims to improve the accountability of managers in the public sector.

New public management gained popularity in the field of public management because of its innovative ideas on incorporating private sector traits, such as effective performance management, within the public sector, thus maximising service delivery.

According to Kearney and Berman (2018:1), many performance strategies are grounded in the core principles of NPM. The primary motive of the NPM is the enhancement of the public sector's concentration on generating results that will benefit the public. Traditionally the public sector is known to be focused on compliance rather than on producing results, but this approach has been changed by the NPM.

2.7 EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM THEORIES

This section explains several performance management theories that are often applied by public institutions as part of EPMDs. The EPMDs level is associated with the following theories: (i) goal-setting theory, (ii) management by objectives, (iii) expectancy theory, and (iv) contingency theory (Ramataboe, 2015:31).

2.7.1 Goal-setting theory

According to Salaman, Storey and Billsbery (2005:318), goal-setting theory was introduced in 1968 by Dr Edwin Locke. Goal-setting theory is an effective tool for encouraging employees in the workplace to perform better. The theory contends that public managers are empowered in developing action plans designed to guide the employees and the public institution. Whately (2004:1), citing Bowditch and Buono (2001) emphasises that the core aspect of goal-setting theory is that employee objectives are the key factors of task-related motivation, since goals guide employees' behaviour and actions. Salaman *et al.* (2005:329) stress that goal-setting theory is an instrument of HRM, which takes the overall strategic goals of the public institution and transform them into manageable goals for employees. Salaman *et al.* (2005:318) argue that by pursuing goals, employees may be able to analyse the root cause of their shortcomings. Once the overall strategic goals have been downsized to manageable employee goals, they are then sequenced into specific, measurable, aggressive, realistic and time-bound goals (SMART).

2.7.2 Management by objectives

Researchers in the field of performance management are in accord that one of the most effective techniques developed, which integrates employees' performance to public institution, was management by objectives (Akdeniz, 2015:1). Management by objectives (MBO) is explained as an HR technique that requires managers and employees to work as a unit to develop, record and monitor goals for a specific

timeframe. Public institution goals and management objectives cascade down through the public institution and they are then converted into employees goals for the public institution. Management by objectives is a methodical and organised approach that enables managers to zoom in on critical, reachable goals and to attain the best possible results from using available resources.

Management by objectives focuses on enhancing performance by aligning the objectives throughout the public institution with the overall goals that management have projected. Management by objectives embraces the notion of allowing employees to provide input in highlighting their objectives and projected timeframes for execution. Management by objectives provides ongoing tracking and feedback in the process of reaching objectives. The overall objective of management by objective is to ensure that every employee in the public institution has a clear comprehension of the public institution's objectives and is well informed of their own roles and responsibilities. Management by objectives emphasises the following critical steps in the integration of employees' performance with the public institutional performance (Mercer, 1991:109):

- Overall public institution's goals are formulated from the strategic plan;
- Define operational goals with teams at the department level;
- Managers and employees mutually agreed on the employee performance targets that are linked to the public institution's strategy;
- Creation of an action plan;
- Constantly review performance and revise goals.

2.7.3 Expectancy theory

According to Cole (2004:44), expectancy theory is a function of three components that focus on motivation:

- The first is that the amount of determination towards meeting performance expectation enhances favourable performance results;
- The second is that employees are aware of the fact that exceptional performance will contribute to certain outcomes or rewards;
- The third is that the value of a reward is linked to employees' efforts.

Cole (2004:44) states that the notion of the expectancy theory is based on the principle that a motivated employee will be willing to pursue his/her performance targets, thus

leading to a higher level of performance, if they expect that their behaviour can result in the attainment of desired outcomes.

2.7.4 Contingency theory

Aquinas (2008:16) describes contingency theory as applicable when managerial action needs to be adjusted to the demands of a specific situation or circumstance. The author explains that public institution design and managerial actions best suited to a specific situation will have to be embraced to achieve the best possible results under the given situation (Aquinas, 2008:16). Bacher (2005), cited by Ramataboe (2015:33) suggests that contingency theory offers the platform to link human resources and the classical management theory; management decisions are dependent on the performance efforts of the employees and adapts classical management to a more flexible and uncertain environment. According to Armstrong (2003:24), contingency theory is fundamentally about the need to achieve what is important for the public institution (its strategy, culture, goals, technology, the people it employs and the external environment) and what the public institution does (how it is structured and processes, procedures and practices it puts into effect). Aquinas (2008:16) argues that contingency theory guides managers to be adaptive to the environment. Contingency theory aims to evaluate and comprehend the environment in which public institutions` function before adopting techniques, processes and practices.

2.8 ADVANTAGES OF THE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

The implementation of EPMDS benefits both public institutions and employees. According to Bhattacharyya (2011:17), an effective EPMDS provides numerous benefits to the public institution, which will eventually lead to improved productivity and service delivery for the public institution. According to Caldwell (2000:ix), an effective EPMDS presents supervisors with a clear public institution vision according to which they can plan, follow, analyse, monitor and implement the necessary strategies. Sisa (2014:67) stresses that having an effective EPMDS in place benefits the public institution by creating a focused performance culture. The author elaborates that it provides an effective tool to appraise employee performance, therefore promoting sustainable improvements in employees and public institution`s performance. The EPMDS thus improves the management and utilisation of resources.

Since the EPMDS is an ongoing process, it allows supervisors to identify performance gaps. It also gives early warning signals if there are systemic performance gaps. It provides learning opportunities for employees to develop. A good EPMDS creates a culture of productivity and successes. It provides a framework that links planning to the public institution, human, financial and technical resources, thus ensuring optimum utilisation of the employees' skills. A good EPMDS links the employees to the public institution by integrating employee management to public institution strategic planning (Deb, 2008:23).

Van der Waldt (2014:6), citing Masango (2000) argues that the significant features of a comprehensive EPMDS should comprise, among other things, performance targeting, the setting of performance standards and a performance evaluation system. According to Kusek and Rist (2004:22-23), EPMDS enables public institution to have in place a reporting system that produces accurate and relevant information on the employee performance. This is supported by Bhattacharyya (2011:18), who states that EPMDS focuses on key objectives and allows employees to respond to accurate performance information, so that the public institution can monitor the effectiveness of its programmes.

According to Grobler and Warnich (2011:14), the primary function of EPMDS is to ensure that employees are fully utilised and managed successfully. An effective HRM system plays a crucial part in employing, developing and retaining a skilled and competent workforce and improving employee's performance by creating a work environment that is contributing to encouraging positive values, attitudes and behaviours. Sisa (2014:58) explains that implementation of the EPMDS has several benefits: it ensures effective communication, feedback, monitoring, evaluation and reporting; promotes strategic use of information and communications technology; enhances accounting and audit practices; supports recruitment and selection, and recognition and reward. The EPMDS also guarantees effective integration of different subsystems of HRM to achieve public institutions' goals through optimum performance. The EPMDS consist of employee management, task monitoring, job design, motivation, appraisal and reward systems, and training and empowerment. The EPMDS aims to rectify the cause of deviations from the intended performance target by reinforcing the performance monitoring and evaluation processes, with the focus

explicitly on outcomes and impacts. This allows for the public institution to monitor how it functions as a whole (Bhattacharyya, 2011:18). Bhengu (2015:10) argues that the EPMDS must be flexible enough to adjust to unavoidable changes that occur over time in the public institution, such as leadership changes, changes in organisational structure, or unforeseen events.

2.9 ELEMENTS OF AN EMPLOYEES PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

Van der Waldt (2014:3) view the EPMDS as the integrated, systematic approach to enhance employee performance in order to achieve strategic objectives and to promote the public institution's vision, mission and values. This means that a comprehensive EPMDS must integrate the key elements that comprise the performance management framework. Van der Waldt (2004:39), citing Fox and Uys (2001), argues that the core elements of EPMDS can be distinguished as follows:

- Planning, which forms part of the strategic planning of the public institution. The purpose of planning is to allow employees to perform optimally in order to reach public institutional goals; this then enables employees to be aware of performance standards that will be measured and what the result of such measurements could be (Van der Waldt, 2004:39);
- Performance monitoring is concerned with the daily observation, recordings and pre-empting performance problems;
- Performance measurement, which involves the application of a system of measuring performance. Performance measurement assists the public institution to monitor the performance of employees. Performance measurement is a crucial element that must be taken into consideration when formulating the EPMDS;
- Performance evaluation is also an essential element of EPMDS; this is last stage of performance management cycle. This supports the public institution to evaluate the performance of employees and provide necessary feedback. Performance evaluation is a constant process where the employee's performance gets verified against the set targets to detect any shortcomings and hence institute remedial action where required (Ferreira and Otley, 2009:272).

2.10 FUNDAMENTALS OF AN EFFECTIVE EMPLOYEE PERFORMANCE AND DEVELOPMENT SYSTEM

There are certain fundamentals that must be taken into consideration when aiming to develop an effective EPMDS. According to Ferreira and Otley (2009:267), an effective EPMDS is determined by the strategic objective of the public institution, which is said to be drawn from the mission and vision statement. According to Smoke (2005:97), a vision is a statement that provides purpose and direction to the internal and the external stakeholders. Smoke (2005:97) argues that the vision and mission statement also provide guidance on how the institution should function in order to achieve the goals and objectives. Ferreira and Otley (2009:267) emphasise that employees communication is a critical elements for an EPMDS process, as it explains the expectations and allows the employee and supervisor to comprehend the anticipated behaviours or expected results. Aquinas (2008:24) states that the organisation of employees into effective working groups has always been at the core of EPMDS. According to Aquinas (2008:9), organisational structure is a fundamental component of the EPMDS, because the structure enables the assignment of duties, resources and responsibilities to the appropriate components within the public institution. The main role of the organisational structure in the EPMDS is to ensure consistent and efficient functioning of the public institution, thus creating a proper operational framework that contains reporting structures, collaboration between employees, information flows and distribution of authority with regard to the carrying out activities by employees within the institution. It should be noted that the organisational structure is an important element of the EPMDS through ensuring that there is accountability and communication.

2.11 THE EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT CYCLE: MACRO PERSPECTIVE

In order to comprehend the influence of the EPMDS towards the performance of public institution, the description of what the macro perspective entails is necessary. The overall objective of EPMDS is to contribute to the public institutions performance (macro). The EPMDS is ideally not a standalone intervention, but one that integrates various processes (subsystems) in a public institution (Malefane, 2010:3). The system aligns the roles of employees with the achievement of public institution`s objectives.

The EPMDS has direct links with numerous processes in a public institution, as illustrated in Figure 2.1. (Malefane, 2010:3).

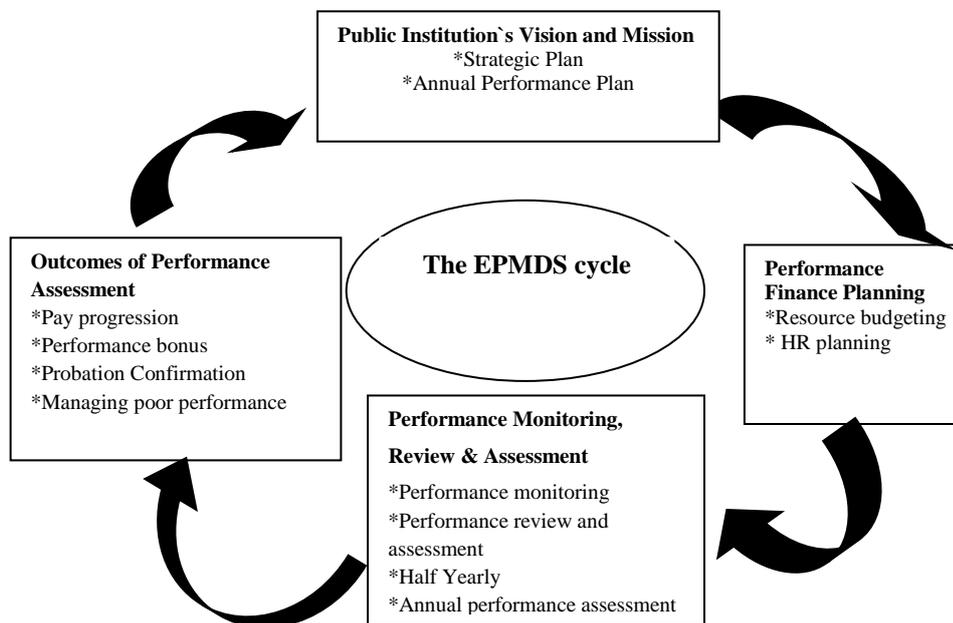


Figure 2.1: The Performance Management and Development Cycle

(Source: Armstrong, 2007:393)

Figure 2.1 depicts the EPMDS cycle in a public institution. Every public institution begins the EPMDS cycle by firstly setting the strategic plan which is a long term goal derived from the vision and mission. The strategic plan is then converted into the annual performance plan which is short-term goal that the public institution aims to achieve. Figure 2.1 depicts the fact that the public institutions' goals are aligned to individual objectives in order to attain high levels of performance. There has to be a performance measurement system in place to assess public institution based on set goals and objectives. Such measurement system assists the public institution to evaluate its performance. Employees are assessed through the appraisal system and feedback on progress made is provided in order to determine the rewards of employees (i.e. promotion and salary increase). After evaluation of employee performance, discrepancies are identified and rectified through the amendment of objectives or activities and the performance cycle continues.

Schneier *et al.* (1987:260) and Russell and Russell (2009:10) argue that performance management is a cycle, not a once-off activity. At the start of the EPMDS cycle, the purpose of the EPMDS is defined by the public institution through strategic planning, which is formulated according to the vision and mission of the public institution, as depicted in Figure 2.1.

According to Sahu (2007:4), the EPMDS is a process that commences by setting public institution`s goals, linking them to employee targets, monitoring, measuring and then implementing developmental processes or rewarding the employees. This can be seen from different range of positions that include strategy, public institution behaviour, operations management, systems, accounting and HRM (Hutchinson, 2013:1). This is supported by Bhattacharyya (2011:10), who points out that the EPMDS cycle is crucial to enhance public institution`s performance.

According to Schneier *et al.* (1987:261), (depicted on Figure 2.1) in order to ensure that the public institution attains its objective, there must be the kind of integration which will ensure that strategic planning is linked to human resource planning. This would then be linked to employee planning, thus setting employee`s performance targets. The next phase is the monitoring and reviewing of the employees` performance against the agreed set targets. To complete the EPMDS cycle, there must be a constant analysis of the employees` performance to ensure that it continues to contribute to the public institution performance. According to Armstrong, (2007:393) and Schneier *et al.* (1987:261), in order to ensure the EPMDS accommodates the development of employees` performance (see Figure 2.1), it must incorporate the elements of the EPMDS cycle as depicted in Figure 2.1 which are listed below; details of each will be provided in this section.

- Performance planning;
- Performance measurement;
- Performance monitoring and evaluation.

2.11.1 Performance planning

Ramataboe (2015:16), citing Fox and Uys (2002) argues that performance planning is a significant component blueprint of the EPMDS as it forms the foundation of the whole system and focuses on establishing performance targets to be accomplished within an agreed period. This is supported by Armstrong (2006a:32), who indicates that

performance planning should indicate the amount of time, task and resources needed to attain targeted goals.

Abraham (2012:8) emphasises the importance of public institution not only to plan but also to ensure the implementation of what was planned. The purpose of planning is to anticipate the future impact of current decisions (Steiner, 1979:13). Performance planning must involve the overall public institution's plan that logically cascades down and translates indicators to functional departments and ultimately to employees. Figure 2.2 illustrates the cascading steps of performance planning.

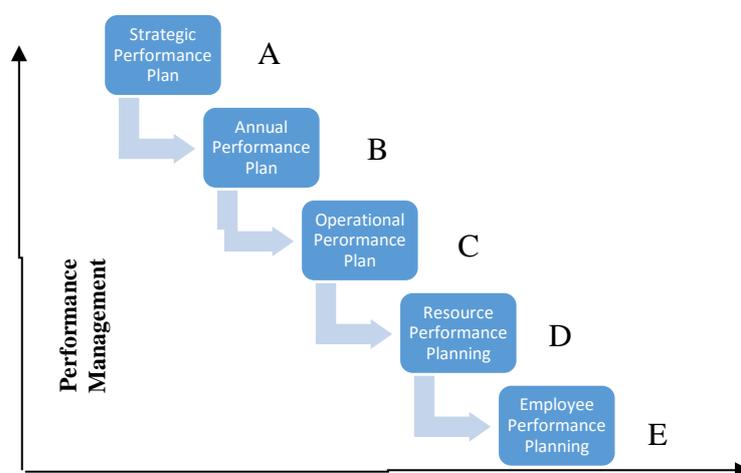


Figure 2.2: The cascading steps of performance planning

(Source: Adapted from Van der Waldt, 2004:353)

2.11.1.1 Strategic performance planning

The process of performance planning begins with the development of the public institution's strategic plan. Bryson (2004:6) defines strategic planning as "a disciplined effort to produce fundamental decisions and actions that shape and guide what a public institution is, what it does, and why it does it". Abraham (2012:10) defines strategy as "how a public institution plan to compete". According to De Waal (2007:5), strategic planning is the process in which the direction of the public institution takes place through the systematic definition of the strategy and objectives. It therefore transforms the public institution's strategic objectives into measurable employee performance targets. The crux of formal strategic planning is the systematic identification of goals and challenges that lie in the future, which in combination with other relevant data provide a basis for public institution's to develop an efficient annual performance plan

(Abraham, 2012:11). Public institution`s strategic planning allows the anticipation of future requirements and to adjust to the internal and external environment in the process of reaching objectives (Van der Westhuizen & Wessels, 2011:12).

2.11.1.2 Annual performance planning

Annual performance plans (APP) are guided by the strategic plans. The APP focuses on targets for the performance cycle. Annual performance plan stipulates the performance indicators and goals that the public institution aims to accomplish in the coming performance cycle. According to Van der Waldt (2004:353), APP assists in measuring the performance indicators and the goals that the public institution planned to achieve in the performance cycle.

2.11.1.3 Operational performance planning

Tovey *et al.* (2010:49) define the operational plan as the tool that allows public institutions to effectively utilise their available human resources. It is a systematic process that allocates each activity to its place or employees. In simple words, “An operational plan is an action plan for the public institution’s employees” (Tovey *et al.*, 2010:49). According to Anderson, Anderson and Parker (2013:1), the operational plan is the neurological system of the EPMDS. It coordinates the functioning of the whole public institution. The main aim of the operational plan is to guide the employees in the performance of their daily tasks. The operational plan involves the itemisation and detailing of activities to be undertaken or goods and services to be provided by the departmental units to achieve programme objectives. The operational plan enables the public institution to allocate the human resource accordingly.

2.11.1.4 Resource performance planning

Supervisors in the public institutions have realised that management of resources is an essential tool to improving service delivery (Moeti, Khalo, Mafunisa, & Makondo, 2007:22). Proper budgeting is a vital part of the EPMDS, as efficient budgeting allows public institutions to deliver goods and services. Kelly and Rivenbark (2011:160) describe performance budget as funds that are reserved to assist in the skills development of the employee by allocating necessary resources for service delivery. Resource planning also involves human resources, technical resources and assets. According to Holbeche (2001:10), within the resource planning perspective, three types of resources are essential for an effective EPMDS: the first is the physical capital

resource which deals with public institution`s finance, equipment and physical assets. The second is the public institution`s capital which deals with the organisational structure and systems for controlling. Last of all is the human capital resource which deals with the skills, competency, experience and intelligence of employees in the public institution (Holbeche, 2001:10). It is significant for human resource budget plans to link to operational planning to ensure that important objectives and priorities are budgeted for and achieved.

2.11.1.5 Employees performance planning

The last phase of a public institution`s planning is employee performance planning. This process involves the employee and the supervisor agreeing on the expected performance targets. This is a continuous cycle as it is reviewed on certain intervals that are agreed upon. A performance agreement based on the key responsibility areas and a work plan is signed by both parties. The work plans of employees are aligned to the operational plan.

2.11.2 Performance measurement

The role of performance measurement is to assess the present situation of the public institution and to enable supervisors to develop and adopt an effective strategy for future purposes. According to Ramataboe (2015:18), citing Brudan (2010), performance measurement is a subsidiary of the EPMDS that concentrates on the identification, tracking and communication of performance results using performance indicators. Hatry (2006:10) stipulates that performance measurement focuses on measuring services outcomes and efficiency. The author further elaborates that performance measurement deals with the evaluation of results, while performance management deals with taking action based on the results of the evaluation and ensuring that target aims are achieved. Employee performance management and development is key to measure the performance of the public institution and the employee. There should be logic between performance and outputs as well as interaction between systems, human resources and various outcomes in the measurement system as depicted in Figure 2.3.

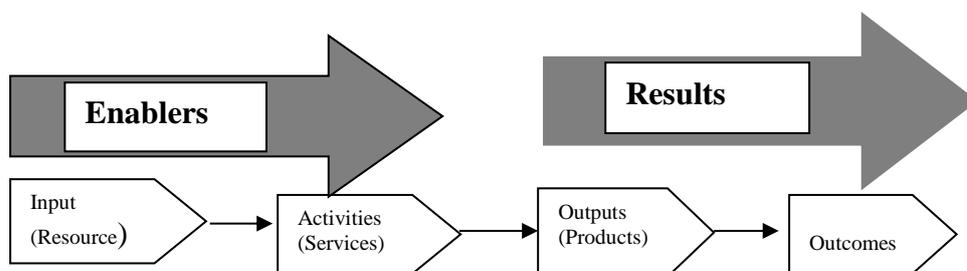


Figure 2.3: Logic model (outcome sequence chart)

(Source: Hatry, 2006:26)

Figure 2.3 depicts a logic model of an outcome sequence chart, the diagram illustrates the notion that there are two processes that facilitate the attainment of the public institutions objective. A brief explanation of Figure 2.3 is as follows: the first phase is the input – resources such as the financial resource, human resources, physical assets and equipment. The next phase is the processing of these resources through performance activities (services). According to Hatry (2006:14), these activities are guided by internal systems, policies and practices. They then produce the outputs, which indicate the level of delivery of goods and services. The last phase is the outcomes; according to Hatry (2006:14), outcome refers to the impact of the output, which could be the overall objective of the public institution. This is what the public institution planned to accomplish. Performance measurement leads to information about the past which is used as a baseline for decisions about what are the results in the future, thus enabling the public institution to plan and budget properly (Hatry, 2006:9).

2.11.3 Performance monitoring and evaluation

According to Cloete, Rabie and De Coning (2014:16), monitoring and evaluation (M&E) are applied as part of the comprehensive EPMDs. Kusek and Rist (2004:2) argue that for public institution to have a comprehensive and functional EPMDs, it is critical to have a good M&E system in place. Public institution incorporate different types of tracking systems as part of EPMDs; these include the key performance indicators, 360-degree feedback, MBO and Balance Score Card (Kusek & Rist 2004:12). Gudda (2011:1) defines monitoring as the skill of analysing vital public institutional information in order to ensure the public institution is progressing in terms of achieving its objectives. Bamberger and Hewitt (1986), cited by Gudda (2011:1) defined monitoring as “an internal project activity designed to provide constant

feedback on the progress of the project, the problem it is facing and efficiency with which it is being implemented”.

Weiss (1998), cited by Cloete *et al.* (2014:5) defines evaluation as the systematic assessment of the operation and/or outcomes of a programme or policy, compared to a set of explicit or implicit standards, as a means of contributing to the improvement of the programme or policy. Evaluation is also defined by Kusek and Rist (2004:12) as the systematic and objective assessment of an ongoing or completed project, programme or policy including its design, implementation and results. This could be done in the form of a policy that is specifically designed for that programme, which was prompted by the results of the interpreted data. Cloete *et al.* (2014:4) define monitoring and evaluation as management processes that are essential to the realisation of policy goals in the form of tangible results.

With the above definitions, monitoring could be simplified as the process that ensures effective performance and the achievement of planned goals. Monitoring and evaluation allow public institution to track their targets and make informed decisions. Thus, the main aim of M&E in the EPMDS is to provide a persistent stream of up-to-date, consistent performance information to enable the public institution to make informed decisions on how to maintain or improve performance (Cloete *et al.*, 2014:10). Marr (2008:1) argues that public institution first need to clarify their purpose, and then collect the right performance information of employees to comprehend whether they are on the right path and delivering according to their plan. Marr (2008:1) further explains that supervisors need to gain insights from the collected performance data, which will assist the public institution, identify obstacles in advance and rectify them. Performance monitoring and evaluation allows public institution`s to track their targets and make informed decisions. From the above literature, the role of monitoring and evaluation in the EPMDS can be described as ensuring that performance expectations are being met and checking if the employees are functioning optimally.

2.12 THE EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM: MICRO PERSPECTIVE

According to Deb (2008:53), appropriate management of employee performance is crucial to the implementation of the public institution`s strategy and the realisation of goals. O`Boyle (2016:45) stresses the point that if employees are unable to deliver, the

ripple effect is negative for the public institution's performance. EPMDS refers to performance activities expected to be performed by the supervisor and their subordinates with the aim of reaching the public institution's objectives (Rao, 2004:17).

The public institution's strategic plan needs to filter down to the operational plan level, then consecutively to each employee in the public institution. When performance has been cascaded to the level of employee, it is imperative for them to know their role and the way they contribute to public institution's performance. The linking of employee performance to a public institution's performance is illustrated in Figure 2.4.

The micro perspective focuses on the development and management of employee performance, that is, the evaluation of the contribution added by the respective employees within the public institution. According to Bussin (2012:5), the performance output of the employee should contribute to macro performance. The public institution desired performance output will determine the amount of input that is required from employees.

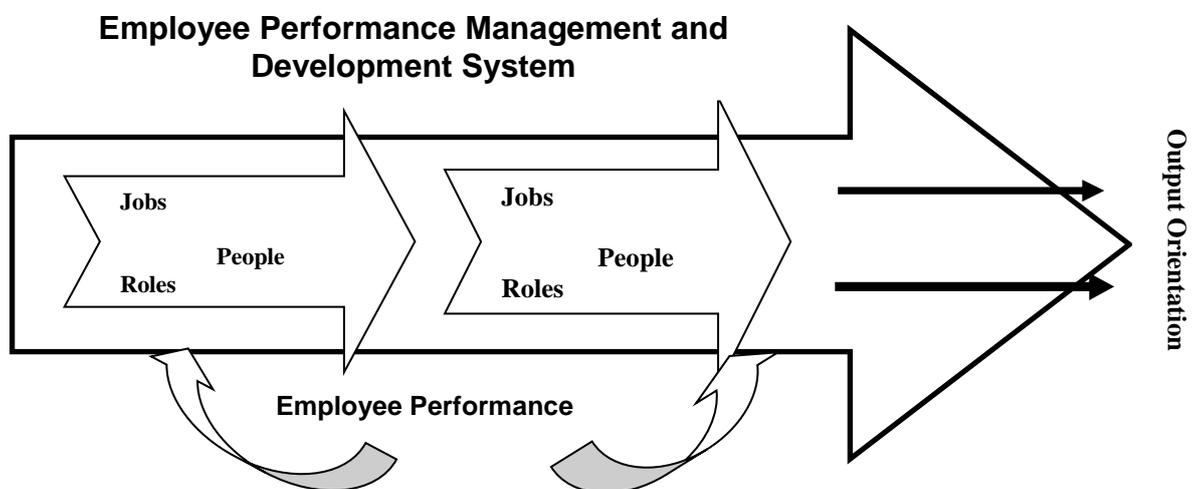


Figure 2.4: Linking employees' performance to a public institution's performance

(Source: Bussin, 2012:5)

Bussin (2012:5) argues that employees need to be aware of how they contribute to the performance needs of the public institution by having a sense of purpose (process x), this is a critical component of employee's engagement and serves to promote discretionary effort (process y). An employee's sense of purpose comes from knowing and understanding the role the employees plays in the performance of the public

institution as a whole. The goal of the public institution is to achieve optimum performance from the employees. Figure 2.4 illustrates that the duties (job) or the role that the employee`s performs must be meaningful, first, within the public institution system, and secondly, in the sense that it must contribute or feed into the eventual success of the public institution (Bussin, 2012:148). A performance assessment plan for an employee must be aligned to the public institution`s goal; if it does not, it becomes a major obstacle to performance.

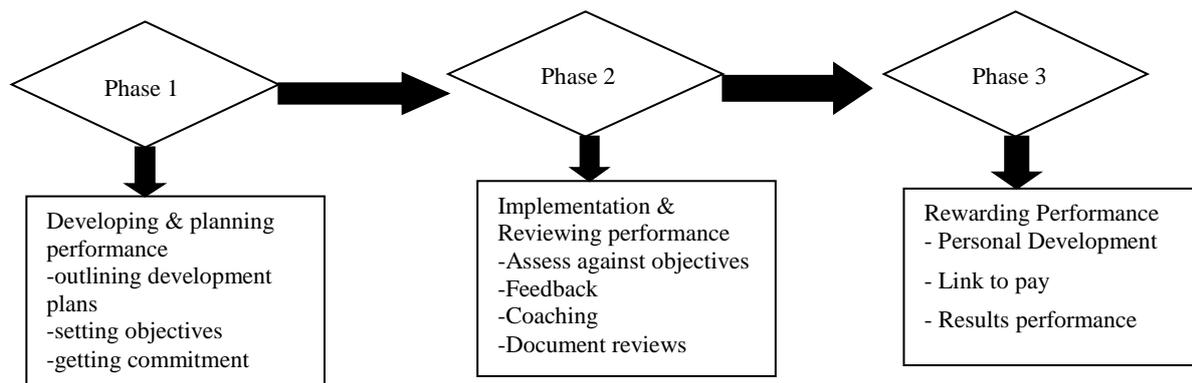


Figure 2.5: Employee Performance Management and Development Phases

(Source: Schneier, Beatty and Baird, 1987:98)

Figure 2.5 shows the flow process of employee`s performance management and development phases. According to Schneier *et al.* (1987:98), employee performance and development consists of three elements. The first is developing and planning for employee performance. This phase involves the development of employee`s performance objectives. Then these are further managed and reviewed in the second phase, which also includes assessing of the objectives, providing feedback, coaching and document reviews by the supervisor. The last phase focuses on the development of the employee`s performance, the results of performance and the link to performance rewards. Each of these phases will be described further below in the following section explaining the characteristics of the employee`s performance management and development system (EPMDS).

2.12.1 Characteristics of an effective employee performance management and development system

The EPMDS is designed on the simple preposition that employees and the supervisor work in collaboration when setting the performance targets (what needs to be done) and both are accountable for the outcome (Whately, 2004:9). Effective EPMDS can be described as a guiding document for employees on what is expected from them. An important aspect of the EPMDS is to be able to integrate the public institution objectives and the employee's objective. According to Whately (2004:9), the following are characteristics of an effective EPMDS:

- Must provide a platform for a two-way communication system amongst the supervisor and the employees;
- Motivated employees committed to the attainment of public institution's goals;
- Provide clear role expectations and realistic objectives for employees;
- Provide a fair and unbiased performance rating;
- Provide a basis for developing employees;
- Enable employees within the public institution to translate the public institution's strategy into their daily tasks activity.

Ramataboe (2015:39), citing Zigarmi, Nimon and Shuck (2014) argues that for an EPMDS process to be effective, it needs to include the four continuous phases as depicted in Figure 2.6.

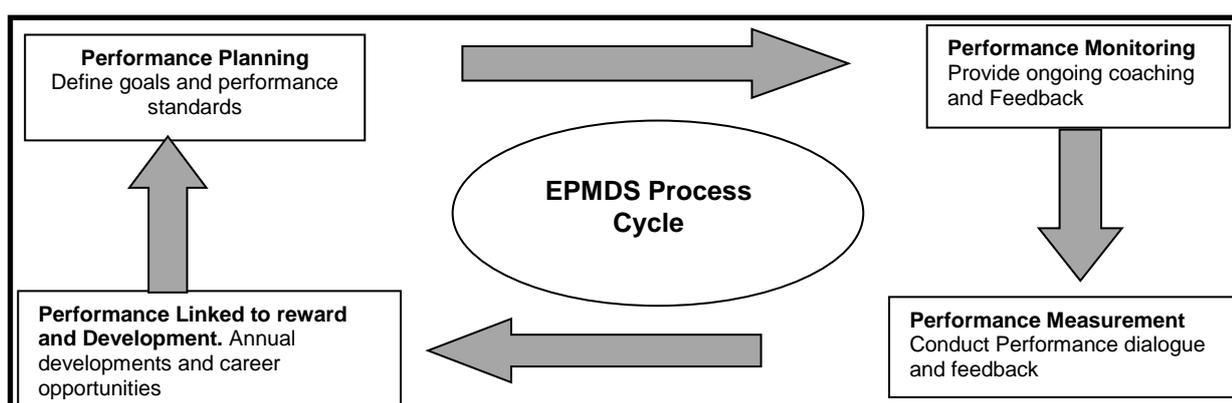


Figure 2.6: Employees Performance and Development Cycle

(Source: Sahu, 2007:1)

Figure 2.6 illustrates the point that an employee performance management and development cycle is a constant process that is based on a simple proposition that each phase in the cycle should be linked to the next. It begins with performance planning, where a subordinate and supervisor set performance goals and standards that are linked to public institution`s goals. The second step is the monitoring of employees progress against the agreed performance goals and the supervisor must review these goals. The EPMDS requires this to be a daily activity at work, which is an interaction between the supervisor and the subordinate through performance reports. Supervisor should monitor performance output of the subordinate and facilitate development through coaching and feedback. The third step is the evaluation of the employee, where the level of performance is assessed, and feedback is given to the employee. The last step is where the data generated from the performance evaluation of the employees is used as guidance by the public institution. Performance evaluation is the review of employee`s annual performance where employee performance is evaluated against the set goals. The public institution can decide to reward the employee or implement a developmental process. Sisa (2014:60), citing Armstrong and Baron, 1998) and Halachmi (2005) argue that EPMDS is a constant process that occurs during the course of the year between the supervisor and subordinate. According to Sisa (2014:60), the development of the EPMDS includes the following processes depicted in Figure 2.7.

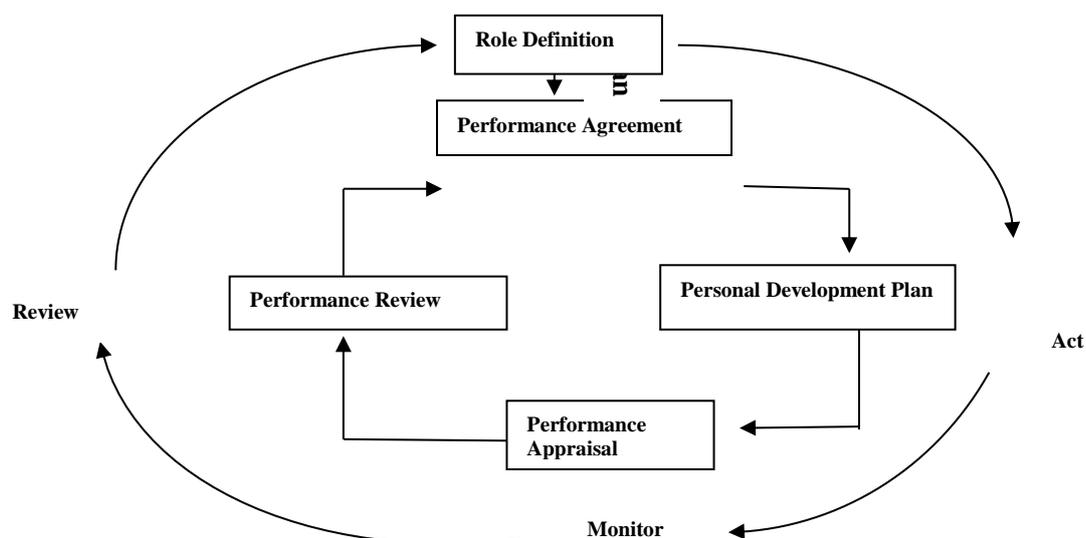


Figure 2.7: The stages of the employee's performance management and development process

(Source: Armstrong, 2003:476)

Armstrong (2003:476) states that the EPMDS process consists of the following essential stages:

- i. Role definition – explanation and simplification of role/goals definition and key result areas and behaviours to demonstrate for each role;
- ii. Performance agreements – agreement on performance targets; management and employees are equally responsible for agreeing performance targets, and defining expectations and key milestones;
- iii. Personal development plans – concerned with developing future skills (value added), but may also concentrate on the development required to improve performance in the current job;
- iv. Performance appraisal – constant advice and coaching on progress in attainment of results, development plans and behaviours specified;
- v. Performance review – formal evaluation of progress over a period, as a mechanism for setting a new performance agreement and development plan.

The above processes are described and explained in more detail in the following section.

2.12.1.1 Establishment of employees objectives – role definition

The first step is for supervisors to communicate the strategic objectives of the public institution, which will assist the supervisor to establish the employees' goals. According to Sisa (2014:61), this is a vital step in the EPMDS, as this is where the public institution's objectives are linked to the employee's objective. If this process is inadequately executed, the alignment of public institution goals and employee goals could be unsuccessful. Employee's objectives make up the employees performance goals. The employee performance targets are decided between the supervisor and the employee. The intention is to enhance the sense of ownership, not simply the imposition of objectives Armstrong (2006(a)) and Pulakos (2009). Fletcher and Williams (1996), Schneier (1989), Boice and Kleiner (1997) cited by Sisa, (2014:61) argue that the inclusion of employee in the EPMDS planning process enhances the employees' commitment to the attainment of public institution al goal. The authors further elaborate that this contributes to higher acceptance, motivation and better performance at the employee level. In order for this stage to be effective, the supervisor and the employee need to work out the specific objectives and how to measure them. This includes the

explanation, specification and communication of job roles, job descriptions, responsibilities and performance standards, which will explain how the personal job performance is linked to the overall performance of the public institution and why the objectives need to be accomplished.

2.12.1.2 *Signing of performance and development agreement*

The second step in the EPMDS process, according to Armstrong and Baron (1998:59), is the signing of performance and development agreement, also known as the performance contract. This is a performance commitment signed by the employee, which compels the subordinate to meet a certain level of performance. The performance agreement outlines performance expectations to be achieved by the employee, work to be executed, performance outcomes to be achieved, performance standards to be reached and the competence levels required to achieve the results (Armstrong, 2006a:18).

2.12.1.3 *Development of the performance and development plan*

The third step in the EPMDS process is the performance and development plan (PDP) (Sisa, 2014:65). The PDP can be described as a collaborative arrangement between subordinate and supervisor. The aim of the PDP is to analyse the employee's competencies and shortcomings, and on that basis develop a plan to rectify the performance gaps. The PDP consists of preparation and signing of the acknowledgement of the personal and development plan. According to Sisa (2014:65), the employee needs to accept and acknowledge what is described in the plan. In simple terms, the PDP can be described as an action plan for employee development with the backing of the supervisor and the public institution. It outlines the steps that the employee should take to improve his or her knowledge and skills, and enhance his or her levels of competence (Armstrong, 2006a:19). PDP needs to be reinforced by continuous learning, professional growth, sustaining employee performance to meet performance expectations (Bhattacharyya, 2011:7). According to Armstrong and Baron (1998:61), this aspect of the PDP concentrates on the agreement on what needs to be done to achieve objectives, raise standards and improve performance, and the key aspects of the job that needs to be done. This step, according to Sisa (2014:65), highlights the development areas of employees, thus helping them to learn and providing them with the necessary support they require in order to perform well, in the present moment and in the future.

2.12.1.4 Continuous monitoring and feedback – performance appraisal

The fourth step in the EPMDs process entails managing and developing performance standards, continuous monitoring and measuring of performance, conducting informal progress reviews, updating objectives, dealing with performance problems, and taking appropriate corrective actions. According to Sisa (2014:65), citing Longenecker, (1989) this step requires supervisors observe the employee's actual performance on a regular basis. According to Whately (2004:21), one of the main challenges that is encountered by public institution is the selection of the appropriate instrument to measure the performance of employees. The author notes that what gets measured in the EPMDs is what gets managed. Measurement is an instrument for generating feedback to the public institution and supervisor. In order to provide precise measurements and feedback, the EPMDs must encapsulate these essential dimensions. The focus should be on measurable outputs, attainments and behaviours that can be transparent.

a. Performance Rating

According to Whately (2004:21), performance rating can be described as an appraisal phase, which is usually conducted through some form of rating system. Performance appraisal (PA) is the continuous phase of evaluating and managing both the behaviour and the outcomes of the employees' performance in the workplace (Grobler & Warnich, 2011:292). Deb (2008:19) defines performance appraisal as a systematic and formal process by means of which the job-relevant strengths and weaknesses of employees are identified, observed, measured, recorded and developed. Performance appraisal is a continuous measurement tool that is used by supervisors to measure employees' performance. It is an essential tool for developing an effective and productive workforce in order to ensure that the objectives of the public institution are realised. Performance rating combines assessment of employees and classifying employees as exceptional or poor performers. This enables the supervisor to implement the appropriate action plan for the employee, depending on his/her performance.

b. Formal performance review and feedback

The final step in the EPMDs process is the formal review and feedback. According to Sisa (2014:66), this step requires that the supervisor and the employee hold formal performance review meetings; these could be conducted on a monthly, quarterly or biannual basis. The main purpose of these meetings is to enable an environment for

supervisor to evaluate the progress of employees against performance targets and to provide performance feedback, including a recap on what has been achieved. Sisa (2014:66), citing Sahl (1990) argues that it is essential that the performance reviews be held to keep employees' performance objectives at the forefront of their daily work, to emphasise the importance of the process to the public institution, to provide opportunities for the clarification of objectives, and to review employees' progress toward planned results. Implementation of reviews, as a continuous activity, helps in reducing the challenges associated with performance appraisals by providing employees with ongoing feedback on their performance and by compelling supervisors to be in constant contact and communication with their subordinates. According to Longenecker, Liverpool and Wilson (1988), cited by Sisa (2014:66) regular reviews by the supervisor help to keep the employees on the correct path towards the attainment of public institution's goals, thus minimising unforeseen hindrances. The most notable aspect of this stage is that it offers an opportunity for supervisor to implement remedial action plans to rectify poor performance, as well as providing the data for the formal performance review. The following are an example of an instrument that public institution's use to measure the performance of employees.

- **360-degree feedback**

360-degree feedback entails a phase of supervisors and other stakeholders who are directly impacted by employee performance by providing feedback on employee's performance. According to Whately (2004:21), this phase is conducted through a set of questionnaires. The 360-degree feedback is beneficial to the public institution as it gives a comprehensive illustration of employee performance by covering all angles and aspects of review rather relying on the single supervisor's review. This tool depends on a high degree of transparency, trust and honesty.

2.13 INTEGRATING OF EMPLOYEE PERFORMANCE TO INSTITUTIONAL PERFORMANCE

There is an extensive amount of research supporting the view that there is a relationship relating to effective employees performance and successful public institution's performance (Mwangi & Kiambati, 2015:1). Human resources management directorate (HRM) play a central part in the strategy implementation process of the public institution. The human resources management directorate ensures that there is

commitment and necessary skills from employees to enable the public institution to achieve its objective. Deb (2008:16) stresses that employee performance creates a competitive advantage for the public institution, but it does not come automatically – it needs to be developed, monitored and integrated to the overall EPMDS. Holbeche (2001:3) argues that the success of the public institution is affected by its ability to implement the EPMDS intelligently in order to maximise the contribution of employees to overall public institution objectives. Huselid, Jackson and Schuler (1997), cited by Mwangi and Kiambati (2015:1) argue that public institution strategic planning should be aligned with the available human resources so as to ensure that the skills and abilities of employees are fully utilised to achieve public institution`s goals. For employee performance to contribute to the overall public institution performance will require a strong administrative foundation and effective management. Ramuvhundu (2012:23), citing Dumond (2004) argues that the process of integrating employee performance into the public institution`s objectives necessitates managerial skill and professionalism. The author further contends that both supervisor and subordinate need to properly plan and set performance targets. There must be constant monitoring of the implementation of the set targets and performance feedback to the employee to ensure that public institution s achieve their strategic goals.

The literature emphasises that effective management of employee performance will be beneficial to the public institution, as it will enable the public institution`s to organise and coordinate the skills of every employee towards the achievement of its strategic goals. To successfully integrate employee performance and the overall public institution objectives, the human resources directorate (staff section) needs to work interdependently with the other sections within the public institution and also facilitate a more comprehensive role in ensuring the alignment of activities with that enhance the attainment of the overall public institution`s strategy.

2.13.1 Balanced score card

According to De Waal (2003:84), the Balanced Score Card is one of the tools used for the integration of employee performance and public institution`s performance. The Balance Score Card was introduced by Kaplan and Norton (1996) as a tool to enable supervisors to balance the accomplishment of public institution`s goals equitably. The Balance Score Card is described by De Waal (2003:84) as effective in the integration

of employee performance and public institution`s performance, because it links the vision and strategy of the public institution to employees` daily activities. The Balance Score Card focuses on four indicators: customer perspective, internal processes, learning and growth, and financial resource to monitor employee`s progress towards the public institution`s strategic goals. Van der Waldt (2004:187) explains that the complexity of task requires supervisors to be able to view employees` performance in several areas simultaneously; a Balanced Score Card or a balanced set of measures provides that valuable information.

2.14 EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM`S CHALLENGES

According to Grobler *et al.* (2011:293), EPMDs is a process that greatly affects public institution`s success by having supervisors and employees working together to set expectations, review results and reward exceptional performance. Sometimes the performance appraisal process is faced with challenges, which Bhattacharyya (2011:75) explains as errors or biases. Performance appraisal errors are often attributed to the lack of objectivity from the supervisor.

Several authors, like Rao (2004), Bhattacharyya (2011), Caldwell (2000), Artley and Stroh (2001), Armstrong and Baron (2004), Padovani, Yetano and Orelli (2010), Cloete *et al.* (2014) and De Waal (2003), whose work is reviewed in this chapter, have highlighted that EPMDs assists public institution`s in different ways. Despite these benefits, it can be assumed that public institution`s often do not reap the rewards of the EPMDs (Bhengu, 2015:19). According to Ramuvhundu (2012:29), there is not a EPMDs that is without its challenges and some of these challenges are common to most public institution`s.

- **Poor Planning**

Bhengu (2015:20), citing Padovani *et al.* (2010) argues that poor planning will lead to a lack of alignment between the employee`s objectives and the public institution objectives, thus hindering the whole process of the EPMDs implementation. The EPMDs has to be integrated with the strategic planning, human resource management and other subsystems in the public institution. This is supported by Van der Waldt (2014:3), citing Langdon (2000), Holbeche (2001) and Van der Waldt (2006), who

concur that an effective EPMDS must aim to integrate the four key phases that make up the EPMDS process (illustrated in figure 2.6). Sahu, 2007:4 argues that public institution`s tend to formulate strategic goals in isolation and this creates a difficult process in cascading the objectives to the level of employee performance. A report by Public Service Commission (2007) state that public institution stated that the objectives in the public institution are determined through a bottom-up approach instead of top-down with the public institution`s leadership setting the performance expectations. This then causes challenges in the implementation of the EPMDS because planning documents lead to poorly formulated performance agreements and performance standards

- **Lack of Communication**

According to Sahu (2007:4), this could be attributed to supervisors failing to communicate to the subordinates the overall strategic objective of the public institution. The goals are poorly formulated because they do not embrace the principles of the EPMDS. Sisa (2014:61) contends that the first step is for supervisors to communicate the strategic objectives of the public institution, which will assist the supervisor to establish the employees` goals. This is a vital step in the EPMDS, as this is where the public institution`s objectives are linked to the employee`s objective. If this process is inadequately executed, the alignment of public institution goals and employee goals could be unsuccessful. Therefore, ineffective goal setting, will prevent the supervisor to stipulate to the employee, goals that are specific, measurable, achievable, realistic and timely.

- **Lack of responsibility and accountability (organisational structure)**

An effective EPMDS requires good accountability and leadership from the supervisors. A proper organisational structure will ensure that the responsibility, (delegated) authority and accountability is aligned as much as possible. Deb (2008:33) highlights the role of the organisational structure (organogram) in an effective implementation of the EPMDS and what role it has to ensure strategic information cascade between levels within the public institution. The organisational structure must ensure there is a system of performance communication, reporting authority, accountability and management of interactions among public institution`s employees. According to Deb (2008:44), an

improperly designed organisational structure will affect the allocation of duties, resources and responsibilities to the suitable components within the public institution. This will lead to poor management of employee`s performance and communication of performance targets. The performance management and development system is not a mechanical process that can be set in motion and left to function on its own, it requires constant monitoring. According to Kandula (2006:28), the fundamentals of the EPMDS must institutionalised in the public institution and so that the EPMDS is subsumed in the daily activities of the public institution.

- **Allocation of budget to implement the EPMDS**

Kandula (2006:28) argues that another challenge that affects the EPMDS is when the public institution`s planning fails to consider the financial resources required to attain the objectives of EPMDS and implementation. A properly budgeted EPMDS will ensure that employees who perform well are incentivised and those that are not performing receive developmental training that they require. Lack of budget will affect the public institution`s to implement the workplace skills plan is which is derived from the personal development plan (PDP).

Wildeman and Jogo (2012:48) argue that there is a notion in the public sector for employees to link and associate the EMPDS with performance bonuses, the author elaborates that the EPMDS is manipulated to obtain approval for performance bonuses. Budget is an important resource in the implementation of an effective EPMDS. Poister, Aristigueta and Hall (2014:28) argue that the EPMDS budget enables the public institution to make decisions about the allocation of resources.

- **Lack of skills to implement EPMDS effectively**

According to the Public Service Commission (2007:4), the majority of supervisors in the public sector do not have the appropriate skills to implement the EPMDS and supervisor do not have the time. Sound supervision, operations management and unit performance management is necessity for effective performance management at the employee level. Supervisors in the public institution`s underestimate how much administrative and analytical capacity is necessary to ensure a fully functional and successful EPMDS (Public Service Commission, 2007:4). Implementation of the EPMDS is part of the day-to-day operational management process (managing the daily

work of sub-directorates). Day-to-day management of performance takes place in the sub-directorates and continues without a formal employee assessment.

- **Lack of commitment from supervisors**

Van der Waldt (2004:30) is of the opinion that lack of commitment could be attributed to factors that cause the EPMDS implementation challenges. Cadwell (2000:13) argues that commitment from supervisors plays a vital part in ensuring that the EPMDS functions properly. Commitment and support from the supervisor will ensure effective implementation of the EPMDS. The EPMDS is based on assessing performance of employees during and at the end of a year against a performance agreement entered into at the beginning of a performance cycle and this requires commitment throughout the year.

- **Role of Human Resource Management in the EPMDS**

Compliance to the implementation of the EPMDS requires support from the Human Resource Management (HRM) components in the public institutions. This is because HRM has a role to enforce compliance, provide support and issue manuals on how to implement the system. According to Araiimi (2011:3), a fully functional and effective EPMDS requires an effective human resource component to guide the application of PMS in the public institution. The author argues that this is because HR practitioners in the public institution establish and maintain the PM process in the public institution. The EPMDS implementation challenge emanates from a notion where the public institution views the HR component as a detached or isolated component of the public institution (Araiimi, 2011:3). This leads to the HR component being inadequately capacitated, and therefore lack the required workforce to manage and co-ordinate the performance management function in the public institution.

2.15 CONCLUSION

This chapter highlighted the history of the EPMDS, which provided a foundation for the EPMDS literature and refined the current performance management and development systems. The literature reviewed in this chapter indicates that there are numerous requirements that must be complied with before the EPMDS can be fully effective. The EPMDS is a significant component of the public sector. If the EPMDS is effective, it will assist in ensuring proper service delivery. The literature explained

that employees performance management is not only important to the public institution as a whole, but also to the employees in the public institution and they are the specific focus of this study. Given this background, it is important that an integrated framework for EPMDS be established, implemented and monitored. Performance management is potentially the area of public management that can make a significant contribution towards effective public institution and employee performance. The literature examined in this chapter suggests that the EPMDS, which is the focus of this study, must be designed to improve strategic focus and public institution effectiveness. The EPMDS must be continuously seeking to enhance the performance of the public institution as a whole as well as of the employees in it.

CHAPTER 3

LEGISLATIVE AND POLICY FRAMEWORK FOR EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM IN SOUTH AFRICA

3.1 INTRODUCTION

The purpose of this chapter is to discuss the literature review of legislation and policy framework that guides the implementation of EPMDS in the South African public sector. The existing EPMDS policy framework is intended to guide provincial departments to improve their performance effectively and efficiently so that they could deliver services efficiently. The mechanics of most EPMDS across public sectors of different countries are similar, in that sense that the core of the EPMDS involves planning, monitoring, measuring and reviewing of performance, but the legislative framework within which they are implemented is different. There are several pieces of legislations, policies and statutory guidelines that guide the development and the implementation of the EPMDS in the public service in RSA (Munzhedzi, 2011:22). The Public Service Act (103 of 1994) has an important role in regulating the manner, which the EPMDS processes are implemented by the public institutions. The White Paper on Human Resource Management in the Public Service of 1997 is aimed at providing a policy framework to assist the public service to develop human resource practices that support the development of a professional public service (Van der Waldt & Du Toit, 1999:386).

The significance of the EPMDS in public sector service delivery in South Africa is confirmed in the White Paper on Transforming Public Service Delivery, 1997, commonly known as the Batho Pele, which selected one of the nine service delivery principles, namely: “Value for money – public services should be provided economically and efficiently” (RSA, 1997b:15). Statutory legislation and policies define the structures within which performance information is managed and further direct the activities of supervisors in the South African public service (Erasmus *et al.*, 2005:35). Legislation that guides the implementation of EPMDS in the South African public sector will be described and explained in subsequent sub-sections of this chapter.

3.2 LEGISLATION AND POLICY FRAMEWORK FOR EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

Various legislations and statutory guidelines in South Africa specify the need for departments to institute EPMDS at all spheres of government (Van der Waldt, 2004:319). Performance management is a vital function of the public service regulatory framework, which controls the work and conduct of employees towards the delivery of services by the institutions (Public Service Commission, 2007:1). Scholars such as Erasmus *et al.* (2005:270) highlight several common legislative frameworks and white papers that support the implementation of the EPMDS in the public sector in RSA. The core is the Constitution of RSA, 1996 and this chapter will commence with a consideration of the Constitution since it is the supreme law in the country.

3.3 THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996

“Workers have constitutional rights and those privileges must be respected by all employers in both the private and the public sector” (Mayrah & Mashigo-Tshabalala 2013:114). Section 2 of the Constitution of RSA, 1996 states that the Constitution of RSA, 1996 is the supreme law of the Republic of South Africa; any law or conduct inconsistent with the Constitution is regarded as invalid, and the obligations imposed by it must at all times be fulfilled. Section 92 of the South African Constitution, 1996 emphasises that “*Members of the cabinet (Ministers of National Departments) are accountable collectively to parliament for the exercise of their powers and the performance of their functions*” It furthermore states that they must “*provide Parliament with full and regular update concerning matters under their control*”. Section 195 of the Constitution of RSA, 1996, prescribes certain requirements for the public service to be implemented in order to increase human potential; these are proper human resource management and career development. The Constitution of RSA, 1996, also encourages the efficient, economic and effective use of resources, hence the promulgation of the Public Service Act (103 of 1994) and the Public Finance Management Act (1 of 1999). Section 195(1) of the Constitution of RSA, 1996, serves as a reference point guiding the conduct of public sector employees, including their performance in all spheres of government. These sections enforce accountability of public managers and the accounting officer to develop an EPMDS. Scholars such as Van der Waldt and Du Toit (1999:384) confirm that the Constitution of RSA, 1996 is

the foundation of an effective EPMDs. Furthermore, Section 195(1) of the Constitution of RSA advocates the following principles towards rendering effective service delivery:

- The public service must provide services of high standard of professional ethic;
- These services must be provided fairly, impartially, and equitably;
- Public resources must be utilized effectively, efficiently and economically;
- The needs of the people must come first and be responded to accordingly;
- The public should be involved in policymaking decisions;
- Service delivery must be transparent and development orientated;
- There must be accountability.

3.4 WHITE PAPER ON TRANSFORMING PUBLIC SERVICE DELIVERY (BATHO PELE), 1997

Society expects the government to develop policies and deliver services that are effective and efficient in fulfilling the needs of the public (Van der Waldt, 2004:145). For many years, the public sector was associated with red tape, ineffectiveness, absence of customer service and unethical behaviour (Van der Waldt, 2004:87). The White Paper on Transforming Public Service Delivery of 1997 is a government initiative aimed at changing the nature of public service delivery (Fox *et al.*, 2006:20). The White Paper was first published on 1 October 1997 and it is commonly known as the Batho Pele (Fox *et al.*, 2006:20). Batho Pele is a Sesotho proverb interpreted as “People First”; meaning that the people of South Africa will come first (Fox *et al.*, 2006:20).

The White Paper on Transforming Public Service Delivery, 1997 presents a policy framework that ensures that Batho Pele is intertwined with the core functioning of government in RSA. The nine principles of the Batho Pele are derived from the Constitution of the Republic of South Africa, 1996 (RSA, 1996a), which states that the public service must provide services of a high standard (Fox *et al.*, 2006:20). The nine principles of the White Paper on Transforming Public Service Delivery of 1997 aim to change the culture of government employees in their dealings with the public to hold them accountable (RSA, 1997a:2). The values as set out by the White Paper on Transforming Public Service Delivery of 1997 focus on consultation, service standards, access, courtesy, information, openness and transparency, redress, and value for money (RSA, 1997a:15). To guarantee the improvement and the enhancement of service delivery, the White Paper on Transforming Public Service Delivery of 1997

recommends that national and provincial government departments should make service delivery their main concern. Chapter 4 of the White Paper on Transforming Public Service Delivery of 1997 stresses that departments of both national and provincial governments should increase their emphasis on efficiency, cost effectiveness and providing quality services, and also the enhancement on HRD and public management to encourage participative and innovation, to build capacity, and to reward employee performance.

Van der Waldt (2004:89) argues that if public institutions adopt and comply with the Batho Pele principles, there may be improvements in the delivery of services. When employee performance is being managed appropriately, it leads to the enhancement of service delivery and productivity. Through EPMDS not only will service delivery be enhanced, but approaches, procedures and behaviour will also improved. Fox *et al.* (2006:25) argue that for the Batho Pele principles to be effective, there must be a commitment from the public service employees and the management. Talented and competent employees should be recognised, and their contribution should be rewarded. Public employees should be developed in order to understand procedures and be able to establish innovative and better procedures to improve service delivery.

3.5 THE FRAMEWORK FOR STRATEGIC PLANS AND ANNUAL PERFORMANCE PLANS, 2010

The framework for strategic plans and annual performance plans (SPAPP) was introduced by National Department of Treasury in September 2010 (RSA, 2010a:i). The SPAPP is designed to be a guiding handbook to all national and provincial departments. The aim of SPAPP is to provide assistance to government departments in relation to what should be in the strategic plans and APP. It is stated by the National Treasury that the SPAPP is not a substitute for the Framework for Managing Programme Performance Information, 2007 (FMPPI, 2007b), but both frameworks should be used together when preparing planning documents and their complement each other. At the core of the SPAPP is the objective to enhance the quality of performance documents and performance information. Parallel to FMPPI, the SPAPP aims to correct the quality of performance data and performance reporting. The SPAPP aligns the process of planning, budgeting, implementation, monitoring and evaluation of performance of government department, and ensures that reporting is in line with government-wide monitoring and evaluation (GWME) principles (RSA, 2010a:1). The

most notable aspect of the SPAPP (RSA, 2010a) is that it describes important concepts that should be used by departments when developing their strategic plans and APPs. The SPAPP is flexible in principle in that it recognises that government departments are different, and the objectives of each department are different. Therefore, the SPAPP allows each department to develop its plans, policies and programmes in different ways and over differing timelines. The SPAPP embraces the theory of diversified performance planning in the public sector to enable each department to accommodate its strategic objective. The SPAPP identifies the links between the various accountability documents that departments are required to produce at each stage of the planning, budgeting, implementation, reporting, monitoring and evaluation cycle (RSA, 2010a:1). Section 2 of the SPAPP stresses the significance of establishing a connection between plans and budgets (RSA, 2010a:1). Section 2 further describes the impact that this relationship would have on operational effectiveness of the department. Annual budgets focus on short-term planning (the upcoming financial year, and the MTEF) in order for departments to allocate resources.

The SPAPP set timeframes for the production of strategic plans and annual performance plans. The SPAPP provides a structure for the fundamental content of strategic plans and APPs; this ensures proper performance planning for the departments. It is stressed by the Department of Treasury that the SPAPP must not be used by the departments for a long-term planning process of over 10 years, but it should be based on a 5-year planning period and (strategic plan) and programmes to be implemented in a financial year (annual plan). For the 5-year planning horizon, departments are to ensure that the planning stages are in sequence and have the available resources and adequate information reporting systems. The framework provides timeframes for the submission and presenting of these documents (strategic plan and Annual performance plan) as well as the reporting on the process. Chapter 6 of the SPAPP is relevant to the EPMDS as it ensures that there is an alignment of reporting between the strategic plans, annual performance plans, budget documents and reports. The performance of employees is then linked to SPAPP through the signing of the employee performance agreements, which are linked to the strategic plan, the APPs and the annual budget. At the end of the financial year, each employee performance must be evaluated in relation to the agreement.

3.6 FRAMEWORK FOR MANAGING PROGRAMME PERFORMANCE INFORMATION, 2007

This framework is one of the three components of the GWM&EF, 2007 (RSA, 2007b). Performance information shows how well the department is able to achieve its aims and objectives, and which policies and processes are working. Performance information is an important part of performance planning, budgeting, implementation, monitoring and reporting (RSA, 2007b:1). The Framework for Managing Programme Performance Information (FMPPI) supports GWM&EF and the SPAPP (RSA, 2007b:1). All of these documents must be consulted together in order to gain practical insight into how performance information must be managed.

The purpose of FMPPI is to simplify definitions and values for performance information of the departments' successes against the predetermined objectives (APP) on the annual performance report (RSA, 2007b:1). The most notable aspect of the of FMPPI is that it promotes transparency and accountability, thus ensuring that performance information is precise. The framework can be viewed as a proactive system for detection of challenges in the EPMDS to alert the departments if there are deviations in their programmes and therefore enable them to implement rectification plans promptly. Measuring performance ensures that "what gets measured gets done"; public managers can use available performance information to "pursue results-based management approaches". The Framework for Managing Programme Performance Information therefore serves as a policy document that "outlines key concepts in the design and implementation of management systems to define, collect, report and use performance information in the public sector" (RSA, 2007b:1). The reporting of information relating to the performance of employees measured against the predetermined objectives is the responsibility of the supervisor.

3.7 WHITE PAPER ON HUMAN RESOURCE MANAGEMENT IN THE PUBLIC SERVICE, 1997

The White Paper on Human Resource Management in the Public Service of 1997 was promulgated on 31 December 1997 (RSA, 1997b). This was aimed at providing a policy framework to assist the government to develop HR practices, which support the empowerment of a professional public service (Van der Waldt & Du Toit, 1999:386). The key purpose of the White Paper on Human Resource Management in the Public Service of 1997 is to diversify the employment demographics and recruit capable,

knowledgeable and well-managed employees. This prescript seeks to enhance the skill of public employees and instil a culture committed to delivering quality services to the people of South Africa (RSA, 1997b:2). According to Van der Waldt and Du Toit (1999:386), the 1997 White Paper on Human Resource Management in the Public Service entails a shift from the administration of the HR function to the management of employees in an environment that values and accommodates their diverse cultures.

Mwaniki (2012:114) argues that the White Paper on Human Resource Management in the Public Service revolutionised HRM in government by mandating the involvement of both public managers and employees in the implementation of EPMDS processes. According to Tummala (2014:165), supported by Van der Waldt and Du Toit (1999:386), the main goal of the 1997 White Paper on Human Resource Management in the Public Service is to fast-track the establishment of a representative and equitable public service and to construct an environment conducive to supporting and enabling those who have been previously disadvantaged. The White Paper, 1997 also seeks to maximise the potential of each and every employee so that the public can benefit from their skills and talent. The White Paper on Human Resource Management also emphasises the creation of a strategy that will assist in the implementation of the EPMDS:

- Human resource planning, taking into consideration the development of employees;
- Measures to resolve challenges impacting on the HR employees when coordinating the EPMDS process;
- Analysing shortages of scarce skills; and linking that to the PDP`s;
- Developing different strategies to guarantee that the public institution has the correct employee at the exact time in the supervisory position to implement the EPMDS (RSA, 1997b).

The White Paper on Human Resource Management in the Public Service, 1997 (RSA, 1997b) together with other prescripts such as the Labour Relations Act (66 of 1995) specifies that during the employees performance assessment, if an employee is not pleased with the last assessment, such an employee has a right to appeal the results. This ensures fairness and objectivity in the assessment, and an immediate public manager can mediate the process. The White Paper on Human Resource Management

thus assists government departments to recognise the strengths and weaknesses of employees as well as other possible interferences that are necessary. The main orientation of EPMDS as provided for by the White Paper on Human Resource Management in the Public Service, 1997 is to develop and acknowledge outstanding performance in the public sector department. Acknowledgment could be indicated through rewarding performance bonuses, a pay/notch advancement or any other non-financial rewards that the department might consider appropriate. Whenever outcomes are not acceptable, common steps need to be agreed on to effect improvement.

3.8 WHITE PAPER ON PUBLIC SERVICE TRAINING AND EDUCATION, 1998

According to Haruna and Vyas-Doorgapersad (2014:117), the key objective of the White Paper on Public Service Training and Education of 1998 is to prepare public employees for the challenges associated with the public sector, improve their performance and ensure they have the necessary skills. The public sector competes with the private sector for experienced and qualified employees. It is important for government to ensure that the public employees have the appropriate expertise they need to perform their duties. This is why the White Paper on Public Service Training and Education of 1998 focuses on a development and retention strategy (RSA, 1998a).

The White Paper on Public Service Training and Education, 1998 establishes a clear vision and policy framework, which serves as a guide to the development of new policies and procedures aimed at transforming public services training and the education of public employees (RSA, 1998a). If employees are developed to their full potential, the departments may reap the benefits of better service delivery. This can be viewed as an investment by the department on its human resources. According to Haruna and Vyas-Doorgapersad (2014:117), the implementation of the White Paper on Public Service Training and Education, 1998 should be able to correct or create the following areas:

- High-performing and competent public employees;
- Public employees with adequate skills, knowledge and competencies;
- Proactive public servants that can deal with challenges of dynamic work and external work environment;
- Development of oriented professionalism;

- Delivery of quality goods and services, create accountability and provide value for money on services;
- Transformation linked human resource development in RSA government.

The White Paper on Public Service Training and Education, 1998 focuses on the implementation of formal training and education in the public service; it recognises less formal methods such as coaching, mentoring and job rotation. Byars and Rue (2006:222) argue that the absence of a proper human resource development plan will affect the development of employees in government and this will lead to the under-utilisation of abilities in public institution. Former Minister of Public Service and Administration, Fraser Moleketi (2007:2), emphasised the point that African countries such as South Africa must develop the performance of the public sector if they were to realise their Millennium Development Goals (MGD). The White Paper on Public Service Training and Education of 1998, links the EPMDS to the skills development plan that is developed by the HRD section in the department. In the light of the above, it is clear that the White Paper on Public Service Training and Education, 1998 has an important role in furnishing government employees with the required knowledge, skills and competencies needed to execute their duties effectively and efficiently (Haruna & Vyas-Doorgapersad, 2014:117).

3.9 SKILLS DEVELOPMENT ACT, 1998 (No. 97 OF 1998)

According to Grobler and Warnich (2011:327), RSA is confronted with the challenge of rebuilding the economy in the new millennium. The Skills Development Act (97 of 1998) makes provision for the development of a workplace skills plan for the public sector employer (RSA, 1998b). The need for redress and re-skilling of public sector employees as a result of the changing and ever-increasing demands for quality service delivery places emphasis on continuous development and learning in the public service (RSA, 2013:4). The Skills Development Act (97 of 1998) mandates departments to budget at least a minimum of 1% of their annual budget for training and development of employees, as stated in the DPSA directive (RSA, 2013:5b). The directive was issued in terms of Part IX, Section A and B4 of the PSR, 2001 which state that “Employees should have ongoing and equitable access to training geared towards achieving an efficient, non-partisan and representative public service. Training should support work performance and career development. It should become increasingly driven by needs,

and link strategically to broader human resource management practices and programmes aimed at enhancing employment equity and representativeness". Section 2 of the Skills Development Act, 1998 (No. 97 of 1998) also requires that performance must be emphasised with the aim of improving service delivery. Section 2 of this Act creates an opportunity for employees to grow their competencies and develop to enhance the effectiveness of their performance in rendering services (RSA, 1998b).

3.10 PUBLIC SERVICE ACT, ACT (103 OF 1994)

The implementation of EPMDs in the government of RSA is extensively legislated (Mayrah & Mashigo-Tshabalala 2013:140). The Public Service Act (103 of 1994) requires government departments to manage performance in an engaging, supportive and non-discriminatory manner (Mayrah & Mashigo-Tshabalala 2013:140). These authors argue that the execution of employee performance management in a consultative manner not only enhances departmental efficiency and effectiveness, but also ensures accountability. Human resources will be also fully utilised to achieve optimum results. The Public Service Act (103 of 1994) also ensures the attainment of departmental objectives in a cost-effective manner. Section 3 (5) (c) of the PSA, 1994 noticeably specifies that employee performance appraisal should be provided for in the public service (RSA, 1994).

Similar to section 27(4) and section 36(5) of the PFMA, 1999 the PSA, 1994 stipulate that the accounting officer (head of department) must ensure effective management and administration of employees' performance. According to Van der Walddt (2004:4), there should be minimal administrative obstructions, while maintaining transparency and administrative justice. The Public Service Act (103 of 1994) outlines the responsibility of different parties in the process of EPMDs, including the executive authority (ministers in national departments or members of executive councils in provincial departments), senior management and the supervisors in the departments (RSA, 1994).

3.11 PUBLIC SERVICE REGULATIONS, 2001

The Public Service Regulations of 2001 (RSA, 2001b), requires the executive authority in the public sector to have an effective plan for the recruitment of human resources (Van der Westhuizen & Wessels 2011:182). These plans, according to Van der Westhuizen and Wessels (2011:182), must have realistic targets and measurable goals, but also include the training requirements of employees. Part VIII of chapter one of the

PSR, 2001 emphasises that the HOD should define, in discussion with their institution, a method that integrates employee performance to public institution`s objective.

The Public Service Regulations of 2001 also states that the performance (micro level) of all members of senior management services (SMS) should be managed through performance agreements. The Public Service Regulations of 2001 mandates supervisors to monitor, supervise and assess the subordinate`s performance on a regular basis using the prescribed format of performance assessment. The executive authority (HOD) in every department must develop a suitable performance assessment instrument for various occupational groups or levels in order to assist the management to decide on probation, rewards, promotion and skills development of employees.

Poorly performing employees must be managed accordingly in terms of the PSR, 2001 by means of personal development plans to improve such their performance. The requirement of EPMDS in government, Part VIII of chapter one of the PSR, 2001, has also been explained by Masango (2000:66) as a process to improve productivity both quantitatively and qualitatively. Chapter three of the PSR, 2001 requires that the accounting officer at a macro level in the department should facilitate the process of strategic planning with the emphasis on the core objectives of the department. It further stipulates that there should be quantifiable targets projected and a programme for attaining those targets. The accounting officer is mandated by the Public Service Regulations, 2001 to have a progress-monitoring plan that will enable the department to measure progress and performance indicators towards achieving core targets. According to the PSR, 2001 the strategic objective of the department will determine the department`s structure (organogram) in terms of its core mandated and support functions. Another important element of an EPMDS (macro level) which is stipulated by the PSR, 2001 chapter three, is the planning and reporting processes of performance.

Chapter three stipulate the element of preparation of the strategic plan, which must describe the core objectives of the department. Then regulation 24 of the PSR, 2001 mandates the HOD of the department to formulate and execute the HR plan for the department; this HR plan assesses the human resources needed to perform department`s functions. Regulation 28 of the PSR, 2001 highlights the development of the information and communication technology plan in order to support the objectives of the framework for managing the information on programme performance. This is

essential in order to have proper structures in place for capturing accurate performance information.

3.12 LABOUR RELATIONS ACT (66 OF 1995)

The Labour Relations Act (66 of 1995) establishes a system for a fair labour practise by supporting joint bargaining and co-operation between unions, employees and employers (Houston, 2001:87). The LRA, 1995 distinguishes between misconduct and incapacity, and prescribes a different approach to resolve each one (Bussin, 2012:13). According to Bussin (2012:13), incapacity is categorized into poor performance as a result of ill health or lack of training. This prescript is crucial in ensuring that the EPMDS is comprehensive to avoid preventable legal action (Nel, Van Dyk, Haasbroek, Schultz, Sono & Werner 2004:488). This legislation makes it difficult for employers to terminate an employee only because such an employee has not reached the set performance goals as per the performance agreement. In terms of the LRA, 1995 public managers or supervisors have a responsibility to assist employees who are performing poorly. Reasons for or root causes of underperformance by employees must be scrutinized and deviations must be rectified by the implementation of remedial procedures.

The performance grievance hearing will accommodate the union representative, employee's supervisor, labour relations practitioners and witnesses. Facts have to be presented by all parties involved and the supervisor has to prove that all necessary measures were taken to remedy the situation. The Personal Development Plan (PDP), as it is called in the public sector, allows for the supervisor to implement or suggest improvement plans. These could be training as per the Skills Development Act, 1998, or counselling as per the health and wellness policy requirements. Van der Waldt (2004:94) argues that the implementation of EPMDS in public institutions should cater for the development of employees to ensure that effective remedies are available for consistently inadequate performance. It is also important for public managers to recognise exceptional performance, hence the EPMDS scorecard allows for performance bonus incentives.

3.13 EMPLOYMENT EQUITY ACT (55 OF 1998)

The role of the Employment Equity Act (55 of 1998) in the EPMDS is to provide an environment for employees in the workplace to comprehend their value in the public

institution. Mayrah & Mashigo-Tshabalala (2013:111) argue that employees in the public sector will be satisfied with the outcome of his/her performance effort, including remuneration, when the compensation matches what the employee considers he/she puts into the job. Mayrah & Mashigo-Tshabalala (2013:111) defines the Employment Equity Act (55 of 1998) “as a prescript that enables the employees in the workplace to be certain that their employers treat them with equal fairness”.

This then creates an employee's perception of the fairness of his work's input and outcome influences his motivation. The Employment Equity Act (55 of 1998) enables supervisors to clarify work responsibilities and performance expectations, develop an employee's capabilities, and align an employee's behaviour to the public institution's strategic goals and objectives. The argument presented by Mayrah & Mashigo-Tshabalala (2013:113) is that if an employee perceives that others receive more for doing less, he/she typically becomes less motivated to work hard and that affects the performance of the public institution. The Employment Equity Act (55 of 1998) requires supervisors to create a productive work environment by communicating job requirements clearly and establishing fair and consistent performance objectives for all employees.

3.14 PUBLIC FINANCE MANAGEMENT ACT (1 OF 1999)

Khoza and Adam (2007:86) argue that the Public Finance Management Act (1 of 1999) (PFMA) is one of the most crucial pillars, if not the actual foundation, of public sector financial governance and performance in South Africa. According to Muller, Bezuidenhout and Jooste (2011:439), the aim of the PFMA (1 of 1999) is to ensure transparency, accountability, sound management of the revenues, monitoring of expenditure, management of assets and liabilities of government departments. Khoza and Adam (2007:86) and Asad, Mokate and Kathrin (2016:22) describe the PFMA, 1999 (No. 1 of 1999) as a comprehensive piece of legislation that aims at ensuring accountability and sound management. Roos (2009:12) argues that the PFMA, 1999 promotes the idea of effective financial management in order to enhance service delivery through the efficient and effective utilisation of resources.

The PFMA (1 of 1999) provides and requires firm groundwork for the development and the implementation of the EPMDS in the public sector (RSA, 1999a). In terms of regulations 5.3 and 30.2 of the Treasury Regulations, evaluation of performance which

must be read in conjunction with section 27(4) and section 36(5) of the PFMA (1 of 1999). The HoD must develop procedures for quarterly reporting to the executive authority to enable good financial performance monitoring, evaluation and remedial actions. Section 38 of the PFMA (1 of 1999) is central to the effective, efficient, economical and transparent use of resources of the department, including the human resources. The PFMA (1 of 1999) requires that the employment contract of the HoD must be in writing and include performance standards; it must clearly specify the overall objective of the department. The performance standards must be aligned with the measurable objectives in the operational plan and therefore be translated in each employee's performance agreement in the department.

The PFMA (1 of 1999) takes careful consideration of the provisions of the performance management and development system policy framework, particularly on expenditure of the remuneration budget. The PFMA (1 of 1999) requires that performance measurements must be prioritised. The HoD, through the office of the CFO, have the key obligation of executing performance measures. According to Wildeman and Jogo (2012:47), there is still a long way to go and more work to be covered to ensure that the financial reforms are translated into service delivery gains. The promulgation of the PFMA for departments has given rise to an isolated application of aspects of EPMDs, with no integration of the various aspects (finance, technology and human resources) of government (Roos, 2009:14).

3.14.1 National Treasury Regulation, 2001

The National Treasury Regulation, 2001 (RSA, 2001c) part 5.2.2(d) states that the strategic plan of departments must consist of quantifiable targets, projected outcomes, programmes outputs, indicators (measures) and targets. Regulations 5 and 30 of the National Treasury Regulations, 2001 provide a legal basis to support the execution of the FMPPI and the FSPAP.

- Under Regulations 5 and 30 of the Treasury Regulations, 2001 government departments are mandated to generate and present a strategic plan with a five-year planning projection. The strategic plan must detail a planned sequencing of objectives and targeted programme (projected outcomes). The implementation strategy to achieve this plan must be stipulated and the required resource (employees, assets, financial) to achieve this. The strategic plan must

be consistent with the public institution`s developed medium-term expenditure estimates and include the measurable objectives and outcomes for the department`s programmes (RSA, 2001c:14).

- It is further emphasised in the regulations that government departments must develop and present a APPs that contains estimates for a further two years, consistent with the medium-term expenditure framework (MTEF) period, with annual and quarterly performance targets, where appropriate, for the current financial year and the MTEF.
- The National Treasury Regulations, 2001 identifies a fundamental set of indicators needed to monitor public institution`s performance; this study focused on the core indicator needed for employee performance. The National Treasury Regulations, 2001 ensure that there is alignment of reporting between the strategic plans, APPs, budget documents, and annual and quarterly reports. This provides a guidance for the formulation of the employees` performance plan as they are guided by what the department aims to achieve through its annual performance plan.
- Regulation 5.3 of the Treasury Regulations, 2001, which must be read in conjunction with 36(5) of the PFMA, mandates the HOD of the department to institute procedures of reporting which will facilitate effective performance monitoring, evaluation and corrective action.

3.15 STATISTICS ACT (6 OF 1999)

The Statistics Act (6 of 1999) (RSA, 1999b) has an important part to play in the EPMDS in South Africa. Data collected from all public entities are analysed, interpreted by Stats SA, then used to make critical decisions. The main aim of Stats SA is to provide a comprehensive performance database and linking it to performance indicators. The information generated by Stats SA is used by government departments for the purpose of monitoring government programmes and strategic planning (Odimegwu and Kekovole, 2016:7). Statistics information is crucial for planning, good governance, policy formulation, monitoring and evaluation, and for decision-making. The statistical information is freely available to the South African public and Stats SA publishes such information in the media, parliament, public institution`s and on their webpage at certain intervals. Performance management and development system is fundamentally about making decisions based on the analysis of outcomes and processes as measures,

and much of that analysis is based on statistics. Departments utilise the statistics to formulate their strategic objectives, which will be converted to annual performance plans and eventually employees' performance plans.

3.16 THE GOVERNMENT-WIDE MONITORING AND EVALUATION PLAN, 2007

In 2004, the national government commenced with a plan for a monitoring and evaluation system for the government departments. The Government-Wide M&E (GWM&E) (RSA, 2007c) plan was adopted by the national government in 2005. GWM&E was successfully presented by the Presidency in 2007. The Government-Wide Monitoring and Evaluation System framework is supported by the National Treasury's Framework for Managing Programme Performance Information (FMPPI); Statistics South Africa's South African Statistical Quality Assessment Framework (SASQAF); and the 2011 National Evaluation Policy Framework (NEPF) produced by DPME (RSA, 2007:1c). The GWM&E is an M&E tool for the public sector that is used to evaluate performance and identify elements that add to service delivery outcomes. The GWM&E ensures the facilitation process of data verification, early warning signals, effective data collection, analysis and reporting.

Cloete (2009) cited by Rabie (2011:167) stresses that the GWM&E is envisioned to manage a systematic programme of policy monitoring and evaluation throughout the public sector in South Africa. The GWM&E targets to provide an integrated, comprehensive framework of M&E principles, practices and standards to be used throughout government, and it functions as an apex-level information system, which draws from the component systems in the framework to deliver useful M&E products for its users. The GWM&E recognises that monitoring and evaluation in South Africa's performance management setting are "very complex, multi-disciplinary and skill intensive" in nature; nonetheless, employees must possess "detailed knowledge both across and within sectors, and interactions between planning, budgeting and implementation", since "government powers and functions are distributed across all spheres of government" (RSA, 2007c:5). The HoD is legally mandated to create and incorporate an M&E system in the public institution (RSA, 2007c:8). The GWM&E is applied and implemented in all spheres of government. The GWM&E must operate simultaneously with the existing performance management and development systems (Cloete *et al.*, 2014:69). The Statistics Act, 1999 (No. 6 of 1999) has an important role

to play in the GWM&E, as it ensures that the captured data are accurate, and the quality is good. The GWM&E aims to facilitate all the stages of a policy or project, namely adoption, design, implementation and evaluation, to ensure that service delivery is effective and meet the needs of the people (RSA, 2007c:5). The most notable feature of the GWM&E is that it seeks to enhance service delivery by using evidence to plan and execute government interventions. The GWM&E discussion document states that managers in the public sector are mandated to use the performance information to assess and review progress made in line with the measurable objectives (RSA, 2014a:6). This information should be able to assist public managers to recognize areas where employees require improvement, thus linking this to the personal development plan.

This ensures that each employee contributes to the overall objective of the department, that employees are aware of their precise objectives and have translated these into measurable indicators or targets, thus incorporating them into the public institutional performance plan. Part 4 specifies the implementation process and the division of roles for effecting the GWM&E in government.

3.17 NATIONAL DEVELOPMENT PLAN- 2030 VISION (NDP)

The primary function of the National Development Plan (NDP) is to enhance the quality of goods and services to the people and this is attainable through the implementation of an effective EPMDS. Governments in different countries have different objectives depending on certain socio-economic conditions (RSA, 2011b:14). The South African government sees the NDP as a guiding document for enhancement of goods and services delivered to the public. The NDP was published in 2011 and is positioned as a blueprint for tackling South Africa's challenges. One of its vision is to create an effective and capable government. All departments in the province of KwaZulu-Natal are meant to ensure that their strategic plans are aligned with the vision of the NDP (RSA, 2011b:16). All government departments were informed that the Medium-Term Strategic Framework (MSTF) beginning in 2014 must facilitate the realisation of the NDP and this must be implemented for the future (RSA, 2011b:17).

3.18 CONCLUSION

The legislative framework explained in this chapter provides guidance for the formulation of the performance management systems (macro level) in the government departments. The legislative framework also dictates that government departments need

to have EPMDs (micro level) that will support the accomplishment of the respective department's strategic objectives. There is a strong emphasis on government departments to enhance service delivery. It is worth emphasising that the Constitution of South Africa, 1996 is the absolute law of the Republic of South Africa and it supersedes all other pieces of legislation. The Public Service Act, (No. 103 of 1994) and the Public Service Regulations, 2001 are the compass that guides and gives direction to the functioning of the public sector and stipulate the formulation of the employee performance management system. There is a strong emphasis on employee performance planning in the Public Service Regulations, 2001 stated in regulation III D I (c) of chapter one that requires the executive authority to have an effective plan. The White Paper on Transforming Public Service Delivery, 1997 is one of the key pieces of legislation that was explained; it is aimed at enhancing service delivery and stresses that HR systems are central in enhancing service delivery by strengthening the employee performance management and development system. This chapter has demonstrated that the legal framework is not only focused on enforcing compliance with the performance management requirements but acts as a tool for effective service delivery. The next chapter describes and explains the implementation of the EPMDs in the Department of Public Works.

CHAPTER 4

KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS: CASE STUDY

4.1 INTRODUCTION

This chapter explains the implementation of EPMDs, in the provincial DPW in detail. Since the beginning of the democratic dispensation in South Africa in 1994, important legislative framework processes have been developed to enhance the performance of the public sector institutions. The intention of these legislative processes was to change the public sector into a government that is effective. An effective legislative framework is necessary to ensure proper planning, effective utilisation of human resources, efficient reporting systems, appropriate data management, evaluation of targets and ensuring the enhancement of public institution's performance. The legislative frameworks that were described in the previous chapter guide the public sector on how performance processes must be implemented in the public sector

It must be stated that implementation of the EPMDs is not only important to the public sector, but also to the external stakeholders and the public. The implementation of effective EPMDs will convert the strategic objectives of DPW into operational activities, thereby realising the vision and goals. The KZN Provincial Department of Public Works is described in detail with reference to its mandate, vision and mission, services and goods rendered, and how it monitors the EPMDs. The Provincial Department of Public Works plays a vital role in infrastructure development in the province of KZN. This chapter will describe how both macro and micro level performance management are implemented in the KZN DPW. Furthermore, this chapter will explain the micro performance dimension (EPMDs) in detail, which is the key focus of this study.

4.2 THE KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS

The KZN Department of Public Works is one of the government departments within the KwaZulu-Natal provincial government administration. The KZN Department of Public Works is recognised as a curator of all government land and buildings within the borders of the province of KwaZulu-Natal. The core mandate of the KZN Department of Public Works (DPW) is the delivery of social infrastructure to other provincial

departments in the province of KZN. This means that the department is responsible for the construction of schools, clinics, hospitals, public institution`s offices and government libraries. The KZN DPW has a responsibility in terms of property management of government buildings in the province, which is done under the Government Immovable Asset Management Act (GIAMA), 2007 (RSA, 2007d). The department facilitates the process of acquiring land through purchase, hiring and leasing. The department also manages the government immovable assets register for fixed provincial assets such as buildings and government land.

4.2.1 Structures and processes of EPMDS in the KZN province

The main purpose of the EPMDS (macro perspective) in the public sector is to ensure quality goods and services are delivered. This section explains the performance management structures and processes involved in the planning and implementation of EPMDS in the KZN DPW. The process of EPMDS begins with the provincial plan, which is spearheaded by the Premier`s office in the province of KZN. It must be said that the process originates from the national government and then the provincial treasury department ensures that there is dissemination of resources that are in line with the government`s objectives as well as the goals of the NDP, Provincial Growth and Development Plan, and that these funds are optimally utilised. Figure 4.1 illustrates the route of processes involved in the EPMDS beginning from the provincial targets then adopted by KZN DPW and translated to APP cascading to employee targets. During the provincial budget speech, the premier would outline the provincial strategic objectives. Then each department would develop strategic goals aligned to their mission and vision. This then cascades down to the department`s annual performance plan that will outline the public institution`s targets and then lastly employee`s performance targets (micro perspective). Figure 4.1 demonstrates the processes and structures of linking the public institution`s goals with employee goals, and how the EPMDS reinforces the implementation process that is consistent with the attainment of the public institution`s objective. An important premise in the below Figure 4.1 is that the public institution`s mission statement and objectives should be aligned with the vision and mission statement, goals, and strategies.

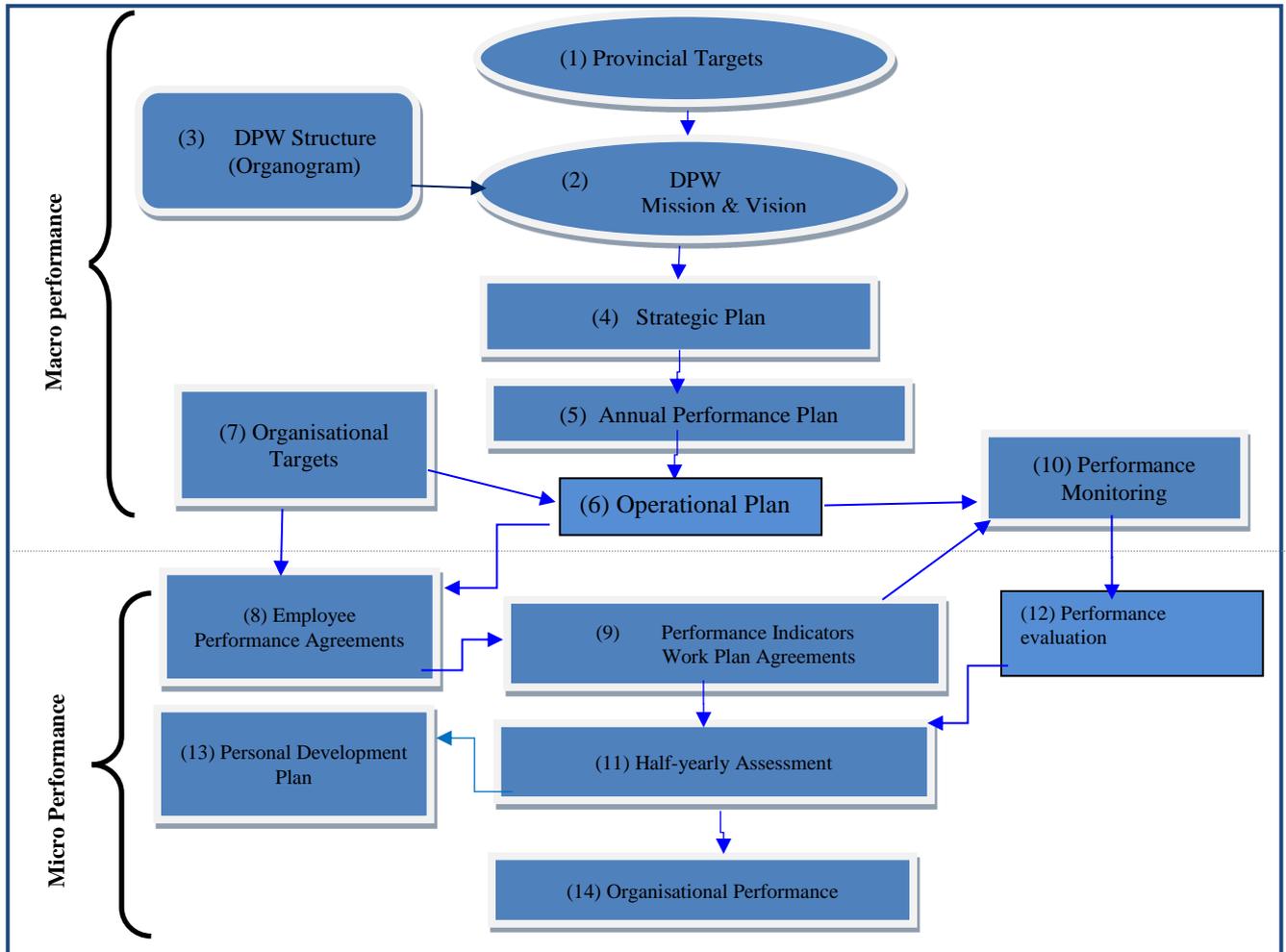


Figure 4.1: DPW cascading process of the EPMDS from macro to micro (Source: Author)

The above figure 4.1 illustrate that EPMDS at DPW is an integrated system that has been designed to translate the public institutions strategic plan into employee performance targets. The process of the EPMDS at DPW starts at macro level where provincial targets are communicated to the department. The provincial targets are then translated to the strategic plan, annual performance plan and lastly to operational plan. Each directorate of KZN DPW will have an annual performance-planning meeting, which will then lead to the signing of a performance agreement by employees (micro perspective). Performance monitoring of employees is done on continuous basis to evaluate whether the employee targets have been achieved. At the end of the financial year each employee is evaluated based on the performance agreement that was signed; this is in line with KZN DPW EPMDS policy.

- The DPW EPMDs policy provides direction on how EPMDs activities should be planned.
- Employees in the department must understand how they can contribute towards the realisation of the vision, mission, priorities, strategic goals (ultimate outcomes) and objectives (intermediate outcomes), key performance areas and key performance indicators of the department.

4.3 LEGISLATIVE MANDATE OF THE KZN DEPARTMENT OF PUBLIC WORKS

The focus of this section is to explain legislative mandate of KZN DPW as a public institution. The legislation described below, determines the department's roles and responsibilities in terms of functionality for KZN DPW. These exclude the EPMDs legislation, which was described in Chapter 3 of this study. The statutory mandate for the KZN DPW is stipulated in Schedule 4, Part 4, of the Constitution of the Republic of South Africa (1996) which makes reference to functional areas of concurrent national and provincial legislative competence. In executing its mandate, the KZN Department of Public Works also has to observe the principles of good cooperative governance and intergovernmental relations, as provided for in Section 41 of the Constitution of the Republic of South Africa (1996). The legislative mandates of the department are underpinned by a number of Acts, as outlined below.

4.3.1 The Government Immovable Asset Management Act (19 of 2007) (RSA, 2007d).

The main aim of Government Immovable Asset Management Act (19 of 2007) is to ensure (GIAMA):

- Acquisition and disposal of property and land through procurement, hiring, sale, exchange, demolition and donation;
- Administration of government immovable assets;
- Administration of property inventory for provincial fixed assets (land and buildings);
- Construction and maintenance of government property and land, including both new construction and renovations;
- Provision of office accommodation to provincial departments (RSA, 2007d).

4.3.2 The Construction Industry Development Board Act (38 of 2000) (RSA, 2000a).

The Construction Industry Development Board Act (38 of 2000) provides for the formation of the CIDB for the implementation of an integrated strategy for the reconstruction, growth and development of the construction industry and other matters connected thereto.

4.3.3 The Council for the Built Environment Act (43 of 2000) (RSA, 2000b)

The Council for the Built Environment Act (No. 43 of 2000) makes provision for the establishment of a juristic person known as the Council for the Built Environment (CBE), the composition, functions, powers, assets, rights, duties and financing of that Council and for matters connected thereto (RSA, 2000b).

4.3.4 The Professional Council Act, 2006 (43 of 2006) regulates the six Built Environment Professions (RSA, 2006).

The main objective of the Professional Council Act, 2006 (43 of 2006) is to organise the professions associated with the built environment to serve the imperatives of government, including transformation, public protection and good governance.

4.4 VISION AND MISSION OF THE KZN DEPARTMENT OF PUBLIC WORKS

The KZN Premier's office requires each provincial department to develop a mission, vision and strategic objectives based on their mandate. According to Ferreira and Otley (2009:267), EPMDs is determined by the strategic objective of the public institution. According to Smoke (2005:97), a vision is a statement that provides purpose and direction to the internal and the external stakeholders. Smoke (2005:97) argues that the vision and mission statement also provide guidance on how the department should operate. Smoke (2005:97) states that a vision is like putting up an advertising sign that displays one's objectives.

It is crucial that all employees understand the mission and there must be clear commitment to it. According to Keffer (2014:5), a mission is a brief sentence that explains the existence of the public institution. The mission should be able to describe the overall purpose of the public institution. Keffer (2014:5) further argues that the vision depicts the future that the public institution seeks. In 2003, the KZN DPW reviewed its vision and mission statement and it also revised its value statements. This was done to validate the department's obligation to the government's vision of a better

life for all the country's citizens. The vision of the KZN DPW is to offer "An inclusive economy through sustainable infrastructure development and property management". The vision states the department's future goals of creating an environment where all the citizen will benefit from the infrastructure development. The mission of the department is "To improve the life of the people of KwaZulu-Natal through sustainable infrastructure development and management of government buildings". The mission encapsulates the values of the NDP 2030 vision, which is the strategic goal of government. The KZN DPW embraces the values of the White Paper on Transforming Public Service Delivery, "the Batho Pele Principles" and the White Paper on Public Service Training and Education, 1998 through its core values.

The White Paper on Transforming Public Service Delivery, 1997 a government initiative aimed at changing public service delivery (Fox *et al.*, 2006:20). The elements of the White Paper on Transforming Public Service Delivery that are embraced by KZN DPW stipulate that the department will make service delivery a priority. This will be achieved by the alignment of HR plans for adequate staffing, and effective human resource development plans. The vision and mission of KZN DPW emphasise quality, efficiency and enhancement of HRM; they are structured to encourage participative decision-making and innovation, including rewarding exceptional employee performance. The department's core values in terms of the Batho Pele principles are as stated on the department's mission statement are outlined below (KZN DPW, 2017a:6).

4.4.1 Transparency

- Information and ideas will be shared liberally and encourage principles of honesty and transparency;
- There will be access to information; continuously involve citizens and stakeholders in all decision making;
- The opinions of all citizens will be respected; the department will invite their opinions and allow citizens to monitor the department;
- Ensure an effective and efficient management of employee performance management information within DPW (KZN DPW, 2017a:6).

4.4.2 Excellence

- Committed to ensuring great quality, suitable progression and appropriate response;
- Ensure good governance, innovative resolutions, inventiveness and support, orientation to transformation and progressive thought;
- Promote effectiveness and reward efficiency and ingenuity;
- Facilitate a transparent EPMDS that will reward and encourage efficient performance from employees (KZN DPW, 2017a:6).

4.4.3 Motivated workforce

- All employees will be treated with dignity, respect and fairness;
- Recognises that the employees are its greatest resource and it will invest in their development;
- Recognises that employee performance contributes to the department`s success;
- Manage an effective and efficient EPMDS to ensure the utilisation of employees to attain the public institution`s objectives and strategies (KZN DPW, 2017a:6).

4.4.4 Sustainability

- Seeks a balanced approach to deliver on its mandate, programmes and services in an economically sound, environmentally sustainable and socially responsible way;
- Ensures a uniform and effective application of the EPMDS across units within the department (KZN DPW, 2017a:7).

4.4.5 Accountability

- Ensures accountability by committing the departmental employees and clients to be responsible to the community and other stakeholders for services rendered and commitments made;
- Supervisors to ensure the alignment of employees` objectives with the public institution`s through HR performance policies and procedures to meet the strategic objectives;
- Ensures that it meets its reporting requirements in respect of the EPMDS (KZN DPW, 2017a:6).

4.5 KZN DEPARTMENT OF PUBLIC WORKS DEPARTMENTAL STRUCTURE

The KZN DPW and the provincial Department of Human Settlements share an MEC, but have different department's HoDs, budgets, programmes and support staff. The KZN Department of Human Settlement does not form part of this study. The KZN DPW has four regions and a head office. The four regions (a) eThekweni, (b) Southern, (c) North Coast and (d) Midlands. The head office of the KZN DPW is based in Pietermaritzburg. The regional offices are located in the following areas: Southern Region and its offices in Pietermaritzburg. Midlands Region with offices in Ladysmith. EThekweni Region and its offices in Durban and North Coast Region with its offices in Ulundi.

Literature explained in Chapter 2 described the institutional structure (organogram) as a system of authority that regulates the relationships of the public institution positions. The purpose of the institutional structure (organogram) is to enable KZN DPW to assign duties, resources and responsibilities to the appropriate components within the department. The institutional structure ensures the efficient functioning of the department by creating a formal operational framework that includes reporting structures, collaborations between employees, information flows and authority distribution with regard to carrying out activities within KZN DPW. It should be noted that the institutional structure of the KZN DPW is an important element of the EPMDS by ensuring that there is accountability and communication. The institutional structure also ensures that processes and lines of reporting are clear. The directorates of the KZN DPW are structured into three programmes:

- Programme 1: Administration.
- Programme 2: Property Management.
- Programme 3: Provision of buildings, structures and equipment (Operations).

- **Departmental senior management structure**

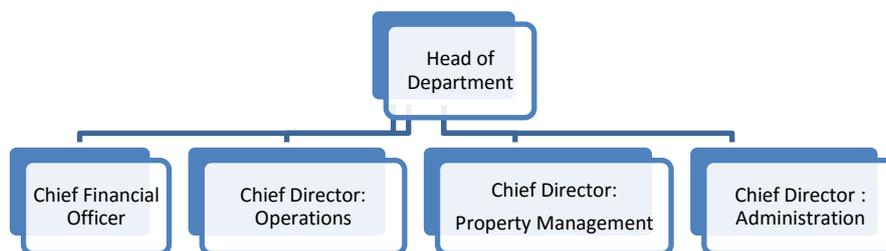


Figure 4.2: Senior Management Structure of the KZN Public Works.

(Source: KZN DPW APP, 2017b:14)

The first directorate in the department is called Programme 1: Administration and it is located at head office in the KZN DPW and this directorate also includes HRM section which is responsible for the co-ordination of the EPMDS (KZN DPW, 2017a:5). Programme 1 provides strategic management in terms of human resource management policy implementation and development. The HRM section at head office is also responsible for the collection, capturing and management of EPMDS information. All EPMDS performance information from all four regions is received and processed by the HRM section at head office. As at 31 March 2017 the staff complement of the KZN DPW consisted of 866 employees in administration, 111 in property management and 736 in operations. There were 300 employees at head office, 288 at Southern, 249 in the Midlands, 346 in eThekweni and 570 in North Coast. This is a total of 1,693 employees in the Department (KZN DPW APP, 2017b:14) (see Table 4.1)

Table 4.1: KZN DPW Staff Breakdown

OFFICE	FEMALES	MALES	TOTALS
Head Office	189	111	300
Southern Region	111	117	228
Midlands Region	105	144	249
eThekweni Region	111	235	346
North Coast Region	248	322	570
TOTALS	764	929	1,693

(Source: KZN DPW, 2017a:16)

4.5.1 Directorates and services rendered by the KZN DPW

4.5.1.1 Programme 1: Administration

According to the 2016/2017 strategic plan of the KZN DPW, the main aim of this programme is to ensure a complete management and support of HRM within KZN DPW. The primary function of the Administration programme in 2016/2017 (KZN DPW APP, 2017b:21) were:

- Providing strategic leadership and management;
- Providing support to the Member of the Executive Council;
- Building a positive corporate culture;
- Rendering support and advice in terms of HRM;
- Human resource management practices and policies;
- All legal matters, security and logistics;
- Effective communication and information management systems;
- Ensuring M&E systems are in place;
- Rendering sound financial management services and risk management (KZN DPW APP, 2017b:21).

It is in this programme that the HRM performance management component responsible for the EPMDS and the M&E unit are located. According to Cloete *et al.* (2014:265), the location of these units under Administration has the advantage of integrating planning and co-ordination of performance data, thus enhancing service delivery. This programme analyses the strategic objectives and annual targets against the actual performance output for that financial year. This programme focuses on ensuring that an integrated EPMDS (macro) approach is developed and the strengthening of structures to support the public institution`s in achieving its strategic objectives and priorities.

This programme creates a platform that embraces the uniform and effective application of the EPMDS (micro level) across units within the public institution. It ensures effective monitoring of the EPMDS findings and evaluates the impact of the achievement on the department`s strategic objectives and priorities. According to the KZN DPW Annual Performance Plan (KZN DPW APP, 2017b:21), this programme must assist the department in conducting regular job evaluations of all posts; the purpose of this is to ensure the effectiveness of the Key Result Area (KRA) in that specific job. This is significant in ensuring that the KRAs on the employees` job

descriptions contribute to the attainment of departmental strategies, goals and objectives. This programme also conducts departmental work-study investigations into the effective and efficient utilisation of employees to identify resource requirements and ensure optimisation of business processes (KZN DPW APP, 2017b:21).

4.5.1.2 Programme 2: Property management

The aim of this programme is to arrange and assist in the establishment of accommodation and comprehensive property management services to all provincial departments in the province of KZN. This is done through organised property acquisition and disposal, optimal utilisation of state fixed assets, land valuation, maintenance of a fixed property register, payment of property rates and integrated service delivery. This section is responsible for the management of all government buildings in the province of KZN. These include all hospitals, schools, offices, housing and mortuaries (KZN DPW APP, 2017b:22).

4.5.1.3 Programme 3: Provision of buildings, structures and equipment (Operations)

This is the core programme of the KZN DPW. Its main purpose is the construction and/or acquisition of buildings, structures and engineering works, and the maintenance of buildings to client specifications. Provincial departments such as the Department of Health, Education, Social Development, Arts and Culture, Environmental Affairs, Human Settlement, Transport and the Premiers Office use the services of DPW. The provincial departments approach the DPW when they have a request for maintenance, upgrades or repairs for their buildings or require a new buildings to be constructed (KZN DPW APP, 2017b:22).

The core function are:

- Improving integrated service delivery in the provision of buildings and structures.
- Creating jobs through the Expanded Public Works Programme (EPWP).
- Creating an enabling environment for affirmable business enterprises.
- Initiating and co-ordinating strategic partnerships.
- Co-ordinating and aligning of operational activities in line with municipal demarcations (KZN DPW APP, 2017b:22).

4.6 IMPLEMENTATION OF EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM IN THE KWAZULU NATAL DEPARTMENT OF PUBLIC WORKS

According to the KZN DPW EPMDs policy framework (KZN DPW Policy Framework, 2006b:9) the EPMDs process in the department must be continuous and originate from the strategic objectives. During the process of strategic planning, the director in the HRM directorate conducts a presentation on the analysis of the previous year's annual performance report. The aim of this activity is to allow the KZN DPW to review the achieved targets and shortcomings in order to correct the root causes of underperformance (KZN DPW PMS Policy Framework, 2006b:9).

The KZN DPW policy framework (2006b:11) is a guiding document which states that the implementation of the EPMDs starts with performance planning, followed by performance monitoring. According to the policy, each stage must link to the previous phase of the EPMDs, as the aim is to create an alignment between stages. The alignment between the macro performance and the employees performance management (micro level) is done through the reviewed EPMDs policy, which was signed by the accounting officer of the KZN DPW on 16 March 2012 (KZN DPW Reviewed EPMDs, 2012:1). Amendments were made to this policy from the previous EPMDs policy with the aim of reinforcing the alignment between employees and departments' performance in order to improve service delivery. Furthermore to achieve the following objectives with the amended EPMDs policy:

- To specify and identify the roles of each role-players involved in the EPMDs.
- To empower supervisors in the department with knowledge and skills to deal with performance management related grievances.
- To improve the implementation process of the EPMDs within DPW.

The EPMDs policy stipulates that for micro to be aligned to macro performance management, the implementation process must follow the same phases. The application of these phases in line with macro performance management phases as depicted in Figure 4.3.

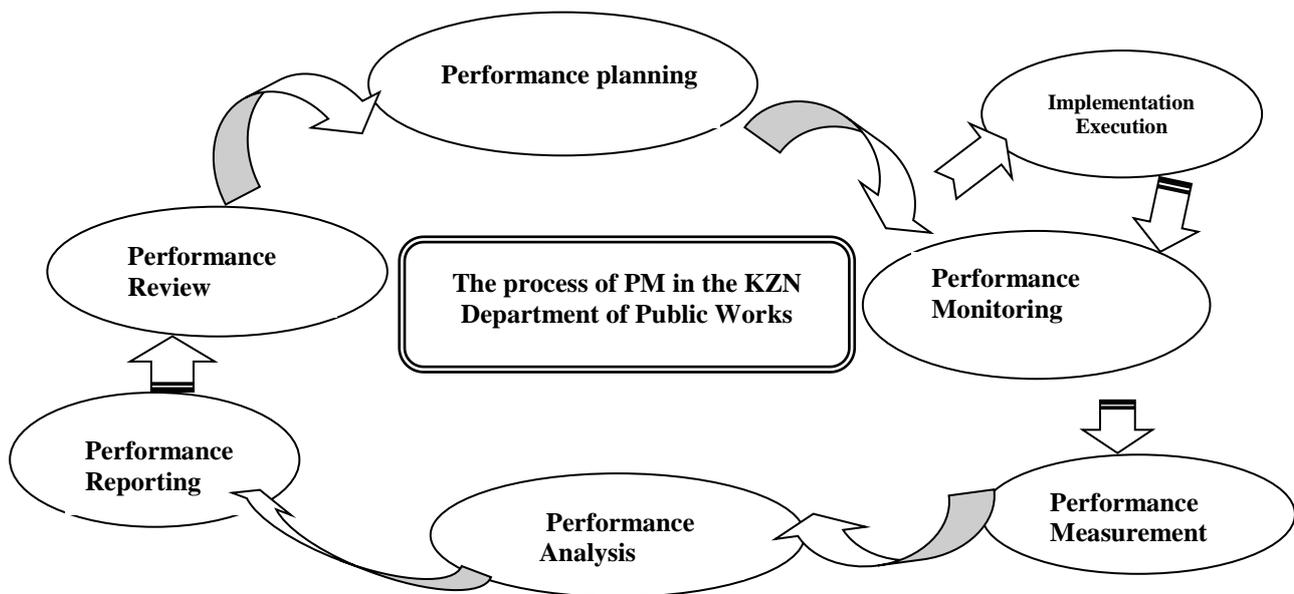


Figure 4.3: The process of performance management in the KZN Department of Public Works (Macro)

(Source: KZN DPW PMS Policy Framework, 2006b:11)

Figure 4.3 adapted from the KZN DPW policy framework (2006b) illustrates that the development and management of the EPMDS at macro level by the department follows a similar process to micro level to create an alignment. Macro performance management entails the development of priorities aligned to the departments` strategic goals. In the context of the above Figure 4.3, effective employee performance management requires the alignment of employee activities to departmental strategies. The DPW EPMDS policy stresses that the focus should be on results (inputs, activities, outputs) as the preferred approach to employee performance management, as it enables employee efforts to be linked to departmental goals and objectives. Figure 4.3 depicts the fact that macro performance management is divided into seven phases, namely:

- Performance planning
- Implementation
- Monitoring
- Measurement
- Analysis
- Reporting
- Review

It is evident from Figure 4.3 that the EPMDS at a macro level is a continuous process similar to the EPMDS. There is great emphasis by the KZN DPW Policy Framework (2006b:11) that performance management at macro level must follow the guidance of the framework for managing programme performance information, 2007 (RSA, 2007a:4). The role of performance information is to enable the department to produce accurate performance report and furthermore to assist in effective planning, budgeting, monitoring, measurement, analysis, reporting and review.

4.7 EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM IN THE DEPARTMENT OF PUBLIC WORKS

The EPMDS policies are an important part of the department's performance as they are a blueprint of the whole system. The KZN DPW has developed and adopted several policies to steer the EPMDS therefore achieving quality service delivery. The department has a policy development section located under programme 1 and this section is responsible for the development, review and research on the effectiveness of policies. Performance policy is used to advance the strategic objective of the department. The policy development section coordinates the policy development processes within the KZN DPW. Human Resource Development has developed a policy in terms of the White Paper on Public Service Training and Education, 1998. The objective of this policy is to ensure the sustainability of intellectual capital. This ensures the retention of skilled employees and also the creation of workplace environment where career growth opportunities are developed through the EPMDS and the performance ability of employees is enhanced.

4.7.1 Employee performance management and development system framework, 2006 (macro level)

Over several years, the KZN DPW was unable to meet its annual performance targets (KZN DPW, 2006a:1). This challenge escalated to a level that it was tabled at the KZN legislature as an ongoing concern. Against the background of the need for evaluating the causes of poor performance by the KZN DPW, a review process was established to examine the existing performance practices and procedures with a view to developing a policy framework that will facilitate the transformation of the EPMDS (macro level) in the KZN DPW. The report findings of that investigation which examined the EPMDS at macro level will be explained in this section. The reviewed EPMDS

processes which was a result of that investigation and is the focus of this study, will be described and explained in the next section.

Emanating from the performance investigation report the then MEC of KZN Public Works, the Honourable MB Gwala (KZN DPW, 2006a:5) made an obligation to the KZN Premier to transform the department into a public institution of excellence. To action this commitment, the MEC commissioned the development of a “Change Agenda”, which identified the performance expectations for change that formed the core of a major turnaround initiative for the department. One of the resolutions of this Change Agenda was the development and the adoption of the Performance Management System Framework, 2006.

The KZN DPW EPMDS Framework, 2006 is mainly aimed at performance improvement in order to realise the departments’ objectives and strategic goals. It is a way of obtaining improved outcomes from the departmental teams and employees by understanding and measuring performance within an agreed framework of goals, standards and competence requirements. The KZN DPW EPMDS Framework, 2006 provides guidance on how the department will translate the mandate into a set of outcomes. The main aims of the KZN DPW EPMDS framework (KZN DPW, 2006b:11) are to:

- Ensure that KZN DPW complies with the South African legal framework;
- Define performance roles and responsibilities within the department;
- Establish the frequency of performance reporting and type of reports;
- Provide guidance on how the EPMDS will be implemented, managed, conducted and organised from the planning phase up to performance review;
- The strategic process of translating the department’s vision and mission into clear SMART goals;
- To make sure that the application of the plans and programmes is done;
- Make available effective instruments for measuring, managing and refining the overall functioning and achievement of departmental performance procedures and systems;
- Quantify the required performance development impact;
- Enhance the performance of employees in the department by ensuring the implementation and integration of the DPW EPMDS policy framework;

- To undertake internal assessment of performance of the Department (KZN DPW, 2006b:11).

In 2006, the DPW EPMSD policy framework (2006) was amended to align it with the Performance Information Handbook (RSA, 2011a); the Framework for Strategic Plans and Annual Performance (RSA, 2010a) and the Public Administration Management Act (11 of 2014). The DPW EPMSD Policy Framework, 2006 (KZN DPW, 2006b) deals with the performance management cycle as well as conducting, organising and managing the process of performance planning, monitoring, measuring, reviewing, reporting and improvement. One of the key requirements for DPW EPMSD Policy Framework (KZN DPW, 2006b:2) is that macro performance planning needs to cascade down to micro performance planning. There is a strong emphasis on the integration of the two policies.

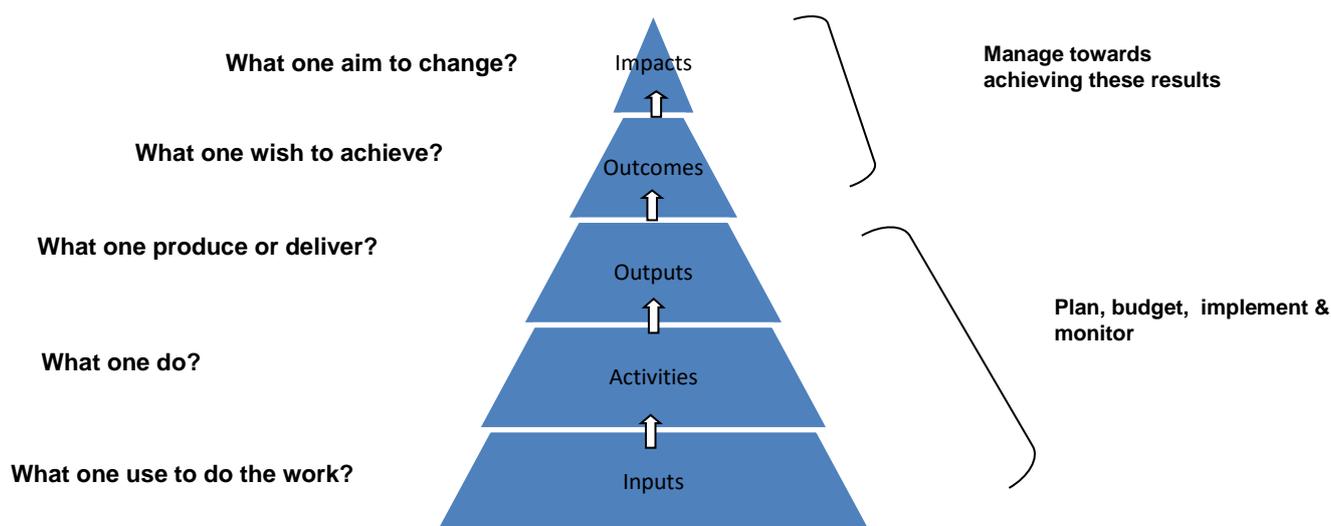


Figure 4.4: KZN DPW Key Performance Information Concept

(Source: RSA, 2010b:3)

The DPW Performance Policy Framework, 2006 incorporates the theory of change as depicted in Figure 4.4, which guides the department in achieving the desired outcomes. The above Figure 4.4 which is applicable to KZN DPW was adopted from Figure 2.3, which was explained in Chapter 2. The DPW performance policy framework emphasises that the ‘theory of change’ and concepts that must be incorporated into the

KZN DPW performance management system that measures performance with regard to: (i) inputs, (ii) activities, (iii) outputs, (iv) outcomes, and (v) impacts. The KZN DPW performance policy framework, 2006 states that appropriate performance indicators must be specified to measure each concept of the theory of change as indicated in Figure 4.4 (RSA, 2010b:3).

The KZN DPW EMPDS policy framework, 2006 (KZN DPW, 2006b) stresses that performance information can provide a signal to warn the supervisor if the employee is showing signs of poor performance and this will enable the supervisor to implement a remedial action plan or “corrective action” to improve the performance of the employee. Section 3.4 of the DPW EMPDS policy framework, 2006 states that performance data must be collected in the normal business process of the department. Supervisors in the department should assess and review progress made in line with the initial measurable objectives and associated indicators. The overall aim of the KZN DPW EPMDS policy framework, 2006 is to improve the standard of performance in the department with a focus on employee’s performance (micro level) and to ensure effective service delivery. The DPW EPMDS policy framework, 2006 also recognises the critical role of employees in contributing towards achieving the strategic goals so that the department could deliver on its mandate (KZN DPW Reviewed EPMDS, 2012:8).

4.7.2 DPW EPMDS POLICY, 2012 (micro level)

Part VIII of chapter one of the PSR, 2001 serves as the main source to DPW in creating and applying the DPW EPMDS (RSA, 2007a:9). The Department of Public Service and Administration (DPSA) provide detailed guidance through the EPMDS framework, 2007, which should be used by the departments as the performance management tool. The reviewed EPMDS, 2012 was signed by the HoD of the KZN DPW on 16 March 2012 (DPW Reviewed EPMDS, 2012:1). Amendments were made to the previous EPMDS policy to reinforce the linkages between micro and macro EPMDS in order to improve service delivery. The DPW EPMDS system became effective on 1 April 2012. The DPW EPMDS is described by the Director for Human Resource Practices and Administration in the KZN DPW as a continuous performance strategy that supports the employees in the department to achieve the desired performance results by clearly knowing their performance expectations (Sithole, 2017:Interview). He further states

that the EMPDS policy promotes communication between the employees and the supervisors.

Each supervisor along with department's management will plan and prepare for the activities and set performance targets that need to be achieved at the commencement of each annual performance cycle, based on the job responsibilities of employees. The DPW EPMDS policy states that employees together with supervisors must sign Performance Agreements (PA). According to the DPW EPMDS policy, the performance agreement should include the employee's job description, employee's work plan and personal development plan. All these documents should accompany the signed Performance Agreement. Armstrong (2006b:504) stipulates that the performance agreement must form the foundation for the development, assessment and feedback in the EPMDS. Supervisor and employees sign the PA at the beginning of the financial year, which is the first week of April. The PA is mandatory to every employee in DPW and the contents of the agreement must be aligned to the objectives of the department's strategic and annual operational plan, component business plans and the employees' job descriptions (RSA, 2007a:11).

According to the DPW EPMDS policy, the method of conducting the performance review is decided between supervisors and employee. This is a discussion between the two parties; each will put a score against the KRA. In terms of the policy, supervisors are encouraged to utilise all opportunities available to engage employees on performance issues; this is to discourage waiting for the end of the financial year to do the performance assessment. Engaging employees early will allow supervisors to measure the employees' performance on regular basis. The final performance assessment is due at the end of the performance cycle and coincides with the end of the financial year. The half-yearly assessment, which is due by the end of September, is a prerequisite for the annual assessment (KZN DPW Reviewed EPMDS, 2012:17). The DPW EPMDS, 2012 policy stipulates that employees who do not complete half yearly assessments will not be eligible for the pay progression or a performance bonus. The EPMDS policy has a central role in enhancing the skills of employees and providing career guidance (KZN DPW Reviewed EPMDS, 2012:17).

The EPMDS policy in the DPW is structured to accommodate a remedial programme for poorly performing employees. The DPW EPMDS policy, 2012 is in line with the DPSA EPMDS policy, 2007 which makes provision for the development and guidance of employees who are not performing well. The DPW EPMDS policy, 2012 prescribes performance assessment instruments to be used for the purposes of recording, managing and evaluating the performance of employees. Supervisors are assigned the roles of ensuring that appropriate performance assessment instruments are utilised. According to DPSA the performance assessment instrument includes the self-assessment, supervisory assessment and the provisional assessment rating. The DPW EPMDS performance assessment instruments are line with the EMPDS (RSA, 2007a:13) and should not be modified; if a different form is used, such a report will be disqualified and will not be processed until the correct form is submitted. The following are policy annexures which provide guidance to the implementation of EPMDS (RSA, 2007a:13).

- **Annexure A Performance Agreement:** this form is used to communicate to the employee the performance expectations of the supervisor. The DPW EPMDS policy framework (KZN DPW Reviewed EPMDS, 2012:6) describes the performance agreement as an agreement document signed by an employee and the immediate supervisor; it includes a description of the job, selected KRAs and GAFs, a workplan and the employee's personal development plan. The most important aspect of this document is that it specifies employees performance targets. This document is signed by the employee and the supervisor at the beginning of the financial year (RSA, 2007a:13).
- **Annexure B Annual Work-plan:** only one document for the entire 12 months period. The supervisor and the employee agree on the key activities and performance indicators to be achieved during the period (RSA, 2007a:12).
- **Annexure C Personal Development Plan:** this form is used to record the skills gaps identified during the contracting process. The gaps should be performance-related rather than career-oriented. A copy of this form should be forwarded immediately to the Skills Planning Division for the development of the WSP (RSA, 2007a:13).
- **Annexure D Generic Assessment Factors:** choose factors that are related to the employee functions only and include them in the work plan. Each factor must be linked to particular KRA (RSA, 2007a:12).

- **Annexure E Half-yearly Review Form:** this form is used to review the performance of an employee on a six-monthly basis during a performance cycle. Both the employee and supervisor must add their comments and attach their signatures (RSA, 2007a:16).
- **Annexure F Annual Performance Assessment Instrument:** the performance assessment instrument is used to summarize the overall performance for the past 12 months. The scores are averaged and plotted in an electronic calculator to determine the final score. According to the DPW EPMDS policy, 2012 employees in the department must be evaluated twice within a performance cycle: the first assessment is in September (half yearly review) and the second at the end of March. This assessment is to determine the level of the employee performance over a period of at least 6 months. The performance assessment exercise is instigated and performed by the employee's supervisor in consultation with the employee. The DPW EPMDS policy (KZN DPW The Reviewed EPMDS, 2012:19) states that the assessment process should be a one-on-one session in a private quiet place. The DPW EPMDS states that the supervisor must provide documented evidence if the employee's scoring is below average and such evidence to be submitted to the performance moderation committee. The DPW EPMDS policy allows for employee to rate themselves, and if the rating are above average it should be accompanied by tangible evidence. If the supervisor is not convinced by the employee's own rating, she/he should give her/his supervisor's rating and comment in the column provided (KZN DPW Reviewed EPMDS, 2012:22).

4.7.2.1 Reporting on performance of employees

The performance of employees must be constantly monitored by supervisors (KZN DPW Reviewed EPMDS, 2012:17). The supervisor tracks the performance of the employee paralleled to what was initially planned by gathering and analysing data on the indicators established for monitoring and evaluation purposes. The employee submits performance data through performance reports to highlight whether progress is being made toward achieving results (outputs, outcomes and goals) through record keeping and regular reporting (KZN DPW Reviewed EPMDS, 2012:18). The performance monitoring section studies the submitted performance data to compare activities and changes in conditions of the employee brought about by programme

activities. It also identifies strengths and weaknesses of the employees so as to assist in developing a remedial action plan, where necessary. The performance information created from monitoring may enhance learning from experience and improve decision-making. The DPW EPMDS policy emphasise the importance of reporting the key performance information so that the public institution can overcome challenges and efficiently utilise its human resources optimally. The employee submits weekly reports, which are incorporated into the monthly report; these reports provide progress updates on the application of the performance work plan agreement of the employee. The employee performance reports are submitted to the responsible supervisor as per timeframes stipulated in the EPMDS policy (RSA, 2007a:12). Supervisors monitor the accuracy of performance information provided in the monthly reports and these reports are utilised to complete the quarterly performance reports. The template for the performance reports is developed and disseminated by the performance management section under programme 1 in line with the DPSA reporting requirements. The performance management section stipulates that there should be an alignment between the employee performance indicators, while the targets also feed into the departmental plans. Such alignment could be achieved if there is an efficient reporting system that provides accurate data on the performance of employees. Reports are necessary in order to establish a credible source of performance information.

4.7.2.2 Performance grievance process

Literature explained in Chapter 2 stated that grievance could be about a wide range of workplace matters and this includes performance issues. This is because if the EPMDS is not properly applied by the supervisor, the assessment would not reflect the true results of employee performance. The Department of Public Works has a procedure to deal with staff grievances which is outlined in the DPW EPMDS policy (KZN DPW EPMDS, 2012:25). It was explained in the literature that grievance issues concerning employee performance do not get as much attention as labour-related issues. In most cases, the review or mediating committee is slow to attend and resolve such cases.

Literature in Chapter 2 further stated that this is because the panel will require all performance documentation that was collected over the period of the year, in the event that a dispute may arise between a supervisor and an employee during a review period. The DPW EPMDS (KZN DPW Reviewed EPMDS, 2012:25) policy allows for a

grievance resolution process that requires an employee that holds a senior position in the department to be appointed as the mediator in the Performance Agreement must be notified and invited into a session. Senior managers in each directorate must first attempt to resolve any dissatisfaction by the employee before the matter is escalated. If the mediator does not resolve the disagreements over rating and assessment between the supervisor and employee, they shall be afforded an opportunity to present the issue to the moderating committee. This will be done if the employee is of the opinion that certain performance information was not considered during the moderation process which could have affected the results (DPW, 2012:25). If the employee is still not pleased with the result or the decision of the performance moderation committee, the DPW EMPDS (2012) states that the employee may have to use the external representatives as prescribed by the Labour Relations Act (66 of 1995).

4.7.2.3 Employee performance development

Employee performance development has a central role in improving the work knowledge of the employees and providing career guidance which will benefit the department. The EPMDS policy in DPW is structured to assist supervisors and HRM practitioners to effectively plan, implement, monitor, review and provide dates for conducting annual performance assessments. The DPW EPMDS policy is in line with DPSA EPMDS policy (RSA, 2007a), which makes provision for the development and guidance of an employee who is not performing well (KZN DPW Reviewed EPMDS, 2012).

The EPMDS is implemented for either managing poor performance as a remedial plan or to enhance the employee's skills. The PDP is developed based on the evaluation results of the previous year. Supervisors will identify areas where the subordinate did not perform well and jointly develop a PDP. The plan will be applied within the performance cycle. There are systems that have been developed by the performance management section as indicators to detect poor performance during the course of the year. This allows for early detection of poor performance and provides the supervisor with an opportunity to remedy the situation before the final assessment. According to the DPSA EPMDS (RSA, 2007a:24), the following procedure has to be implemented by the supervisor as part of the remedial action plan for poor performance:

- One-on-one counselling;

- Mentoring and coaching;
- Training;
- Motivation and support;
- Employee health and wellness programme (i.e. occupational health and safety issues);
- Restructure the work plan;
- Evaluate work systems and procedures.

The above steps describe the processes of a remedial plan and if the employee does not improve, the supervisor must record and recommend that the employee be enrolled in the incapacity programme.

4.8 ROLE-PLAYERS IN THE IMPLEMENTATION OF EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM

This section describes the role-players who undertake the responsibility to encourage the application of the EPMDS within KZN DPW. This is critical to comprehend the bigger perspective of macro role players.

4.8.1 The role of Premier's Office

The role of the office of the Premier in the EPMDS is to appoint and manage the performance of the HoD. The HoD through the signing of a PA, contract`s with the provincial cabinet/EXCO and commit to the achievement of the strategic objectives of the public institution (RSA, 2002:8). The signed PA therefore represent a clear, mutually understood commitment regarding expectations surrounding roles and goals of the HoD to be evaluated against by the Premier`s office. Such a system enables the Premier`s office to assess the extent to which HoD`s have succeeded in achieving the strategic objectives assigned to them and to link their performance and that of the public institution (RSA, 2002:8).

Literature explained in Chapter 2 stated that the appointed Premier in KwaZulu-Natal province has a constitutional responsibility to ensure and account for good governance as well as effective delivery of services and goods in the province. Public institutions are expected produce good results through effective management of the EPMDS and to ensure the development of communities, even though this is done with constrained resources. The Office of the Premier supports the provincial cabinet/EXCO in

developing the provincial priorities that are to be implemented by the provincial departments in their 5-year strategic plans. This is accomplished through timeous planning and policy formulation. Providing strategic leadership and coordination in provincial management ensures stability in the implementation of service delivery. Each provincial department in KwaZulu-Natal has a monitoring and evaluation directorate, whose role is to collect information and submit it to the Premier's Office. The Premier's facilitate the publishing of an annual overview of provincial government performance.

4.8.2 The role of human resources in the department

One key prescript that could be highlighted from Chapter 3 which has had an impact on the functioning of the HR section in government is the White Paper on Human Resource Management in the Public Service, 1997. This prescript promotes a shift from the administration of the HR function to the management of people in an environment that values and accommodates their diverse cultures. In Chapter 2 it was argued that the White Paper on Human Resource Management in the Public Service revolutionised HRM in the public sector. The White Paper on Human Resource Management mandated the involvement of both the supervisors and employees in the implementation process of the EPMDS. The legal framework prescripts that were explained in Chapter 3 seek to maximise the potential within each and every employee so that the public can benefit from their skills and talents. The focus of HR section in the KZN DPW has shifted from delivering traditional HR support functions to becoming an active role player in ensuring the achievement of the public institution's goals (RSA, 2009a:2). Effective HRM is essential to execute the department's strategic objectives. The HRM section has a critical role of executive oversight, accountability and coordination in relation to the implementation of the EPMDS. Literature that was explained in Chapter 2 stipulated that the success of the KZN DOPW depends on the public institution's ability to integrate the employee's performance with public institution's performance and to manage both at the same time, but separately. There are several key sub-sections under the human resources section in the KZN DPW that perform a significant part in the EPMDS, such as the strategic planning, performance management, public institution's planning, monitoring and evaluation. The HRM section ensures that the departmental organisational (organogram) structures are aligned to strategic service delivery goals, with enough flexibility for adjustment according to changing

circumstances and priorities. This is done through an HRM plan, which ensures that the department has the required amount of employees, with appropriate skills and proper knowledge, in the accurate job to enable the department to deliver on its mandates and achieve its strategic goals and objectives (RSA, 2002:3). Thus, the HRM section performs a central role of designing and applying an effective EPMDS.

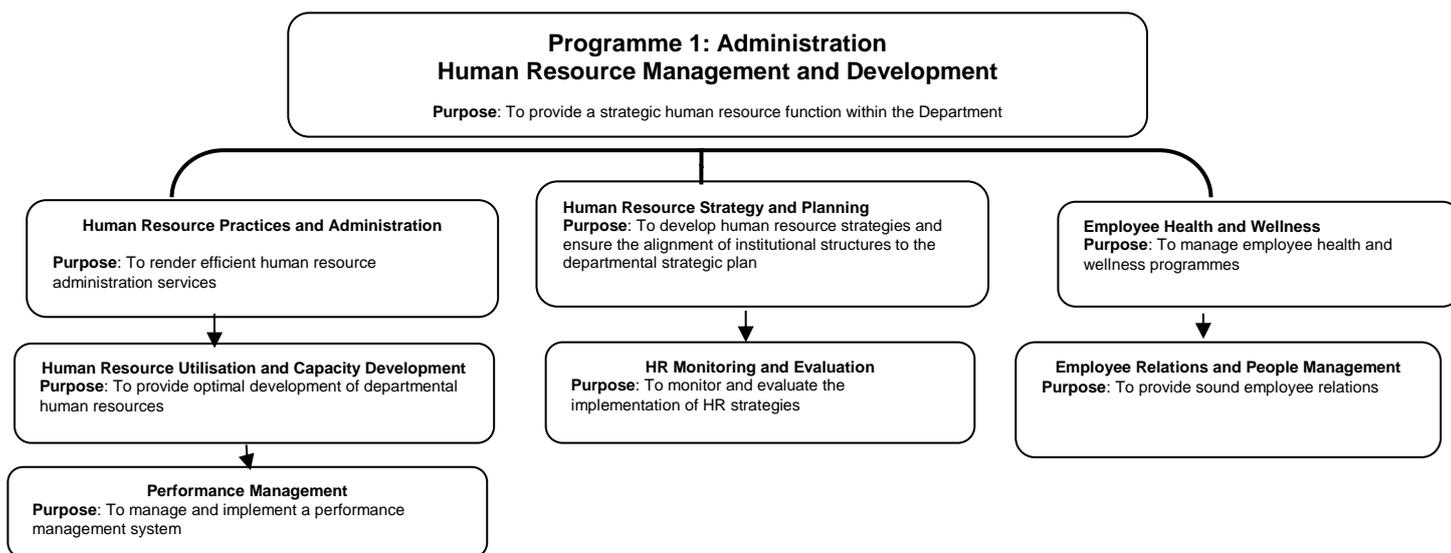


Figure 4.5: DPW Human Resource sampled organogram

(Source: KZN DPW, 2009:1)

Figure 4.5 illustrates a sampled organogram of the HR section of the DPW indicating the main function for each unit in the department. This is to highlight some of the important functions of the EPMDS that are located within the human resource section. The performance management unit under the HR component coordinates the collection of annual employee performance assessments (EPMDS) from all sections in the department and analyse the reports against the set performance indicators. The performance management section ensures the implementation of the EPMDS in the department. This section also provides support and guidance to supervisors in the development of performance agreements and of all performance-related documents in the department. The performance management section coordinates EPMDS training with an emphasis on supervisor and drives the process forward, including being the overall co-ordinator of the EPMDS. The M&E unit works closely with the planning unit to ensure that the indicators and targets in the strategic plan are set against the predetermined objectives (KZN DPW, 2009:2).

Employees in the performance management sub-section are also in charge for monitoring the development of all EPMDS documents such as the performance agreements and the implementation in line with the DPW EPMDS policy, 2012. They must be available to provide advice to first-line supervisors in the preparation of EPMDS documents. The performance management sub-section in the department provides EPMDS implementation training to all managers and gives advice on EPMDS policy matters. The performance management sub-section collects EPMDS information with the purpose of identifying challenges relating to EPMDS broadly and they must be available to assist with queries/enquiries concerning EPMDS and provide advice on counselling. The performance management section also facilitates the EPMDS information-sharing sessions and identifies training needs, including the administration of PMDS review questionnaires (RSA, 2009b:22). According to the DPW EPMDS policy, 2012, the performance management sub-section should also ensure that the following EMPDS functions are implemented:

- The EPMDS sub-directorate must ensure that the EPMDS policy is made available and amendments are appropriately discussed (KZN DPW Reviewed EPMDS, 2012:14);
- There is a plan that is developed to train supervisors as well as employees in the implementation of the EPMDS;
- The performance management sub-directorate must also ensure that they communicate regulatory changes that affect the EPMDS;
- Communicate reminders for completion and submission of performance agreements, performance review reports and PDPs;
- The performance management sub-directorate needs to ensure on-going performance training and technical support is provided to employees in the Department.

4.8.3 The role of the Department of Treasury

Most of the legislation on EPMDS requires accountability and transparency from government departments and employees. The role of the Department of Treasury is to assess the budget performance (planned against actual expenditure) by comparing financial expenditure against service delivery output and impacts (RSA, 2007b:5). The PFMA, 1999 and the Treasury Regulations guide the process of strategic planning, budgeting, implementation and M&E. The KZN Department of Treasury stresses the

point that effective utilisation of resources will enhance service delivery (RSA, 2007b:5). During the course of the strategic planning process, senior managers and the HOD conclude the DPW strategic objectives and how they are to be accomplished by them those to operational plans and then, lastly, to employees performance management plans. The Treasury Regulations, 2002, and the PSR, 2001 stress the criticalness of comprehensive strategic planning and that this is indeed one of the key responsibilities of HOD; the accounting officer needs to ensure that employee's performance agreements are in line with the strategic plan. Central to the role of the Department of Treasury is the effective, efficient, economical and transparent use of human resources of the department in terms of both section 38 of the PFMA, 1999 and section 7(3)(b) of the Public Service Act, 1994. According to the Treasury Regulation 5.3.1 and the Framework for Managing Programme Performance Information, provincial departments must submit monthly and quarterly monitoring reports to the provincial Department of Treasury.

These reports must relate to employee performance vis-à-vis the predetermined objectives. The strategic plan, the approved budget and the APP must have clear strategic objectives, outputs, indicators and targets. The DPW APP is cascaded down to the level of operational plans for each directorate in the department, and then communicated to employees. The KZN Department of Treasury in each province monitors the performance management plans prudently. The KZN Department of Treasury plays an important role in supporting service delivery through providing guidance in terms of strategic planning, thus ensuring that HRM is effective.

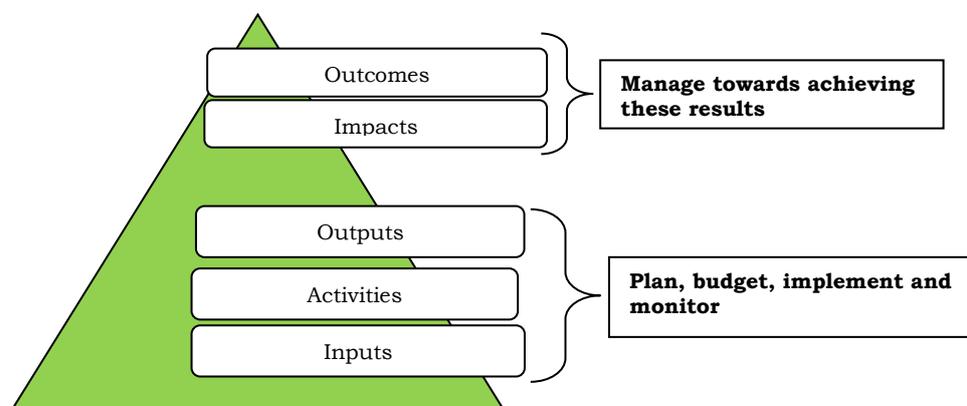


Figure 4.6: Key performance information concepts (RSA, 2007b:6)

Figure 4.6 outlines the stages for departments to develop the planning, budgeting, implementation, reporting and monitoring, and then linking those to EPMDS.

4.8.4 Role-players in the implementation of Employee Performance

Management and Development System in the Department of Public Works

According to the DPW EPMDS policy framework (2006b:2), senior management and the HoD should define the strategic goals of the department and the overall key results areas of the public institution, while the targets are identified for the priorities and assigned to directorates within KZN DPW.

4.8.4.1 Head of Department (HoD)

The accounting officer (HoD) appoints the EPMDS Moderating Committee with the minimum inclusion of representatives from various sections. The HoD further approves the implementation of performance outcomes and ensures that employees in the public institution are provided with the required resources to carry out their responsibilities (RSA, 2007a:21).

The HoD's EPMDS integrates the management of employee performance with the management of public institution's performance. The EPMDS is designed to link the HoD's PA to the department's strategic plan and the public institution's mandate and priorities. In addition, the role of the HoD also serves as a tool to monitor, evaluate and connect the employee performance outcome with the public institution's performance results.

Literature discussed in Chapter 2 highlighted several challenges currently being experienced with the EPMDS which also affects the HoDs. These include among others the failure to enter into and sign performance agreements (PAs) between HoDs and their relevant Executive Authorities (EAs), delay and absence of performance assessments and feedback and the fact that the HoD's performance assessment outcome is not aligned to the public institution's performance.

4.8.4.2 Performance Moderating Committee (PMC)

The performance moderating committee convenes assessment-moderating meetings to review and ratify assessment outcomes of employees. The PMC monitors the procedural and substantive compliance with DPW EPMDS policy. The most important

function of this committee is to ensure that there is fair and objective assessment of all employees' performance.

4.8.4.3 Supervisors

Supervisors must assist in developing the performance agreements of their employees within the performance cycle. Supervisors are required to convey the final assessment results in writing to the affected employee within five working days after moderation assessment, highlighting areas of improvement and reasons for any changes in the original scores (DPW, 2012:23). In terms of the DPW EPMDS policy, employees are required to obtain, complete and sign PA's within the stipulated timeframe. Employees are also required to provide the supervisor with the necessary information and evidence of performance (DPW, 2012:22).

4.8.4.4 Union representatives

The union representative does not form part of the moderating committee, but the union member is allowed to observe the proceedings. The union member also assists the employee in case of an appeal with the intention of providing advice (DPW, 2012:22).

4.9 CONCLUSION

This chapter explained that the KwaZulu-Natal Department of Public Work is the custodian of provincial government infrastructure in the province of KwaZulu-Natal. KZN DPW operates with legislative mandates, including the Constitution of the Republic of South Africa 1996 and other legislation applicable to the public sector focused on the EPMDS. The vision and mission of the department were explained in this chapter. The organisational structure (organogram) and programmes of the department were outlined, with attention devoted to the core programmes of the department. The production of strategic plans, annual plans, operational plans, including departmental performance information, was explained, this includes the setting of timeframes to produce strategic plans and annual performance plans by each provincial department. Attention was also devoted to the way that KZN DPW implements the EPMDS, and how planning is converted into operational activities, thereby achieving the department's vision and goals. Important role-players in EPMDS in DPW are explained KZN. The case study forms the basis for the data gathering and analysis covered in Chapter 5, and the analysis of the results in Chapter 6.

CHAPTER 5

RESEARCH DESIGN AND METHODOLOGY

5.1 INTRODUCTION

The fundamental purpose of this chapter is to provide a detailed account of qualitative data collected from the focus group discussions and one interview on the existing implementation practices of the EPMDS as applied by KZN DPW. This was done to ascertain EPMDS challenges experienced by DPW and to provide solutions for the Department. This chapter also provides a descriptive account of data-collection tools and methods used. This includes study population, sampling procedures, reliability and validity of methods, ethical considerations and data analysis.

5.2 RESEARCH DESIGN AND METHODOLOGY

The researcher selected to follow a case study design in the evaluation of the implementation of EPMDS at KZN DPW. A qualitative methodology was used to collect primary data from the respondents. The researcher developed a set of open-ended questions to obtain data from the selected respondents during the focus group discussions and the interview. According to Wengraf (2001:3), the main aim of conducting interviews in a qualitative study is to expand the depth of information. The study was pre-tested (piloted) with 30 respondents by emailing them a set of questions. According to Van der Waldt (2014:10), it is essential to establish clarity and address possible misunderstanding of questions by piloting the study first. Seventeen respondents responded and these were then selected for the final study.

5.3 STUDY POPULATION AND SAMPLING PROCEDURES

The population at the KZN DPW, Head Office in Pietermaritzburg was chosen since it was close and accessible from the researcher's place of work and residence. Another important reason for selecting Head Office was the fact that all EPMDS policies are developed and administered by the Head Office. The probable population size that was identified from the KZN DPW Annual Report for 2016-2017 (KZN DPW, 2017a:14). The department has a total number of 1,779 employees. The aim was to target a total of 30 employees; however only 17 employees made themselves available after participating in the pilot study. The study only included employees from the programme

1 and programme 3. Employees from programme 2 and the regional office were excluded from this study. Stratified random sampling was applied during the pilot study to ensure that the final sample fairly represents all the employee categories (i.e. senior, middle and junior management and administration personnel). The selected respondents for the final study were nominated based on their position and experience in the department and responses to initial pilot study (see

Table 5.1). However, due to financial and time constraints to complete this study, a sample of at least 30 respondents (pilot study) were selected and seventeen were selected for the final study.

5.4 DATA-COLLECTION METHODS

Authorisation was obtained from the Accounting Officer (HoD) of the KZN DPW before the study was conducted (see Annexure A). Data collection by means of a research questionnaire, focus group discussions and interview. The researcher developed a set of semi-structured questions to obtain data from the selected respondents during the focus group discussions and the interview.

Table 5.1 gives an outline of the details pertaining to all focus group discussions and the interview. Focus group 1 included 3 respondents who are at middle management level (deputy managers) from programme 1. The 6 respondents from focus group 2 are also junior management level (assistant managers) level in programme 3. Focus group 3 was comprised of 3 HR practitioners (EPMDS administrators) under programme 1. Junior level employees were grouped in focus group 4. An interview was conducted with the HR manager. The questions were administered personally by the researcher, and appointments were arranged with the selected respondents (see Annexure F). The purpose of interviews in a qualitative study is to enhance the depth of knowledge and

information (Wengraf, 2001:3). Essential information from the theoretical framework served as a guide in the formulation of suitable questions for the final study.

5.4.1 Pilot study (pre-test)

An electronic survey was used for the pilot study, as the researcher emailed a questionnaire (see annexure C) to 30 selected respondents. From the 30 respondents that were emailed the questionnaires 17 respondents responded and 13 did not respond. The 13 that did not respond were excluded from the study and the 17 that responded were selected. Polonsky and Waller (2011:114), state that this method is appreciated by respondents as it affords them time to understand and complete the questionnaire independently. This method proved fruitful in selecting the 17 respondents and allowed the researcher to constitute the focus groups according to respondents' positions and roles in the department. The researcher then made appointments with the respondents for the focus group discussions and the interview.

5.4.2 Interview

According to Terre Blanche, Durrheim and Painter (2006:287), conducting interview is a mode of collecting data in qualitative research. This study adopted the semi-structured interview method as the researcher had already predetermined questions to be administered during the focus group discussion. A set of five semi-structured questions were used during the interview with the HR manager (see Annexure G). According to Niewenhuis (2007) in Maree (2007:87), when administering questions to the respondents during the focus group, the researcher is required to be attentive to the discussion in order to identify new emerging information that is directly related to the phenomenon that is being studied and to further investigate.

5.5 UNITS OF ANALYSIS

The principal unit of analysis was the employees involved the implementation of the EPMDS in the KZN DPW. The study covered employees from programme 1, which deals with the administration, and programme 3, which deals with infrastructure planning. The respondents (see Table 5.1) in the study were at a supervisory and administrative level in the department; they were selected, as they are also responsible for the implementation of the EPMDS. Respondents 1 to 4 refers to the focus groups discussions and the last to the face-to-face interview.

Table 5.1: Focus groups and interview respondents

Focus Group	Employees Interview	Position Level	No. of Respondents	Stationed	Programme
1	0	Deputy Manager = 1 Assistant Managers = 2	3	Head Office	1
2	0	Deputy Manager = 3 Assistant Managers = 3	6	Head Office	3
3	0	HR Practitioners	3	Head Office	1
4	0	<u>Four Administration employees</u> *WIMS system administrator (Programme 3), *Major projects administrator (Programme 3), *Supply Chain Management administrator (Programme 1) and * Administration Officer: Programme Management (Programme 3).	4	Head Office	1 & 3
Respondent Interview	1	Human Resources Manager	1	Head Office	1
Total		17			

The 17 respondents were selected after the pilot study. A set of open-ended semi-structured questions was administered to the respondents during the focus group discussions and the interview; they were preceded by a covering letter sent prior to the date of the interviews so as to allow the respondents to understand the purpose of the study. The letter was emailed to all 17 respondents in programmes 1 and 3 in the

department to request an appointment for the focus group discussions and the interview. Reflective notes were taken during the focus groups discussions and the interview. Since the researcher is an employee in the department, he personally facilitated the focus group discussions with the sixteen respondents and conducted an interview with one respondent.

5.6 LIMITATIONS OF THE STUDY

The study was limited to the KZN DPW head office employees only and 17 respondents were selected from programme 1 and 3 in the KZN DPW. The study excluded employees of programme 2 and the four regions, namely, EThekweni, North coast, Southern and Midlands.

5.7 ETHICAL CONSIDERATIONS

Ethical considerations were taken into account by the researcher during the research and all respondents were notified in advance of the interviews. Permission was obtained from the accounting officer of KZN DPW and the study was supported by the HR manager. Respondents that participated in the focus group discussion and the interview were anonymous. This was done to respect the integrity and anonymity of respondents (Goddard and Melville, 2001:49). Consideration was given to informed consent and anonymity, and to confidentiality of the respondents and the proceedings.

5.8 DATA ANALYSIS AND INTERPRETATION

According to Mouton (2001:108), analysis is the process of categorising collected data into understandable patterns and relationships. The following section analyses the data collected from the focus group discussions and the interview. A qualitative data analysis method was adopted to analyse the data from the focus group discussions and the interview. A quantitative method was used for the pilot study (pre-test). Data was analysed and presented in order to formulate a clear set of findings based on the focus groups discussions and interview. Data presentation and analyses of findings from the focus group discussion and interview are presented below.

5.9 PILOT STUDY (PRE-TEST)

A set of 10 questions was emailed to 30 selected respondents prior to commencing with the study. This was done to ascertain the level involvement of the respondents in the implementation of the EPMDS in the KZN DPW. The pilot study also tested whether

the questions were comprehensible and relevant, and that the questions were well defined, clearly understood and presented in a consistent manner.

Table 5.2: Pilot questions to respondents

Statement	Yes	Not sure	No	Total respondents
i The EPMDS is not fully effective in the department.	6	3	8	17
ii Responsible section under Human resource management provide guidance and support in the implementation of the EPMDS	5	0	12	17
iii The EMPDS is linked with the department's performance goals	4	8	5	17
iv Managers, supervisors and employees are fully committed to the implementation of the EPMDS.	9	0	8	17
v The EPMDS training helps me understand the requirements of the EPMDS.	14	1	2	17
vi My EPMDS score rating is equivalent to the amount of performance.	5	0	12	17
vii I always sign the performance agreement in time.	14	0	3	17
viii My work plan agreement is in line with my job description	8	1	8	17
ix How long have you been in the current positions?	0-5 years	6-10years	10-20	More than 20
	6	7	3	1
x What is your highest level of Education?	Senior Certificate	Diploma Degree	Masters Degree	Doctorate
	2	14	1	0

Table 5.2 presents the responses to the pilot study of all the selected respondents for this study. The respondents were requested to respond to the ten questions; they were to respond 'yes' if they agreed with the statement, 'no' if they disagree with the statement, and if they do not understand the question they had to indicate that they are not sure.

5.9.1 Data analysis of the pilot questionnaire

The following is the data analysis of response from the pilot questions that was sent to the respondents prior to commencing with the focus groups discussion and the face-to-face interview. This was done to ascertain the level of understanding and the role of the respondents in the implementation of the EPMDS in the department. Table 5.2 presented questions and responses provided by the respondents during the pilot study.

i. The EPMDS is not fully effective in the department

The first question (i) indicated that 8 (47,1%) employees do not believe that the EMPDS is fully effective in the department, 6 (35,3%) agreed that it was effective, while the other 3 (17,6%) were uncertain.

ii. Responsible section under Human resource management provide guidance and support in the implementation of the EPMDS

Question (ii) was posed to ascertain the level of guidance provided by HR section to the respondents in terms of implementation of the EPMDS; 5 (29,4%) agreed that HR provides guidance, while the other 12 (70,6%) disagreed.

iii. The EMPDS is linked with the department's performance goals

The third question (iii) was aimed at finding the level of understanding with regard to the integration of the EPMDS and department's performance; 4 (23,5%) respondents agreed that there was integration, 5 (29,4%) disagreed and 8 (47,1%) were uncertain about the integration.

iv. Managers, supervisors and employees are fully committed to the implementation of the EPMDS

Question (iv) was intended to probe the level of commitment to the implementation of the EPMDS; 9 (52,9%) respondents agreed that there was commitment from the supervisors and employees to the implementation of the EPMDS, while 8 (47,1%) respondents disagreed.

v. The EPMDS training helps me understand the requirements of the EPMDS

Question (v) was in relation to whether respondents comprehended that EPMDS training had any significant role in the implementation of the EPMDS, the analysis of the data provided by the majority of the respondents (82,4%) shows the respondents agreed that the information that the EPMDS training provided was valuable and only 2 (11,8%) disagreed with the statement; the other 1 (5,8%) was not sure.

vi. My EPMDS score rating is equivalent to the amount of performance

The sixth question (vi) was aimed at ascertaining the opinion of respondents of the rating that they obtained after the joint assessment. A total of 12 (70,6%) respondents disagreed with the overall performance rating that they obtained, and 5 (29,4%) respondents agreed with performance rating they obtained.

vii. I always sign the performance agreement in time.

Question seven (vii) was designed to ascertain if there are performance agreements signed and whether the process was implemented timeously. A total of 14 (82,4%) respondents indicated that they sign the PAs in time, and 3 (17,6%) respondents indicated that they do not sign the performance agreement in the stipulated time.

viii. My work plan agreement is in line with my job description

Question (viii) was asked to understand if the work plan agreements are guided by the employee's job description; 8 (47,1%) respondents indicated that they were in line with their job description, 8 (47,1%) disagreed and 1 (5,8%) respondent was not sure.

ix. How long have you been in the current positions?

The ninth question (ix) was posed by the researcher to quantify how long was the respondent working in their current position.

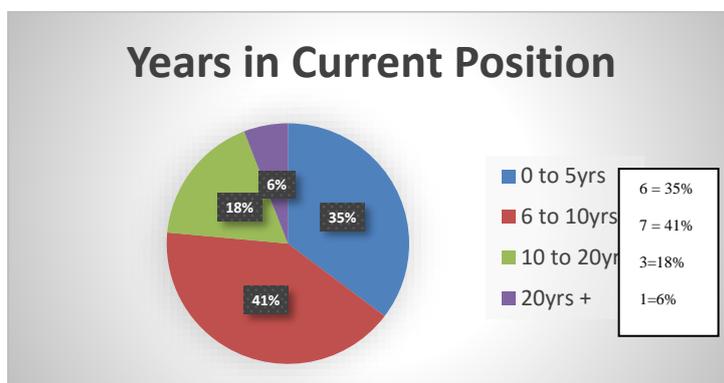


Figure 5.1: Respondents years in their positions

Figure 5.1 indicates that 41% of respondents had 6 to 10 years in their current positions, 35% had between 0 to 5 years, 18% had over 10 years and only 6% had been in their current position over 20 years.

x. What is your highest level of Education?

The last question (x) was aimed at establishing the level of qualification each respondent had achieved; 2 (12%) had senior certificates, 1 (6%) had a Master's degree, while the majority of 14 (82%) had diploma degrees.

5.10. FINDINGS OF FOCUS GROUP DISCUSSIONS AND INTERVIEW

This section presents the findings from the focus group discussions and the interview that were conducted with the selected respondents in the KZN DPW. The results presented in this section are the responses from the focus group discussions and interview, and an exploratory analysis was conducted. The study evaluated the experiences and implementation challenges of the respondents of the EPMDS at different positions at KZN DPW, in order to answer the broader questions of the study:

5.10.1 Findings from the focus group discussions with the Deputy Manager and the two assistant managers for Human Resource Utilisation and Capacity under Programme 1: Group 1

The first section that the researcher selected to conduct the focus group discussions was the Human Resource Utilisation and Capacity section under programme 1, which is a

sub-component of Human Resource Practice and Administration (see Figure 4.2). The section has two sub-units; the first is the performance management section, which manages the implementation of the EPMDS in the department, and the second one is the skills development section. The respondents in this focus group discussion is the deputy manager for the unit and two assistant managers, who supervise each section.

5.10.2.1 Responsibility of implementing of EPMDS.

Response: The response provided by all three respondents was “NO”, which was unexpected; this is because EPMDS is perceived to be the responsibility of the HRM directorate. It was explained to the researcher that *“the EPMDS unit’s role is to coordinate the EPMDS and to oversee the implementation by the responsible supervisors in the department. Supervisors are directly responsible for the implementation of the EPMDS”*.

Analysis: The above response indicates that the HR section is responsible for the coordination and management of the EPMDS system, but not the implementation. The supervisors of each component are responsible for the implementation of the EPMDS.

5.10.2.2 Signing of performance agreements by employees.

Response: *EPMDS is a regulatory framework for performance management that applies to all employees in the department on salary levels 1 to 12 and it must be stated that non-compliance to the EPMDS will result to disciplinary action taken against the employee. Yes, all employees in the department have signed the performance agreement at the beginning of the financial year and the latest deadline is 31 May.*

Analysis: Based on the response from the respondents, all employees have signed the performance agreement. This gives an indication that the department complies with the requirements of the EPMDS. The same response was provided to the pilot question VII (Table 5.2) indicated that a total of 14 (82%) respondents signed the PAs in time, while 3 (17%) respondents indicated that they do not sign the performance agreement in the stipulated time but do sign them.

5.10.2.3 Alignment of the EPMDS to the department’s performance and translation of KZN DPW objectives.

Response: *It is linked through the alignment of each unit’s operational plan to the strategic plan. All employees in the department are mandated to first develop*

performance work plans that will feed to the operational plan and then sign the employee performance agreements.

Analysis: The respondents believe that the alignment of the employee's performance management (EPMDS) to the department's performance is based on the formulation and the signing of the performance agreements.

5.10.2.4 EPMDS training for supervisors.

Response: *There is a training programme for supervisors that is in place and it presented annually but supervisors do not attend the EPMDS training when they are invited.*

Analysis: The researcher used this question to ascertain if the public supervisors have been equipped with the necessary skills to implement the EPMDS. This question was specifically directed at the issue of EMPDS training provided to supervisors, as they are the implementers of the EMPDS. The respondents stipulated that in most cases it is the subordinates who attend the EMPDS training, not the supervisors. The indication from the respondents is that there is a low rate of attendance by the supervisors, which means that they might lack the knowledge to implement the EMPDS. Supervisors need to have the skills to collect, analyse and utilise the performance information.

5.10.2.5 Development of EPMDS training manuals.

Response: All respondents indicated, *the department has the EPMDS training manual in place for supervisors and subordinate to assist the employees in the department with the implementation of the EPMDS.*

Analysis: According to the response, there are performance management (EPMDS) training manuals that are available in the department. Supervisors and employees are sometimes constrained by time due to workload to attend a structured performance management classroom training session. The training manuals are able to assist in providing the supervisors and employees with the appropriate EMPDS knowledge.

5.10.2.6 Impact of training in the implementation of EPMDS.

Response: All respondents indicated it has not; *this is due to the fact that there are elements or areas of the EMPDS that most employees in the department do not understand. The EMPDS is treated as a once-off activity rather than it being a*

continuous activity throughout the performance cycle". The respondents further explained that *"the purpose of EPMDS is to plan, monitor, manage and improving employee performance but, supervisors focus on the performance assessment and review part only"*.

Analysis: The above response suggests that the training that is being provided does not provide the necessary information required by the employees to comprehend the implementation process of the EPMDS.

5.10.2.7 Key requirements for a successful implementation of EPMDS.

Response: A response that was provided by the respondent who is a deputy manager stated, *"The EPMDS is an on-going interactive process between the employee and her/his supervisor about the employee's performance. Most supervisors in the department focus on the signing of the performance agreements and conducting performance assessment at the end of the performance cycle. The other two respondents in the group agreed that, "Supervisors omit the process of monitoring performance and evaluating the outcomes of the assessments. The impact is mostly visible when the employee's performance is unsatisfactory, since the EPMDS requires the supervisor to implement a remedial action plan before the final performance assessment.*

Analysis: The key requirements for a successful implementation of the EMPDS is to ensure performance monitoring is conducted continuously. According to the respondents, supervisors are treating the EPMDS as a day-to-day activity which is a key requirement. This affects the proper implementation of the EPMDS because supervisors are unable to provide the necessary feedback during the performance evaluation period and this in turn contributes towards failure of formal performance assessments.

5.10.2.8 Purpose of implementing EPMDS.

Response: *Unfortunately, the majority of respondents in the department including supervisors view the EPMDS as a compliance issue rather than as a service delivery tool. The main aim is to ensure proper planning of utilisation of human resources. Well, the EPMDS is very broad and it incorporates reporting, which could be said fall under monitoring. The EPMDS is about service delivery and during these tough economic times, it is very crucial that supervisors implement it effectively. The increased number*

of service delivery protests by the public are an indication that performance and service delivery have deteriorated, despite the existence of the EPMDS this means that the problem is in the implementation.

Analysis: The respondents demonstrated a comprehensive understanding of the role of the EPMDS in the department. The respondents were of the opinion that the EPMDS was implemented for compliance purposes than being seen as a tool to enhance service delivery.

5.10.2.9 EPMDS implementation process.

Response: All three responded explained that, *“The EPMDS process starts from the top, DPISA at national level gives provinces guidelines in the implementation of policies in terms of administration of public service, whereas Treasury and DPME is more concerned about reporting. As we speak, the department has been invited to a workshop by the Office of the Premier regarding changes to the EPMDS system”*. The respondent at deputy manager level elaborated, *“There are three levels that are involved in the implementation of the EPMDS. The first is at a strategic level, the HoD determines the department’s strategic priorities and the main key result areas of KZN DPW. Then the objectives that have been identified are assigned to components with the department. Supervisors and employees at component undertake the execution of each objective by jointly developing a workplan and signing the performance agreement.*

Analysis: The respondents describe the EPMDS as the process that emanates from national government as they set the objectives for each department. The respondents further stipulated that several national public institutions have different roles in the implementation of the EMPDS. The EPMDS cascade from macro to micro level from strategic planning to performance agreements of employees. This supports the Figure 4.1, which was described in the DPW EPMDS policy framework. This means that the EPMDS should be integrated into organisational planning, monitoring, improvement and reporting processes and systems of departments.

5.10.2.10 Amendments to the EPMDS.

Response: *The amendments that became effective from the 1st of April 2018 have brought about significant changes to the implementation of the EPMDS, especially performance rating of employees (displayed in Table 5.3). What is notable is that the*

Generic Assessment Factors (GAFs), which are elements and standards used to assess performance based on knowledge, skills and attributes, will no longer carry any weight in the amended EPMDS policy framework and will have no significance in the scoring of the employee. This was a directive from DPSA to all government departments in line with the cost-cutting measures implemented by national government. The weight of the KRA has been reduced from 1 to 5 and now the scoring is from 1 to 4.

Table 5.3: Amendments to the EPMDS policy (existing vs new)

	EXISTING EPMDS POLICY	NEW POLICY (AMENDMENTS)
1	KEY RESULT AREAS (KRAs) Not prescriptive in respect of minimum and maximum percentages	KEY RESULT AREAS (KRAs) Maximum % - 30% Minimum% - 10%
2	GENERIC ASSESSMENT FACTORS (GAFS) Weighted Assessed independently	GENERIC ASSESSMENT FACTORS (GAFS) Shall not be weighted Shall not be assessed independently (This was a directive from DPSA due to cost cutting measures)
3	PERFORMANCE AGREEMENTS (PA's) must be signed by both parties to be valid and binding	PA's must be signed by both parties to be valid and binding
4	A standard template to be used by all departments.	Depts. may develop their own templates for contracting, review and assessments Deviation from provisions of the system may be approved by EA if not to the detriment of any employee and is not inconsistent with the provisions of the PSA, PSR and the current directive from DPSA
5	KRA Scores 1 – 5 Maximum % : 167%	KRA Scores 1 – 4 Maximum % : 133%

Table 5.3 displays the new amendments that have been introduced to the EMPDS policy. On the existing policy the weight percentage of the KRA was not restricted; this meant that employees could have a KRA weighting any percentage they deem appropriate; however, in the new policy the KRA weight is capped at 30%, which means that there is no KRA that will have a weight of more than 30%. In the existing policy the generic assessment factors (GAF), which used to account for 20% of the final assessment score, no longer have any weight in the new policy. The GAFs are elements and standards used by line managers and supervisors to assess performance of employees based on the employee's job knowledge, technical skills, quality of work, teamwork, leadership, flexibility and communication. The requirement of signing of PAs remained the same and what is notable in the new policy is that departments can now develop their own performance assessments template which will be appropriate for their environment. The KRA scores have been reduced from 1 to 5 and the new rating is from 1 to 4. Previously a rating of 4 guaranteed an employee a performance bonus, requiring only a submission of a motivational report and no additional documentation. In the new policy, obtaining a rating of 4 will require a portfolio of evidence supported by a signed motivational report from the supervisor.

Analysis: According to the respondents as from the beginning of the financial year of 2018, there were new changes that were introduced to the EPMDS policy framework. It is stipulated in the new policy that the weight of each KRA will be capped at 30%, unlike the previous policy where the weight of the KRA could be determined by the supervisor. Previously the GAFs had a weight which contributed to the overall score of the assessment, but in the new policy GAFs do not carry any weight because GAFs could be manipulated by employees. Another notable change in the new EPMDS framework was the fact that the KRA scores are no longer 1 to 5 but rather 1 to 4. In the previous EPMDS policy framework the establishment and the appointment of the intermediate review committee and moderating committee was a mandatory for departments to have, but in the new policy this is optional for departments.

5.10.3 Findings from the focus group discussion with 3 Deputy Managers (Middle Management) and the 3 Assistant Managers (Junior Management) for Programme 3: Group 2

All six respondents are from the same directorate and this enabled the researcher to use the focus group discussion as a measuring instrument and for data collection. The

respondents play a critical role the implementation of the EPMDS, as they are involved in the planning process and in ensuring adequate budgeting for the component to meet its objectives.

5.10.3.1 Elements of an effective EPMDS.

Response: *Elements of a good EPMDS is when the supervisor and the employee discuss the work plan and then sign a performance agreement that outlines the expected performance areas before the due date, which is set by the HR section.*

Analysis: The respondents in this focus group all agreed that as long there is a performance agreement and performance work plan signed and submitted to the HR component before the due date that constitutes to a good EPMDS. The response received from the respondents was that compliance is necessary so as to avoid the reminder correspondence from HR component.

5.10.3.2 Management of poor performance.

Response: *All six respondents indicated that “unsatisfactory performance remedial plan includes a commitment by the employee to improve his or her performance and the supervisor will provide mentoring and a performance remedial strategy to rectify poor performance of the employee”.*

Analysis: The response provided by the respondents indicates that there should be commitment from employees to improve their performance. On the other hand, section 9.2 of the EPMDS framework stipulates that unsatisfactory performance should be dealt with in terms of the PSCBC Resolution 10 of 1999 and Resolution 1 of 2003 – “Incapacity Code”. The following procedures should be followed by the line supervisor: (i) personal counselling must be provided to the employee; (ii) on-the-job mentoring and coaching were highlighted by the respondents; (iii) formal training/re-training should then provide to the employee; (iv) the work plan performance requirements should be restated; and (v) work environment audits should be undertaken to establish other factors affecting performance.

5.10.3.3 Essential in managing employee performance thus ensuring effective performance.

- a. Planning
- b. Reporting

- c. Monitoring
- d. Implementation process
- e. Compliance issue

Response: *All respondents indicated that “all of the above categories are important to managing the employee performance”. The respondents elaborated that “there is a need to comply with the applicable performance management legal framework and value the implementation process equally important to the EMPD”.*

Analysis: The respondent indicated that all five categories are essential to managing the performance of employees and further stated that it is also important to comply with the legal framework applicable to the performance management system.

5.10.3.4 Communication and discussing performance on a regular basis.

Response: *All respondents agreed that “it does not get discussed as frequently as it should be; it gets discussed during monthly meetings or when there are challenges. Yes, it gets discussed in detail in the end of the financial year when employee performance assessments are being done”.*

Analysis: The respondents indicated that performance management is discussed during the monthly meetings, but it is also discussed in detail at the end of the financial year. This presents a challenge if an employee is performing poorly and public manager does not get an opportunity to implement an improvement plan before the employee annual performance review. Performance discussion or dialogue should take place regularly with the line managers, which enables the public manager and employee to resolve work-related challenges and adjust work plans during the performance cycle.

5.10.3.5 Motivational key factor most likely to influence the performance of employees.

- a. Performance bonus and pay progression
- b. Effective performance planning
- c. A personal development plan (PDP)
- d. Management commitment
- e. Communication

Response: *“All of the above, because for one a pay progression is not a salary advancement, but a token of appreciation for good service. If employees know they are appreciated, they tend to perform better. The pay progression motivates the employee to strive for excellence. Effective planning is also important as it maps out the direction to achieve the component objectives. The personal development plan (PDP) assists the employee and the public manager to pinpoint any performance output shortfall in the work of the employee, either previously or anticipated. This will then help the supervisor develop a strategy intervention to correct the root cause of the unsatisfactory performance. Commitment from management provides the necessary support that the employee requires in order to execute his/her duties effectively. It can be argued that communication is the foundation of the EPMDS”.*

Analysis: There is a common understanding from the respondents that any of the above elements can influence the performance of the employee. If all of the above elements were implemented correctly by the public manager, this will result with an employee who is motivated and willing to perform beyond expectation.

5.10.3.6 Discussion or communication of the operational plan with subordinates.

Response: *All respondents indicated that they “do not discuss the operational plan, but rather focus on the development of the work plan agreements of employees to be incorporated into the operational plan”. All respondents stated that “the operational plan is derived from the strategic plan, and it is important for us as supervisors to convert the strategic objectives of the department that is highlighted in the strategic plan into key result areas and activities for employees”.*

Analysis: There is no discussion of the operational plan, which would have facilitated the alignment between the departments` performance and employee performance. It is evident that non-involvement of employees in the discussion of the operational plan creates challenges when it comes to achieving key targets for the department.

5.10.3.7 Performance data collection methods.

Response: *“Employees are required to submit reports and a summarised weekly report on Key Result Area (KRA) of their job on which performance is critical for making an effective contribution to the achievement of departmental strategies, goals and*

objectives. Then month end they submit a monthly report; all of the submitted reports are captured electronically and hard copies are filed for the human resources section”.

Analysis: Effective performance management requires capturing of accurate performance data so as to enable the public manager to monitor progress of the employee against the set targets. According to the respondents, there is an effective performance reporting system that captures all the required performance data.

5.10.3.8 Frequency of collecting performance data in a performance cycle.

Response: *Employee performance data is a useful tool that is used by supervisors to measure the extent of goals that the employee has achieved and it is guided by the departments` EPMDS policy, which stipulates that the following employees performance reports need to be submitted according to the employees work plan.*

- a. Weekly Report*
- b. Monthly (including HOD`s report)*
- c. Quarterly*
- d. Half yearly*
- e. Annual.*

Collection and monitoring of employees` performance data should be a daily activity, but this is not feasible due to work commitments and workload. As supervisors we are unable to provide the necessary feedback and provide monitoring due to our own work commitments, so we end up having to rely on the submitted weekly reports of employees against what they have planned to execute in that week.

Analysis: Based on the information provided by the respondents, the frequency of report submissions should be able to serve as an effective performance-monitoring tool. The challenge highlighted by the public managers is that they are unable to provide the necessary performance feedback and continuous monitoring because of their own work commitments.

5.10.3.9 Scoring and rating process on the EPMDS.

Response: *The scoring is first done on the half-yearly assessment as it a prerequisite for the annual employee performance assessment. When the half-yearly is done, employees are notified to make appointments with their supervisor to discuss the half-yearly assessment. The half-yearly assessment will give the supervisor the indication*

or measurement of the employee's performance. The employee will complete the scoring on each KRA in front of the supervisor and the supervisor will do the same giving the employee reasons if the score is different.

Analysis: Based on the response from the respondents it is apparent that there is a lack of understanding of the EPMDS. The KRA scoring and rating process is the reflection of the employee's performance and this process should not be treated as a paper exercise. The above response indicates that the public manager engages the employee on performance issues only when there are assessments or performance review documents that need to be signed. This means that public managers do not regard performance management as an on-going interactive process between an employee and the supervisor. The supervisor seem to be more concerned about the overall assessment of the employee's performance at the end of the year rather than basing the assessment on specific tasks or events which the employee was able to accomplish throughout the financial year.

5.10.3.10 Incentive systems or methods for rewarding good employee performance.

Response: *Section 40(1) of the DPW EPMDS policy (2012:39), which is line with the EPMDS policy (DPSA: 2007), makes provision for non-financial incentives recognition for exceptional performance by the employees in the department. It stipulates that immediate supervisors may propose non-financial incentives as long as those do not change any of the basic conditions of employment.*

- a. Acknowledgement and recognition of performance excellence in a form of awards, publications, certificates or allowing employee to attend conferences.*
- b. Specific access to specialised training and development opportunities.*
- c. Allow employee to participate on a prioritised rotation basis in study tours.*

The department also recognises employees who have studied on their own and those courses deemed to be beneficial to the department. The department would then reimburse them with a certain percentage of their study fees after obtaining their qualification. Every year there are organised events to award and celebrate employees that have performed exceptionally.

Analysis: The DPW policy makes provision for non-financial incentives as recognition for exceptional performance of employees, but the challenge that could be highlighted is that the implementation of the non-financial incentive is dependent on the will of the supervisor. The non-financial incentives should be independent from the assessment of the immediate supervisor. Other stakeholders internally or externally who work with the employee must also be allowed to evaluate their performance, which will eliminate unfair performance rating.

5.10.4 Findings from the focus group discussion with the three HR practitioners.

The three respondents were interviewed as a focus group because they oversee the coordination and functioning of the employees' employee performance management system. The respondents selected in this focus group are subordinates of focus group 1. Human resource management provides the necessary guidance and support needed by public managers and supervisors in the line department to implement the EPMDS. They ensure that they communicate the due dates of submission for the performance assessment documents, receive the EPMDS complaints and co-ordinate the whole process in the line department.

5.10.4.1 Effective implementation of the EPMDS.

Response: *The HR section ensures that there is a constant communication at all levels of DPW regarding performance planning, implementation, monitoring and assessment. Guidelines are provided in the DPW employees' performance management policy of 2012 that is in line with the EPMDS framework. The whole EPMDS process is conducted in a consultative, supportive and non-discriminatory manner to enhance the employee effectiveness and efficiency. The EPMDS policy is made available to all employees in the department and revisions of the policy are properly communicated. The respondents indicated that they "communicate and disseminate the reminders for the completion and submission of performance agreements, performance reviews report at the end of the year cycle assessment".*

Analysis: There is a proper management plan to implement the EPMDS system and all updates including changes to the system are communicated to all employees in the department. However, what is notable from the above response is that there is no

indication of disciplinary procedures for non-compliance with the requirements of the EPMDS.

5.10.4.2 Predominant EPMDS complaints and grievances.

Response: *All respondents indicated that “the majority of complaints they receive are regards to the request of changing of KRA rating of supervisors. The employees believe that supervisors do not communicate with them and there is inadequate engagement to ensure constant monitoring of their performance. Dispute between line managers and subordinated during the assessment is prevalent”.*

Analysis: The most prevalent complaint, according to the respondents, is about the rating allocated by the line managers to the subordinates without sufficient explanations reasons provided by supervisors. These challenges stem from the fact the EPMDS is not discussed first and it is treated as a paper exercise.

5.10.4.3 Key requirements for the successful implementation of EPMDS.

Response: *All three respondents indicated that “Over the years in the department, the HR section has realised the role and the impact of the EPMDS training has on supervisors, in particular to the understanding and effective execution of the EPMDS. This allows supervisors and employees to set clear performance objectives and targets in the performance agreements. First, the department needs to set a strategic plan, which will outline specific objectives to be achieved by the department and then those need to filter down to the annual performance plan and lastly to the operational plan. The last activity that will ensure effective alignment of employees’ performance to the department is the developments and signing of performance agreements that enable the supervisor to assign specific performance objectives and targets to employees.*

Analysis: For the supervisor to be experts on the EMPDS and properly understand the role of the EPMDS in the department, they need to be trained. The responses from the respondents indicate that they realised the significant role of training supervisors in the implementation of the EPMDS.

5.10.4.4 Key aspects that underpin a successful EPMDS.

Response: *All three respondents indicated that, ‘there must be full commitment from the supervisors to drive the system. There must be constant communication between the*

employee and the supervisor. The EPMDS must provide a platform for learning through coaching and review processes.

Analysis: The key aspect that underpins the success of the EPMDS, according to the respondents, is the fact that communication needs to be constant between the employees and the supervisor, as this will enable a platform for learning through coaching and review processes.

5.10.4.5 Capturing of the EPMDS data.

Response: *A memo is circulated through the departmental electronic notification system to remind all line managers or supervisors about the submission of all EPMDS documentation. This is done before end of March to allow each section in the department time to prepare the documents. The employee annual performance assessment information is then submitted per programme. Once the information is received, documents are checked and verified if they are complete and the departmental moderating committee is notified to approve the performance incentive. It is captured on the PERSAL system and PERSAL is controlled by the Premier's Office and DPSA.*

Analysis: The respondent explained the process of collecting and capturing the performance information, but the challenge is that this information only gets stored and it is not utilised to improve the performance of underperforming employee. Not all of the respondents indicated any further steps after the EPMDS information is received. Performance information should be verified and compared to targeted objectives that were signed on the performance agreement.

5.10.5 Findings from the focus group discussions with the four administration employees.

The four respondents are lower-ranking employees reporting to respondents in group 1 and group 2. All four respondents were selected in order to ascertain how the EPMDS ensures that each of the employees' performance objectives and standards is linked to the objectives of his/her team, his/her component and ultimately the department. The purpose of this focus group discussion was to ascertain the level of knowledge and skills that the subordinates have in the implementation of the EPMDS.

5.10.5.1 Satisfied with the management and the implementation of EPMDs.

Response: All respondents indicated that, *they are all satisfied with the implementation of the EPMDs systems, because after the performance review we all receive the pay progression and the performance bonus.*

Analysis: The respondent indicated that they are satisfied with the EPMDs that is being implemented in the department. The reason that was provided by the respondents is that they receive the pay progression and the performance bonuses. This means that the respondents are only satisfied with the EPMDs, because they get financial incentives.

5.10.5.2 Process to be followed in order to ensure the EPMDs is effective and efficient.

Response: All respondents indicated that, *“By signing and submitting all the EPMDs documents that are requested by your supervisor and after signing the EPMDs documents are collected by the office of the manager then taken to HR via the office of the manager.*

Analysis: This response demonstrated lack of knowledge and understanding of the EPMDs. One of the objectives of the EPMDs is to ensure that all employees know and understand what is expected of them. According to the response, the respondents indicated that they sign the performance agreements without discussing performance targets with their supervisor.

5.10.5.3 The purpose of the Personal Development Plan (PDP) is to highlight any performance output shortfall in your work and specify an intervention on your PDP. This could either be done by employee, the supervisor. Type of training received.

Table 5.4: Results of Training received highlighted in PDP

(i) WIMS system administrator (Programme 3)	<i>Yes, I have attended a training course which I had requested from my supervisor. This was not due to poor performance, but I had requested the course because I was having challenges in operating the new WIMS system which is part of my KRA.</i>
(ii) Major projects administrator (Programme 3)	<i>For the past three assessments on my PDP I have indicated that I would like to attend a project management course which I feel will add value to my work but my supervisor has</i>

	<i>prioritised other courses for the section which do not assist me at all.</i>
(iii) Supply Chain Management administrator (Programme 1)	<i>Yes, there have been training that I attended which were provided by the KZN Department of Treasury to ensure all BAS (Basic Accounting System) are up to date with the new tender procurements, requirements and a refresher course every 6 months.</i>
(iv) Administration Officer: Programme Management (Programme 3)	<i>No, I have not attended any course and I have not received any feedback from my supervisor or HRD.</i>

Analysis: Two of the respondents indicated that they have not attended any training that they had requested on their Personal Development Plan (PDP) and the other two indicated that they have attended training sessions. In order for the EPMDS to be effective, the PDP must be connected to the process of performance management as this enables supervisors and employees to discover development areas and plan a way forward in order to correct the shortcomings in the employee's performance.

5.10.5.4 Signing of performance agreements.

Table 5.5: Results of question whether a performance agreement was signed

(i) WIMS system administrator (Programme 3)	<i>Yes, I have signed the performance agreement and the work plan agreement. I was reminded by the circular that was sent by HR and I completed the form and sent it to my supervisor to sign.</i>
(ii) Major projects administrator (Programme 3)	<i>Yes, I completed the performance agreement after I was reminded by the Director's Personal Assistant that all EPMDS documents for the section were due. The process is conducted by completing the EPMDS documents and rating your own performance then submit to the supervisor for the rating.</i>
(iii) Supply Chain Management administrator (Programme 1)	<i>Yes, I completed the performance agreement after I was reminded by the Director's Personal Assistant that all EPMDS documents for the section were due. The process is conducted by completing the EPMDS documents and rating your own performance then submit to the supervisor for the rating.</i>
(iv) Administration Officer: Programme Management (Programme 3)	<i>Yes, I have completed the performance agreement, but it was for compliance purposes and to get a performance incentive. The issue is that I was acting at a higher post for the last 11 months, but my assessment was done on my current post. I am not sure which work plan must I sign and what my KRA will be</i>

as I am not doing what is on my performance agreement.

Analysis: All four respondents indicated that they completed the performance agreements and submitted them to their supervisors for signing. What transpired from the above response is that none of the respondents indicated that they discussed the performance agreements before signing them. It is notable from the responses that the four respondents indicated that they were reminded by either the HR section or the personal assistant to their supervisor to submit the performance agreement. It is clear from the above responses that there is lack of support and commitment from line managers to ensure that the EPMDS is implemented effectively.

5.10.5.5 Average rating received in the last EPMDS review.**Table 5.6: Results of question of average rating of last EPMDS score**

Respondent	Categories of performance and rating scale				
	1	2	3	4	5
(i) WIMS system administrator (Programme 3)			X		
(ii) Major projects administrator (Programme 3)			X		
(iii) Supply Chain Management administrator (Programme 1)				X	
(iv) Administration Officer: Programme Management (Programme 3)			X		

Response: All respondents indicated that there was no discussion when the rating was done; they were informed they needed to complete the EPMDS performance assessment form. Those who qualified for performance bonuses according to their annual assessment were instructed to submit a portfolio of evidence to the performance moderation committee. None of the respondents were found to have performed poorly (unsatisfactory performance) and some felt that they should have been rated above three, but fear that the supervisor would dispute their higher rating. Respondent (iii) Supply Chain Management administrator (Programme 1) indicated that they received a rating of four; this was for the programme they developed to assist emerging contractors and therefore contributed to the improvement of service delivery. This saved the department money because there was no need to hire consultants to develop such a system. Respondent (iii) Supply Chain Management administrator (Programme 1) also introduced a new system of reporting in their projects, which was later adopted by the whole department.

Analysis: The EPMDS uses a 5-point scale, where 1 and 2 indicate unacceptable and not effective performance, 3 is fully effective, and 4 to 5 are significantly above expectation. Three of the respondents indicated that they received a rating of 3, which is deemed to be fully effective and one respondent indicated that she received a rating of 4. The respondents mentioned that there was no discussion on the performance assessment between them and the supervisors. The tone conveyed by the respondents (i)(ii)(iv) indicated low morale and demotivation, as they were informed by their supervisor to reduce their scores from 4 to 3. The moderating committee considers the

score of the supervisors, which means that the final assessment depends on the judgement of the supervisors and not so much on the employees.

5.10.6 Findings from the interview held with the Director: Human Resources Management (Program 1).

The selection of the respondent was based on the fact that the respondent provides strategic leadership in the development and implementation of the EPMDS in the department. The respondent is responsible for ensuring the provision of human resources for the effective implementation of the departmental strategic plan by effective implementation of the employees' performance management system across units within the department. The respondent is the chairperson of the Departmental Moderating Committee (DMC) for employees' salary levels 1 to 12.

5.10.6.1 Benefits and value of using the EPMDS.

Response: *The EPMDS adds value to the department by ensuring that the objectives of the department are achieved through the employees. This enables the department to assign specific performance objectives and targets to employees. This ensure that the department's goals relate to the performance of employees. The most import benefit is that the EPMDS enables the employees to focus attention on critical issues in the department as it links the key objectives of employees' jobs to what is planned to be achieved by the department. The EPMDS is a tool that assist the department not only on performance management but also on performance planning, monitoring, assessment for employees and improving employee performance therefore improving service delivery. Performance rewards motivate the employees in the department and a motivated workforce is a productive work force.*

Analysis: Based on the response from the respondent there is a clear understanding of the value of the EPMDS in the department. The respondent understands that the EMPDS is a tool to be utilised in ensuring that employees' day-to-day activities and outcomes are in harmony with the department's objectives.

5.10.6.2 Integration of macro performance and micro performance.

Response: *Yes, there is a process in place that is used by the department to integrate micro and macro performance. The EPMDS in the department is guided by the KZN DPW policy. The KZN DPW policy is in line with the EPMDS Policy Framework, 2007. The EPMDS policy framework provides the authoritative framework for managing*

employee performance and guides the department with regard to employees performance planning and the formulation of the performance agreements, which are aligned to the strategic objectives of the department.

Analysis: The respondent indicated that there is a performance management policy in place that provides guidance to the department with regard to the integration of the employee performance and the departmental EPMDS. All new employees in the department should be informed about the policy. There should be a compulsory annual session where the policy will be presented to the departmental staff.

5.10.6.3 Challenges that contribute to poor implementation of EPMDS.

Response: *Most supervisors do not attend the EPMDS training and they lack the proper skills for the implementation of the EPMDS. This then creates technical problems and lack of understanding by the managers and their role in the implementation of EMPDS in the department. Some components in the department operate in isolation and do not integrate their planning to the overall public institutional planning.*

Analysis: The most beneficial factor of the EMPDS training is that it enables the supervisor to plan properly and ensure that the employees' performance agreements are aligned to the departmental plan. The respondent indicates that supervisors lack the skills and knowledge to implement the required employee's performance process that will make a direct contribution to the KZN DPW performance. The employees key result area should be aligned the department's annual performance plan for the department to achieve its strategic objective. The above response indicates that the integration of employee's performance is most achievable with the supervisors' commitments and that ensures the employees KRAs are formulated to contribute to department performance.

5.10.6.4 Champions and key role players in the integration of the macro and micro EPMDS.

Response: *The accounting officer must develop the medium-term strategic priorities of the department and ensure that different components in the department are assigned to specific responsibilities drawn from the strategic and annual performance plan. Then managers must develop operational plans for their directorates, then these will be*

translated to the key performance areas of employees in their directorate. Each supervisor must specify specific objectives to employees to be incorporated into their performance agreements. Also, employees must be assisted to identify and incorporate training needs into their PAs which will be captured in the personal development plan. Therefore, to summarize my response, the accounting officer, line managers, employees` and the HR section are key role players in the EMPDS.

Analysis: The response provided by the respondents indicates that all employees in the department is responsible for the implementation of the EPMDS. The respondent stipulated that the responsibility starts with the accounting officer and it cascades down to all levels in the department.

5.10.6.5 Requirements of a successful EPMDS.

Response: *Most supervisors` in the department say proper planning is the key to an effective EPMDS, but I disagree. I say communication is the key to an effective EPMDS. This is because for me EPMDS should be conducted and managed in a consultative and a supportive manner. Communication ensures the minimization of administrative burden on supervisors, while maintaining transparency and administrative fairness. It must be understood that some of the day-to-day activities that contribute to the success of the department are not captured in the departmental strategic plan and those need to be communicated and negotiated with employees`. Also, the training of supervisors and employees in the implementation of the EPMDS.*

Analysis: The respondent mentioned that communication can be stressed as the critical activity of the EPMDS. The respondent states that communication is important because EPMDS management is effective when it is conducted in a consultative process.

5.10.6.6 Performance Moderation Committee.

Response: *The department has two employee performance moderation committees, the first is the intermediate review and then the departmental moderating committee. The Accounting Officer (HOD) appoints members of both committees. Each committee has a minimum composition of representatives from different components in the department. The purpose of the performance Moderation Committee is to ensure that the performance of all employees is evaluated fairly and consistently across the department. The intermediate review committee receives the provisional assessment*

ratings of all employees in the department, to review and compare these, and to validate the ratings. The role of the departmental moderating committee is to ensure that the employee annual performance assessment is conducted in an accurate, consistent and fair manner, to monitor the performance assessment process by obtaining an overall sense of whether norms and standards are being applied consistently and realistically to all employees on the same level. The moderating committee does not take away the responsibility of the supervisor to monitor the performance management actions and assessment outcomes of his or her subordinate, that is, to ensure equity and consistency in their components.

Analysis: The existence of the Intermediate Review and Departmental Moderating Committee ensures that assessments are conducted in a fair and transparent manner. The role played by the two committees should be proactive in the performance management processes; this would ensure that the supervisor is not biased during the assessment.

5.10.6.7 Management of performance grievances.

Response: *Every performance cycle after the annual assessment, the Moderating Committee receive several performance grievance cases that are lodged by employees due to the management and the implementation of the EPMDS. Some of these cases also include reviewing challenges, training and development. In the event of dispute arising between a supervisor and an employee during a review session, a person identified as a mediator gets invited into such a session. Heads of components should be seen to have attempted to resolve any dissatisfaction by the employee before the dispute is elevated to the Moderating Committee. If an employee is dissatisfied by the outcome of the assessment process, such an employee or supervisor shall be afforded an opportunity to present their dispute to the Moderating Committee.*

Analysis: According to the respondent, this indicates that the department follows the guidelines of the EPMDS policy when dealing with grievances on the performance review. It is indicated by the respondent that the Moderating Committee receives several grievance cases that are lodge by employees due to the management and the implementation of the EMPDS.

5.10.6.8 Management of unsatisfactory or poor performance by the supervisor.

Response: Supervisors are required to identify and then, in line with a developmental approach stipulated in the KZN DPW EPMDS policy, deal with unacceptable performance of employees under their supervision. The EPMDS provides for the early identification and resolution of unacceptable performance. Performance management should be a day-to-day activity; this will allow supervisors to detect poor performance early. The supervisor should provide personal counselling to the employee, on-the-job mentoring and coaching, formal training/re-training, restructure the work plan performance requirements and lastly conduct work environment inspections to establish other factors affecting performance.

Analysis: The respondent indicated that in order to manage poor performance, supervisors need to make performance management a day-to-day activity. This will enable supervisors to detect poor performance early.

5.10.6.9 Repercussions for non-compliance to the EPMDS policy framework.

Response: If the employee has not signed the performance agreement, the employee will not be eligible for a performance bonus and a pay progression for the performance cycle in question. Disciplinary procedures will be taken by the HR directorate against the employee and his/her supervisor. The performance agreement applies to all employees in the department from level 1-12.

Analysis: The respondent indicated that if the employee had not signed the PA, the employee would not receive a performance bonus or pay progression. It was not indicated by the respondent that as the head of HR they would investigate the reason why the PA was not signed, but it was stated that disciplinary procedures will be taken against the employee and the supervisor.

5.10.6.10 The use of one EPMDS for all government departments.

Response: The one size fits all system is not appropriate for all departments. Departments should be allowed to modify the EPMDS to fit their environment, since the mandate of each department is different as long as it is in accordance with the requirements of the DPSA EPMDS and other applicable legislation.

Analysis: According to the respondent, the EMPDS would be better implemented if departments can modify the EPMDS to fit their environment, as long as it does not deviate from the principles of the original EPMDS framework. This would allow departments to utilise the policy effectively and efficiently in line with their strategic objectives.

5.11 CONCLUSION

This chapter provided an overview of the research design and methodology utilised in the semi-structured interviews of the focus groups and one employees interview for DPW. Analysis of the respondents' responses during the focus group and the face-to-face interview was conducted in this chapter. The focus of this chapter was to highlight possible areas that hinder the effective implementation of the EPMDS in KZN DPW. Chapter 6 will provide an evaluation (discussion) of the findings of that were explained in this chapter and will formulate themes.

CHAPTER 6

EVALUATION (DISCUSSION) OF IMPLEMENTATION OF THE EPMDS IN THE KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS

6.1 INTRODUCTION

The primary objective of this chapter is to evaluate the literature explained in Chapter 2, legislative policy framework for EPMDS stated in Chapter 3, the case study of KZN DPW discussed in Chapter 4 and the findings of the pilot, focus group discussions and interview presented in Chapter 5. The discussion of the findings presented in this chapter is categorised according to themes, which were formulated based on the implementation challenges discovered from Chapter 5 of the study. These challenges are aligned with the research objectives of the study.

The significance of this study was supported by the literature in Chapter 2 and the argument that was presented was that there are many reasons why public institutions are unable to meet their performance targets, the main one being the inability to implement the EPMDS effectively. This argument indicates that the failure of the EPMDS affects the success of public institution`s performance.

6.2 EMPLOYEE PERFORMANCE MANAGEMENT POLICIES

The performance policies explained in this study emphasise the significant role of the RSA Constitution, 1996 in the EPMDS prescripts for the public sector in RSA. These prescripts emphasise the important role of the HoD and supervisors in the department. What transpired from the focus group discussions and the interview is that supervisors are not complying with the requirements of the EPMDS legislative policy framework. The effectiveness of the EPMDS in KZN DPW is negatively affected by the challenges arising from non-compliance with the performance management policies requirements. These include signing of performance agreements, inconsistent practices with respect to performance assessments, lack of communication and commitment from supervisors to the implementation of the EPMDS, and supervisors not availing themselves of the opportunity to attend the EPMDS training courses. This was apparent in the Table 5.3 where the focus group 2 respondent indicated that there were changes in the EPMDS policy but did not state that they have communicated or train the supervisors in the new

policy. The respondent in the interview confirmed the role of the HoD in the EPMDs. The respondent confirmed that the *“accounting officer (HoD) must develop the medium-term strategic priorities of the department and ensure that different components in the department are assigned to specific responsibilities drawn from the strategic and annual performance plan. Then public managers must develop operational plans for their directorates, which then will be translated to the key performance areas of employees under their directorates”*. This is in line with the requirement of chapter iii, section 7 paragraph 3 (b) of the Public Service Act, 1994, which requires that the HoD shall be accountable for the efficient management and administration of his or her public institution, including the effective utilisation and training of employees.

The first question posed to focus group 1 was intended to establish the role of HR in the EPMDs in DPW. The response indicated that HR is responsible for the coordination and administration of the EPMDs system, but not the implementation. This contradicts the requirements of the White Paper on the Transformation of the Public Service, 1995, which provide for the elevation of the role and status of HR. The elevation of HR must be conducted within the whole framework of performance management policy and the guidance of employees to ensure successful career growth opportunities for every group in the public sector through promotion and career advancement based on performance rather than on seniority or qualifications. Two of the respondents in focus group 4 stated that they had not attended any training courses that they had requested on their PDP; this also contradicts the requirements of the Skills Development Act, 1998. The Act states that in order to increase service delivery in government, the department should afford employees with opportunities to obtain new skills in and for the workplace, and to heighten the levels of investment in lifelong education and training in the labour market as this will improve the return on that investment.

The interview with focus groups 4 and 2 indicated inconsistencies in compliance with the requirements of the PSR, 2016. According to section 14 (h-k), “An employee shall (h) be committed to the optimal development, motivation and utilisation of employees reporting to him or her and the promotion of sound labour and interpersonal relations; (i) avail himself or herself for training and development; (j) promote sound, efficient,

effective, transparent and accountable administration; and (k) give honest and impartial advice, based on all available relevant information, in the execution of his or her official duties". The literature discussed in Chapter 2 point that an efficient EPMDS process begins by setting public institution`s goals, linking those to employees` targets, monitoring, measuring and then implementing developmental processes or rewarding the employees. This is critical in order to preserve, sustain and continuously improve service delivery in the department. Performance of employees should be effectively reviewed, measured and monitored to ensure they are in line with the mission and vision of the department. What is notable from the focus group interviews is that most of the respondents did not reference the departmental EPMDS policy in their response; it was only the director HR who cited the policy. The EPMDS policy is crucial in the implementation of EPMDS in DPW. The fact that the policy was not referenced indicates that it is not explicitly presented to the employees of the department. The distribution and communication of the EPMDS policy is beneficial to the department, as this will ensure that departmental employees understand the aim of the policy objectives.

Bhengu (2015:10) stated that performance management should benefit the public institution in a way that is not a once-off event, program, or a quick-fix solution planned to correct the present challenges that the public institution faces. Bhengu (2015:10) further argues that the EPMDS must be flexible to adjust to unavoidable vicissitudes that transpire over certain periods in the public institution such as management changes, changes in public institution`s structure, or unanticipated events. The study has highlighted the fact that EPMDS policies in the DPW are inadequately implemented by the supervisor and that the compliance with the compulsory requirements of the EPMDS is inconsistent.

6.3 PERCEPTION AND UNDERSTANDING OF EPMDS

Respondents were asked to provide their perception of the EPMDS. The reason for posing this question was to establish whether the respondents understand the EMPDS and why it is essential in the department. It is apparent that the respondents in the department do not completely comprehend the aim of the EPMDS. Based on the responses received, EPMDS is perceived as a once-off activity conducted annually to fulfil the requirements of the HR section, while some employees even viewed it as an

opportunity to make extra money. Literature in Chapter 2 described the EPMDS as a process of adopting targets and objectives, providing feedback, offering advice and encouraging employees to perform at high levels. This means that EPMDS must empower employees in the department to recognise their responsibilities and how their daily activities add to the attainment of the departmental strategic objectives.

Gudda (2011:1) stressed that monitoring is crucial in collecting vital public institution`s performance information in order to ensure that the institution is on the correct path in terms of achieving its objectives. A response that was provided by focus group 1 when they were asked about the EPMDS was “*The EMPDS is treated as a once-off activity rather than it being a continuous activity throughout the year*”. This means that it is not a daily activity for employees and supervisors, and therefore it does not serve its purpose.

Focus group 3 stated that supervisor`s in DPW do not have time to provide the required guidance and commitment because of their own workload. This indicates that supervisor`s do not comprehend the purpose of EPMDS that it is about managing the performance output of employees. Supervisors felt they must be present in person in order for them to provide guidance instead of allocating performance targets then monitoring the execution of those activities by employees. This is contrary to the argument by Rao (2004:10) that EPMDS is a process of managing what is expected to be delivered by employees. Respondents from the HR section agreed that misunderstanding of the EPMDS had led to the inconsistencies and grievances in the department. The respondents from focus groups 1 and 3, comprised of respondents from the HR section, which oversees the implementation of the EMPDS in the department, attested to the fact the majority of people in the department, including supervisors, view the EMPDS as a compliance tool rather than a performance development tool.

Respondents from focus group 2, which consisted of respondents at the supervisory level, indicated that to them effective execution of the EPMDS occurs when all the documents have been signed by the supervisor and the employee, and then submitted to the HR section for processing (clearly an incorrect perception). The respondents also believed that simply by disseminating the operational plan of their directorate to their team, their subordinates would strive to work towards achieving the public institution`s objective.

The respondents from focus group 2 also stated that the strategy of disseminating the operational plan to their subordinates works efficiently to create awareness, as it means the employees are aware of what they are supposed to do in the performance cycle; however, the challenge is that employees do not take ownership of their performance goals. This conflicts with the management by objectives (MBO) theory that requires supervisors and employees to work as a unit to develop, record and monitor goals for a specific timeframe.

In one question posed to focus group 2, supervisors were asked to indicate their understanding of the EPMDS. The response was that an efficient EPMDS is when the supervisor and employee agree and sign a performance agreement, as well as a work plan that outlines the core of the PA, before the due date, which is set by the HR section. This is an indication that the supervisors in DPW confuse performance review and performance management. Supervisors perceive the EPMDS as a once-off annual event that reviews past performance rather than an ongoing process to allow supervisor and employees to identify gaps for improvement of employees' performance (Van der Waldt, 2014:6).

The same notion was displayed by focus group 4 when the respondents were asked to describe their understanding of the correct process for the EPMDS. The respondents indicated that the right process was for them to sign and submit all the EPMDS documents requested by the supervisor. Employees in the department do not comprehend that they have an important role to perform in the performance management of the department, nor that public institution's performance depends on them. Employees perform a practical role in developing performance agreements along with their supervisors to participate in 360-degree assessment schemes (Whately, 2004:21).

The respondents from focus group 4 stated that they are not offered an opportunity to discuss the expected performance output with the supervisor furthermore the respondents indicated that they lack the required competencies to execute certain key performance areas of their work. This they attributed to lack of training and implementation of the PDP. Policy discussed in Chapter 4 stated that, employees should be trained in all these activities. The above responses provided by respondents of focus group 4 contradicts the definition by Armstrong and Baron (2005:14) that EPMDS is a

“comprehensive, continuous and flexible approach to the management of public institution, teams and employees which involves the maximum amount of dialogue between those involved”. The key word in this definition is continuous – this means that the EPMDS must be continuous, not a once-off activity.

6.4 IMPLEMENTATION OF THE EPMDS

The challenge of employees understating the purpose of EPMDS emerged when the respondents from focus group 1 were asked to explain the purpose of the EPMDS to the public institution`s performance and how the department could benefit from the EPMDS. The respondents indicated that the department benefits from the EPMDS because of the incorporation and utilisation of micro performance assessment tool by the supervisors to enhance and contribute towards the performance of the department. The respondents further stated that the contribution of micro performance towards macro performance occurs when supervisor align the performance planning of employees in each directorate`s operational plan with the overall DPW strategic plan. Ramataboe (2015:39) contends that for the integration to be realised, employees need to understand the importance of a specific job they are tasked with to realise the outcomes of public institution`s mission and objectives. Ramataboe (2015:39) states that the success of the integration process needs the following four steps to be in place. The first is the employees performance planning where an employee`s sets performance targets; secondly, monitoring and review of employees progress by the supervisor must take place against performance targets; thirdly, employees performance needs to be evaluated, assessing the level of performance and providing feedback; then lastly the employees is rewarded, or a developmental process is implemented.

The respondents indicated that the EPMDS is not implemented in a holistic manner; it is utilised for compliance purposes only. This is contrary to the definition by Deb (2008:39) that EPMDS is a complete and integrated process, system and approach of aligning employee goals with departmental goals and objectives in such a way that employees are committed to improving departmental performance. There is a dominant notion from the respondents that EPMDS is a function of HRM instead of an integral part of the responsibilities of supervisors in the department, which creates a perception that EPMDS is owned as a function by the HR section.

Respondents from focus group 4 indicated that the procedure and norm applied in the implementation of the EPMDS was that they complete assessment forms and submit these to their supervisors. The same response could be highlighted from focus group 2, when the respondents were asked to explain the implementation process. This gives an indication that the EPMDS is treated as paper exercise activity. This view was supported by the Director of HR who stated during the interview that if the implementation process of the EPMDS was correctly applied, the benefits for employees would not only be performance rewards but would also increase personal development. This view is supported by Sisa (2014:67) that having an effective EPMDS benefits the employees' and the public institution by creating a constructive performance culture within the public institution. The authors explain that EPMDS provides an effective tool to appraise employee performance, therefore enhancing sustainable improvements in employees' performance and public institution's performance. The EPMDS improves management and utilisation of resources. Kandula (2006:28) stressed that EPMDS is not an automated process that can be set in motion and then left to run on autopilot; the fundamentals of the EPMDS must be visible in the everyday operations of a public institution, and at the same time be subsumed in the minds of employees. This means that for the implementation of the EPMDS to be effective, supervisors in department should be sensitive to the fact that employees would not automatically implement performance plans.

6.4.1 Role-players in the implementation of EPMDS

The role of the role-players in the implementation of the EPMDS was described in chapter 4. The first point that emanated from the focus group interviews was the challenges associated with the role of the role-players in the implementation of the EPMDS system in the department. The responses provided by the respondents indicated that there were several inconsistencies related to the implementation of the EPMDS by the role-players, thus hindering the effectiveness of the EPMDS. The first question that was discussed during the focus group 1 discussions was aimed at ascertaining who the champions of the EPMDS in the department. According to Boxall and Purcell (2007:2), effective human resource management is an inevitable requirement of the EPMDS as they play critical role in the implementation of EPMDS. What transpired from the focus groups was that the HR understood their role and function in the system but showed minimal comprehension of the implementation processes of the EPMDS in the

department. Question (ii) on the pilot study that was posed to ascertain the guidance and role provided by HR to the implementation of the EPMDS, (70,6%) of respondents indicated that HR did not provide adequate guidance to the implementation. This deviates from recommendation by Mwangi and Kiambati (2015:1) that the focus of HR in the public institution should shift from conducting typical HR support functions to becoming an active role player in implementation of EPMDS.

6.4.2 Integration of the EPMDS processes

Respondents in this study were asked to share their perceptions of how the EPMDS is conducted in the KZN DPW. This question was aimed at establishing the consistency and the appropriateness of conducting the EPMDS at different levels in the department. Armstrong (2006a:32) and Bhengu (2015:20) noted that effective employee performance management requires an adequate amount of time from the supervisor, efficient task planning by the employee and supervisor, and sufficient resources to support the employee to achieve the desired goals. Poor performance is visible where there is a lack of alignment between the performance agreements and the operational plans of departments. The question of integrated performance management was asked during the semi-structured interviews with focus group 1. The respondents were asked to explain factors (challenges) that hinder the integration of micro performance with the macro performance. The question revolved around the following aspects:

- Alignment between the departmental strategic goals and the employee`s performance planning;
- The effective incorporation of employee workplan and PAs in the integrated EPMDS process;
- Participation of employees during formulation of performance objectives (targets) by their supervisor.

Based on the responses provided by focus group 2, it could be said that formulation of the employee performance agreements is not linked to the DPW strategic objectives. The respondents (focus group 2) indicated that they do not discuss the operational plan with their subordinates (focus group 4), but rather focus on the development of the work plan agreements of employees. This is in contrary to what is stipulated by Van der Waldt (2004:39), namely that the aim of the EPMDS is to allow employees to perform exceptionally in order to achieve the departmental objectives. This then enables

employees to be aware of performance standards that will be measured and what the result of such measurements could be for themselves and the department.

6.4.3 Performance monitoring processes

The focus group interviews (focus groups 1, 3 and 4) revealed that most supervisors in the DPW focus on the signing of the performance agreements and conducting the assessment. They exclude the process of monitoring performance and evaluating the outcomes of the assessments during the performance cycle. The respondents from focus group 1 explained that *“the purpose of EPMDS is to plan, monitor, manage and improving employee performance but, supervisors focus on the performance assessment and review part only”*. This was supported by the response from focus group 4 that there is no day-to-day monitoring rather the completion of EPMDS documents at the end of performance cycle. Performance monitoring of employees is an essential component of the EPMDS and should be a continuous activity. The focus group 1 respondents stated that performance monitoring is not applied effectively in the department by supervisors. This leads to the supervisor being unable to provide the necessary feedback on performance and this contributes towards the failure of formal performance assessments. The impact is mostly visible when the employee’s performance is unsatisfactory, since the EPMDS requires supervisors to implement a remedial action plan before the final assessment. An aspect of performance monitoring identified in this study was that most supervisors in the DPW focus on the signing of the performance agreements and conducting the assessment.

6.4.4 Performance measurement

Deb (2008:19) defines performance measurement as a systematic and formal process by means of which the job relevant strengths and weaknesses of employees are identified, observed, measured, recorded and developed. Performance measurement is a daily, weekly, monthly or quarterly measurement tool that is used by supervisor to measure employee performance. It is an essential tool for developing an effective and productive employee in order to ensure the objectives of DPW are realised.

Van der Waldt (2014:6) citing Masango (2000) argues that the significant characteristics of a good EPMDS should consist of, among others, performance targeting, the setting of performance standards and a performance evaluation system. According to Kusek and Rist (2004:22-23) the EPMDS enables the public institution

to have a reporting system that produces reliable and appropriate information on the employee performance. This is supported by Bhattacharyya (2011:18), that EPMDS focuses on key objectives and allows employees to report on accurate performance information so that the public institution can monitor the effectiveness of its programme.

According to Whately (2004:21), performance rating can be described as a performance measurement which is usually conducted through some form of rating system. Performance appraisal is the continuous activity of evaluating and managing both the behaviour and the outcomes of the employees' performance in the place of work (Grobler & Warnich, 2011:292). Respondents from focus group 4 stated that the outcome of the performance measurement was not an accurate reflection of their performance because of supervisor subjectivity. The respondents alluded to the fact that there were no performance discussions when the rating was done; they were simply informed to complete the EPMDS performance assessment form.

The EPMDS is still reliant on the personal conclusion of a supervisor; this is because the final score on the performance assessment is done by the supervisor without the employee. This emanated from the response provided by the respondents of the focus group 2 where it was stated by the respondents that employees have to submit documents with scores (performance ratings) and the supervisor will then rate the employee. The same response also transpired on the focus group 4 where it was stated by the respondents in the group that after signing the EPMDS documents, the documents are collected by the supervisor. It also transpired from the focus group discussions interviews that was conducted with focus group 4 that employees are instructed by the supervisor to change their performance rating and this was supported by the respondent during the interview who asserted that most performance grievances are due to changing of performance assessment rating.

Van der Waldt (2004:39) stated that performance measurement assists department to monitor performance of employees. The respondents from focus group 2 indicated that although there is an effective performance reporting system that captures all the required performance data of employees in DPW it should also be used by supervisors to provide feedback to employees on the progress toward achieving the department goals.

There are inconsistencies in how the performance measurement standards that are formulated by the supervisors in the department. Respondents from focus group 4 responded by stating that performance targets were not specified by their supervisor and deemed it unfair that their performance rating scores were reduced by their supervisor. Supervisors fail to take responsibility for performance management and view it as the function of HRM section, which is evident in the response provided by the respondents of focus group 2. This then transpired in the response provided by the focus group 3 when the respondents indicated that employees complain that supervisors do engage them when it comes to the EPMDS; they (group 4) are only notified about performance issues when the performance assessments are due at the end of the performance cycle.

6.4.4.1 Scoring/rating

Focus groups 2 and 4 discussions – focus group 2 respondents at supervisory level and focus group 4 the subordinates – provided contrasting responses when asked about the EPMDS scoring activity. Focus group 2 indicated that the scoring was conducted bi-annually. The first was the half-yearly assessment as this a prerequisite for the annual employee performance assessment. When the half-yearly assessment was completed, employees were notified to make appointments with their supervisor to discuss the results. The half-yearly assessment gives the supervisor an indication or measurement of the employee's performance.

At the end of the performance cycle, the employees are then invited to discuss and rate their own performance for that financial year. The employee will complete the scoring on each KRA in front of the supervisor and the supervisor will do the same, giving the employee reasons if the scores are different. What transpired when the same question was directed to the subordinates was that there was no discussion when the rating was done; they were informed to complete the EPMDS performance assessment form. Furthermore, the respondents stated that they were reminded by either the HR section or the personal assistants of their supervisor to submit the performance assessment.

The respondents from focus group 4 indicated that they gave themselves the average score of 3, because they feared that their immediate supervisor would dispute the score, even though according to them they should have received a higher performance score in the assessment. The KRA scoring and rating process are the reflection of the

employee's performance and this process should not be treated as a paper exercise. This is an overall assessment of the employee's performance throughout the financial year and it should be based on precise activities or events, which the employee was able to accomplish.

6.4.4.2 Performance reviews

The question of performance reviews was posed to the two focus groups; the first comprised of supervisors (focus group 2) and focus group 4 who are subordinates. It was apparent from the responses provided by both these groups that performance reviews are not done regularly, as they should be. The respondents asserted that the performance review activity was not in a form of a discussion or meeting between the employee and the supervisor, but rather a paper exercise activity where employees were instructed to complete and submit a form. This is an indication that there were no quarterly reviews conducted to monitor progress and make any performance improvements during the performance cycle. Sisa (2014:66), citing Sahl (1990) argues that it is essential that the performance reviews are conducted to keep performance targets at the forefront of the employees' daily work, to emphasise the importance of the process to the employee and the public institution, to provide opportunities for the explanation of objectives, and to review employees' progress toward achieving the intended results.

Implementation of reviews as a continuous activity helps in reducing the challenges related with performance appraisals by providing employees with constant feedback on their performance and by compelling supervisors to be in constant contact and communication with their subordinates. The high number of performance grievances and the reason provided for submitting the performance grievance during the assessment period as stated by focus group 3 of HR practitioners indicates that supervisors implement the system for compliance purposes. This could be supported by the response provided by focus group 4 that supervisors inform the respondents to sign their performance agreements after HR had issued an instruction. Implementation of performance reviews as a continuous activity helps to reduce the challenges associated with performance appraisals by providing employees with ongoing feedback on their performance and by compelling supervisor to be in constant contact and communication with their subordinates.

According to Longenecker, Liverpool and Wilson (1988) cited by Sisa, (2014:66), regular reviews by the supervisor provide assistance to keeping the employees on the correct path towards the attainment of public institution`s objective, thus minimising unforeseen hindering factors. The most notable aspect of this stage is that it provides an opportunity for supervisors to implement a remedial action plan to correct the challenge of poor performance and make available the performance data for the final performance review. Respondents from focus group 2, which was comprised of supervisors, indicated that strict timelines issued by HR section and deadlines for submission of EPMDS documentation contributed to a lack of adherence to performance review activity. According to Grobler and Warnich (2011:292), when supervisors conduct performance reviews, they should be able to categorise the performance of each employee as exceptional or poor, and the aim of this should be to enable the supervisor to implement the appropriate action plan for the employee, depending on the performance. One question that was posed to the respondents on the management level (focus group 2) to ascertain their comprehension of the value of reviews, the respondents did not state the performance review as one of the critical elements of an effective EMPDS. Ferreira and Otley (2009:272) stressed that the performance review is a critical element of the EPMDS. They added that the performance review assists the department to gauge the performance of employees and provides necessary feedback.

Performance review is an ongoing process where the employee`s performance gets confirmed against the set targets to determine any performance shortages and then institute remedial action where necessary. This is substantiated by the DPW employee performance management policy, which states that there should be at least one formal reviews in each quarter of the cycle but only two need to be reported and documented by HR section. Respondents in focus group 4 stated that they were instructed by their supervisor to complete the EMPDS forms and submit them to their office, so there was no discussion of the rating. It was mentioned that this was done at the end of the performance cycle, i.e. the performance reviews are due. This is counter to the notion put forward by Sisa (2014:60) that EPMDS is a continuous process that occurs throughout the year between supervisor and employees, thus ensuring consistency and continuity in all stages. The challenge of conducting effective performance reviews was again highlighted during the interview that was held with the HR director.

It was interesting to note that respondents from HR did not stress the importance of the performance review meeting between the supervisor and the subordinate. This could be attributed to response that was provided by focus group 1 during the semi-structured interview where the respondents stipulated that HR section is responsible for the co-ordination and management of the EPMDS system but not the implementation. The respondents from focus group 3 (HR practitioners) further stipulated that supervisors of components are responsible for the implementation of the EPMDS.

6.4.4.3 Performance meeting

The perception of treating the EPMDS as an HR compliance process could be stressed from the response provided by focus group 4. The respondents indicated that they submit the EPMDS documentation because it was required by the HR section for compliance and for financial purposes (pay progression and bonuses). Munzhedzi (2011:12) citing Simeka Management Consulting (2004) states that EPMDS in the public sector must not be viewed by supervisors and employees as an authoritative framework meaning it must not be seen only as a legal requirement that needs to be complied with. This means that it is not an interactive performance discussion meeting between the employee and their supervisors. This is contrary to the approach recommended by Sisa (2014:66) that effective implementation requires supervisor and the employee to frequently hold formal and informal performance discussion meetings.

Sisa (2014:66) stated that the EPMDS activity requires supervisors and the employee to hold formal and informal performance meetings, which should be conducted regularly on monthly or quarterly within an annual performance cycle. The main purpose of the performance meetings should be to create an environment for supervisors to evaluate progress against performance targets and to provide guidance, performance feedback, including a recap of what has been achieved. Sisa (2014:66) citing Sahl (1990) further argues that it is vital that the performance meetings are conducted to keep employee and public institution's performance objectives at the forefront of the employee's daily work, to emphasise the significance of the process to the public institution, to provide opportunities for the clarification of objectives, and to review employees' progress toward intended outputs.

Sisa (2014:66) further stipulates that performance meetings should be conducted on monthly, quarterly or twice a year. The two focus groups (2 and 4), which included

respondents at supervisory level, indicated that performance management is discussed in detail at the end of the financial year when there are mandatory performance reviews that are stipulated by HR. This presents a challenge if an employee was performing poorly throughout the year and the supervisor does not get an opportunity to implement an improvement plan before the annual review. This leads to the EPMDS failing to identify early signs of poor performance, because actual performance is not discussed early enough. The main purpose of these meetings is to enable an environment for line managers to evaluate employee progress against performance targets, and to provide performance feedback including a recap of what has been achieved. The respondents from focus group 2 indicated that operational plans are not discussed, and they are not incorporated into the performance plans of the employee. Lack of performance discussion creates a situation where supervisors establish performance targets which are not communicated across the public institution`s. These goals are poorly formulated and difficult for employee`s to execute. The results of the focus groups discussions interviews indicate that what really matters in the EPMDS is how effectively the supervisors implement it and communicate performance goals to employee.

6.4.5 Lack of communication and commitment from supervisors

Respondents in focus group 3 stated that the vital aspect that underpins the success of the EPMDS is the fact that communication needs to be constant between the employees and the supervisor, as this will allow the creation of a platform for learning through coaching and the review process. The findings of this study revealed that there is a lack of communication between the supervisors and employees about employees' performance issues in DPW. This opposes the recommendation by Deb (2008:39) that performance management must provide an opportunity for upward and lateral communication in a public institution. The sole purpose for EPMDS, according to Deb (2008:39), is to allow management and employees to be involved in planning, measuring and improving public institution`s performance through communication.

The challenge of inadequate communication from supervisors was discovered during the focus group 3 semi-structured interviews. The respondents indicated that most performance assessment grievances they receive were related to the altering of the final KRA score by supervisors. When probing the root cause, as explained by focus group

1, it was found that supervisors do not communicate with them the reason for changing of scores.

This type of dispute between supervisor and subordinates during the assessment period is prevalent. The findings above are consistent with the argument by Cadwell (2000:13) that communication from supervisor plays an imperative part in ensuring that the EPMDS functions properly. Cadwell (2000:13) further elaborates that a department might have the best designed EPMDS, but it will not function properly if supervisors do not demonstrate commitment or communicate the EPMDS. This was supported by the respondents in focus group 3 who stated that there must be full commitment from supervisors to drive the EPMDS system. The respondents elaborated that commitment must be constant throughout and supervisor must demonstrate commitment to the EPMDS for it to be effective. Bussin (2012:5) concurs that communication will ensure that employees are alert of how they contribute to the performance needs of the department. Whately (2004:9) stressed the following benefits of communication to contribute to the EPMDS. Firstly, communication will motivate and increase the commitment of employees and supervisor to attain the public institution`s objectives.

Whately (2004:9) further emphasised that communication will indicate clear role expectations and realistic objectives for employees. Communication and commitment from supervisors will enable employees within DPW to translate the department strategy into their daily tasks activity and most importantly this will ensure a fair and unbiased performance rating. Focus group 4 responses suggested that there is shortage of support and commitment from supervisors to ensure that the EPMDS is implemented effectively. The group indicated that they are not provided with adequate information regarding performance expectations in the department by their supervisors. They added that they are deprived of a platform to deliberate their performance targets, because their supervisors do not communicate performance targets. By only signing the documents, the employees do not get the opportunity to discuss their expectations with the supervisor. This is contrary to the argument by Armstrong and Baron (2005:14) that EPMDS requires an inclusive, constant and flexible approach to the management of the public institution, teams and employees, which involves the maximum amount of conversation between those involved. The first step in the employee performance management process is to communicate what is expected from the employee.

The respondent concurred during the interview that proper communication assists with managing and reducing performance grievances by constructing a positive performance culture in the department. When supervisors and employees have a clear comprehension of what is expected of them in terms of performance through communication, uncertainties are eliminated in the workplace.

6.4.6 Performance management training

The HR component indicated that they tried to conduct the EPMDS training so that they could correct the implementation challenge with the supervisors. It was also observed during the focus groups interviews that the HR component provides the necessary guidance and support, but the challenge was ownership of the EPMDS by supervisors.

Focus group 1 indicated that that some of the challenges that contribute to the failure of the EPMDS in the DPW could be credited to the shortage of EPMDS training for supervisors. The group indicated that there is a training programme for supervisors in place, but supervisors do not attend the EPMDS training when they are invited. The respondents stipulated that in most cases it is the subordinates who attend the EPMDS training and not the supervisor.

The negative impact of not attending the EMPDS training transpired again during the the focus group 2 discussion, when the respondents complained about over-emphasis on compliance rather than utilizing the EPMDS as a tool for performance management and development of employees.

Focus group 3 indicated that effectiveness of the EPMDS is connected to the training effort applied by the HR section to ensure all DPW supervisor are properly trained. The respondents further indicated that for supervisor to be experts in the EMPDS and properly understand the role of the EPMDS in the DPW they need to be trained. This view of the respondents indicates that they have realised the significant role of training of supervisor in the implementation of the EPMDS. EPMDS training enables supervisor and employees in the department to comprehend the purpose of the EPMDS is, what is its objective, and how it is arranged and implemented.

The challenge of EPMDS training was later highlighted by the respondents during the focus group 4 discussions. The respondent indicated that supervisors do not attend the

EPMDS training and they lack the proper skills to manage the EPMDS efficiently. This then creates challenges and lack of understanding among supervisors about their roles in the implementation processes of EPMDS in DPW.

The most beneficial factor to the EPMDS training is that it enables supervisor to plan properly and ensure that the employees' PA connects to the DPW objectives. The above response indicates that the integration of employee performance is most achievable with the supervisor's competencies who ensures that the employee KRAs are formulated to contribute to department's objective and performance.

6.4.7 Performance development plans (PDPs)

The respondents from focus group 3 indicated that the key aspect of a successful implementation of the EPMDS should include development of employees. This study revealed that training requirements of employees are not adequately attended to. This transpired from the responses by focus group 4. Armstrong and Baron (2005:93) argue that employee performance development on PDPs has a central role in enhancing the skills of the employees and providing career guidance, which may also benefit the department. The respondents from focus group 3 stated that EPMDS must provide a platform for learning through coaching by means of the review process of employees. This is in line with the argument by Armstrong (2003:476) that PDPs are concerned with enhancing the future skills (value added), and setting out actions employee intended to take develop themselves in order to extend their knowledge and skills in specified areas. One of the fundamental purposes of the EPMDS is to enhance the personal development of employees. The management and identification of developmental areas of employees through PDPs who need training is one of the key purposes of the EPMDS.

The purpose of the PDP is to highlight any underperformance of employees' work and to specify interventions to improve their performance. This PDP activity should be done jointly by the employee and the supervisor or line managers. The respondents in focus group 4 were asked if they had received any training in line with their developmental needs. Two of the four indicated that they have not received any training that they have requested on their personal development plan (PDP), while the other two indicated that they had attended training sessions. Focus group 4 respondents stated that even after indicating their developmental needs through the PDPs, their supervisor did not do

much with the PDP information. The respondents in focus group 4 stated that the challenge could be attributed to supervisors not understanding what is expected of them after receiving the employees' PDPs. The respondents also stated that some of the training they are sent for is not applicable to their current jobs and this makes it challenging for the training to contribute to enhancing their performance. Sisa (2014:65) and Armstrong (2006b:19) state that the personal development plan can be described as a collaborative arrangement between the employee and the supervisor. According to Armstrong and Baron (1998) cited by Sisa (2014:65), the aspect of the PDP concentrate on the performance contract on what has to be done to achieve objectives, raise standards and improve performance, and to identify the key aspects of the job that needed the most attention. Agreement is also reached on the methods of measuring performance and analysing evidence of levels of competence. Sisa (2014:65) citing Armstrong and Baron (1998) stresses that the PDP is a crucial aspect of the performance and development management process. Subordinates in focus group 4 also stated that after they have completing and signed the performance agreements, there was no assessment related to the areas that needed improvement with a purpose of applying the PDP from the human resource and development (HRD) section. What transpired from focus group 4 semi-structured interviews is that none of the respondents indicated that they discussed the performance agreements before signing them. It is notable from the responses of the four respondents in focus group 4 that they were reminded by either the HR section or the personal assistances of their supervisor to submit the performance agreement.

6.4.8 Administration of grievances

The respondent during the interview indicated that some of these cases also include performance reviewing challenges, training and development; he said that this is because supervisors usually do not provide reasons for changing the employee's performance rating. In most cases when the subordinates submit a performance grievance, it is because the supervisors allocate scores lower than their subordinates did. This respondent elaborated that this is because the performance review should be a day-to-day activity conducted by supervisors, but the public managers in DPW lack the necessary administrative skills.

This study also showed that the majority of grievance cases (according to focus group 3) dealt with are related to the performance rating. Every year after the annual employee performance reviews, the performance moderating committee receives a number of performance grievance cases lodged by employees because supervisors have changed the performance rating score of employee, and do not communicate with employee about performance issues related to the EMPDS. The respondent during the interview indicated that the Moderating Committee waits for the employee and supervisor to resolve the grievance before intervening. The respondent further stated that when there is a performance dispute between a supervisor and employee, the performance grievance process allows both to nominate a mediator to resolve the grievance. If an employee is dissatisfied by the outcome of the performance assessment process, such an employee or supervisor shall be afforded an opportunity to present to the Moderating Committee. Grote (1996:268) argues that grievance issues concerning performance do not get as much attention as labour-related issues. In most cases, the review or Mediating Committee is slow to attend to and resolve such cases. Grote (1996:268) states that this is because the panel will require all performance documentation (time consuming) that has been collected over the period of the year.

6.4.8.1 *Disciplinary action*

The emphasis of the HR section in taking disciplinary action against employees who have not complied with the requirements of the EPMDS frameworks supports the perception that the EPMDS is conducted by supervisors simply for compliance purposes. This was deduced from the response during the discussion that was held with respondents of focus group 1. This is contrary to the argument by Mwangi and Kiambati (2015:1) that the HR section that administers EPMDS in the department must play an active role in designing and coordinating the process of the EPMDS in the department.

6.4.9 Performance data system

An essential role that the supervisor needs to play in the EPMDS is to provide feedback on performance as well as to reprimand, motivate, mentor, lead teamwork, use incentives, make his/her own personal contribution to solving problems, and add value to the products produced by an employee. Focus group 2 indicated that there should be effective reporting and performance data-capturing system. Performance data are irrelevant if they are not analysed and utilised effectively. The respondents from focus group 2 stipulated that the collection and monitoring of employee's performance data

should be a daily activity, but this is not feasible due to the work commitments and workload of supervisor in DPW. This means that there is inadequate performance information by line managers. This in turn impacts on providing the necessary feedback on the progress, the problems encountered by employees in the implementation of their work plan agreements.

6.5 CONCLUSION

This chapter reported responses that emanated from the EMPDS implementation challenges revealed during the focus group discussions and the interview. Evaluation of literature reviewed in Chapter 2, legislative policy framework explained in Chapter 3 and case study of DPW in chapter 4 supported the themes that were formulated for discussion in this chapter. It can be concluded that there are several critical issues that impact on the implementation of the EPMDS in the KZN DPW. The challenges explained in this chapter are linked to performance management policies, understanding the purpose of EPMDS, implementation of the EPMDS, the role players involved, performance reviews, the impact of performance development plans (PDPs), performance communication, commitment by supervisors, grievance's, disciplinary action and data system. These were grouped and categorised into different themes for an evaluation and the next chapter will describe a normative approach (recommendations) to EPMDS in the KwaZulu-Natal Department of Public Works.

CHAPTER 7

A NORMATIVE APPROACH (RECOMMENDATIONS) TO THE EPMDS CHALLENGES IN THE KWAZULU-NATAL DEPARTMENT OF PUBLIC WORKS

7.1 INTRODUCTION

The objective of this study was to provide an evaluation and recommendations of the effectiveness of the implemented EPMDS in the KZN DPW. There were a significant number of challenges that were revealed during the focus group discussions and the interview outlined in Chapter 5. Chapter 6 explained the evaluation (findings of the study-literature, policies, case study and empirical study) of EPMDS in the KZN DPW. One of the aims of this study was to make recommendations (normative approach) for an effective performance management system for the KZN DPW. Chapter 4 examined and analysed the current situation at KZN DPW. It was found that the department has two sound performance management policies: the DPW performance policy framework, 2006 and the DPW EPMDS, 2012. The aim of the two policies is to ensure that there is collaboration and integration of micro to macro performance management in DPW.

Referring to the literature reviewed in Chapter 2 and the performance management policies explained in Chapter 3, it can be concluded that a normative approach to performance management processes entails proper interactive management, efficient performance coaching and mentoring, effective performance measurement, adequate performance feedback and sound documentation that enables accurate performance evaluation and assessment. It is imperative that the EPMDS processes should be guided by the goals and objectives of the DPW. The EPMDS literature cited in Chapter 2 indicates that in order to enhance the effectiveness of the EPMDS, supervisors and employees should work together to plan effectively, review results and reward sound performance. This requires proper communication channels, where supervisors and employees would engage with each other on performance issues, supervisors need to display commitment and seek to understand the performance challenges faced by their subordinates. The following normative approach has been drawn up to improve the effectiveness of the EPMDS in the KwaZulu-Natal Department of Public Works.

7.2 PERFORMANCE MANAGEMENT POLICIES

The legislation that is applicable to the EPMDS is being constantly amended and updated. This was evident in the analysis of Table 5.3, which showed there were changes that were introduced to the EPMDS, but supervisors and employees in the department have not been trained or educated on these changes. What is significant about these changes is that they affect the performance rewards of employees in DPW. The department has two sound policies on employee managing performance, but the respondent from HR indicated that supervisors do not attend the scheduled EPMDS training sessions. The departmental EPMDS policy should be amended and stipulate that attendance of the EPMDS training is compulsory for supervisors and employees, and non-conformance will result in disciplinary action. An attendance register of the EPMDS training course should be completed and submitted to the HR manager in the department. The HR manager in the department must ensure that supervisors are evaluated on the management of EPMDS and the report should be shared with the accounting officer (HoD).

The current DPW EPMDS policy does not state the exact date for signing of performance agreements, the EPMDS policy only states that the employee must sign the performance agreement with the supervisor before 31 May of the financial year. There should be a mandatory date that will be set aside by the department where all employees and supervisors would be required to have a performance agreement signing before conducting the performance assessment. The departmental EPMDS policy needs to provide systematic guidelines on the implementation process of each stage of the EPMDS, starting with performance planning, performance monitoring, performance assessment or appraisal; performance review and managing the outcomes of the assessment. This approach was supported by Schneier *et al.* (1987:260), while Russell and Russell (2009:10) state that performance management is a cycle, not a once-off activity. The DPW EPMDS policy should ensure that at the beginning of the performance management cycle the purpose of the EPMDS is defined in the strategic planning (macro level) then it must cascade down to micro-level planning. The Public Service Regulations (PSR), 2001, Chapter 1, Part VIII provides direction in the management of the performance of employees in government. Legislation in Chapter 3 set requirements that must be met in the formulation of an effective EPMDS. In order to resolve the implementation challenges, the first step in PSR, 2001 is to clearly define

performance roles of supervisors and employees, responsibilities and accountabilities in the KZN DPW. There should be legal repercussions for employees who fail to perform their duties in the performance management process. Munzhedzi (2011:12) citing Simeka Management Consulting, (2004) states that when EPMDS in the public sector is considered simply as a compliance requirement (authoritative framework), it creates several challenges as it is treated as a legislative requirement and not as a EPMDS tool; this affects the effective implementation of a EPMDS in the public sector (Munzhedzi, 2011).

7.2.1 Institutionalisation of EPMDS in the department

The aim of the EPMDS in DPW is to manage employees' performance so that they will contribute towards service delivery. For this to be realised by the DPW the EPMDS should be institutionalised within the department, in order to rectify the (mis)understanding and (mis)perception of the EPMDS in the KZN DPW. The point of departure for the institutionalisation process in the department is to review the effectiveness of the EPMDS policies. The HoD must ensure that the EPMDS is conducted effectively by discussing performance issues with senior managers in their monthly executive meetings and ensuring that supervisors' and employees have a mutual comprehension through communication of the objectives of the department. The HoD should ensure this by clarifying the KZN DPW mission, vision, strategic plan, the APP and the administration of performance rewards, training as well as the development of employees and performance reviews. This could be achieved through workshops and training sessions conducted by HR.

7.3 PERCEPTION AND UNDERSTANDING OF EPMDS

Based on the interview responses, it became apparent that the respondents in the department do not fully comprehend the purpose of EPMDS. The EPMDS is seen as a once-off activity conducted annually to fulfil the requirements of HR and some even view it as an opportunity to make money. To resolve the negative perception and understanding of the EPMDS by supervisors and employees, it can be argued that supervisors would need to understand how the EPMDS functions and what the purpose of having the EPMDS is. Supervisors in DPW need to comprehend that EPMDS is focused on managing the performance of employees and nurturing their potential to ensure that their performance is optimised, thus benefiting the department and the public. Van Dooren (2006:13) citing Moore (1998) stated that performance

management in the public sector is about creating public value. The author argued that public value is created when a public institution effectively delivers on its services. All other systems and processes should support or be informed by effective performance management and a focus on continuous improvement of performance. Another key element that could improve the understanding of the EPMDS is that the EPMDS process must be driven by executive committee members (EXCO), who are senior managers in the department.

In order to change the perception of employees towards the EPMDS, the effective implementation of EPMDS must be integrated with all other departmental process; it must be visible in the day-to-day activities of the department. The HR section as the custodian of the EPMDS in the department needs to re-evaluate the EPMDS policy that is currently implemented by the department; this will assist in establishing whether the policy is effective and, if necessary, in revising the policy appropriately. The DPW EPMDS policy (2012), which was explained in Chapter 4, prescribes the performance assessment tools to be used for the purposes of recording, managing and evaluating the performance of employees in the department. The heads of components are obliged to ensure that the correct tools are utilized as stipulated in DPW EPMDS policy (2012). These tools (of measurement) should be in line with the EPMDS (RSA, 2007a:13) and should not be modified; if a different form is used such a report will be disqualified and will not be processed until the correct form is used.

7.4 PROCESS OF THE EPMDS

Supervisors and employees in the department should comprehend that the main purpose of the EPMDS in the department is to ensure the success of the DPW in delivering services to the public; therefore, the management of employee performance is an essential part of effective service delivery. This section provides a normative approach to the EPMDS process in the DPW.

7.4.1 Role-players in the EPMDS

DPW should define role-players and their roles in the EPMDS including HR, Premiers Office, supervisor and employees who should be responsible for ensuring the effective implementation of the system.

7.4.1.1 Role of the premier's office and the HOD

The first step in resolving the perception challenge is to make supervisors in the department to demonstrate commitment to the EPMDS is by making them account for the poor performance of their subordinates through their performance reviews. This means that the process needs to start from the Office of the Premier, who will ensure that the HoD is accountable, then it cascade down to all levels in DPW. Beginning at the highest level of authority in the department and getting them to commit to making performance management a priority is an imperative requirement for success. With a directive from the office of the HoD, the HR section needs to consult and communicate with supervisors in the department; this will enable management to be in better position to understand the objectives of the EPMDS. This could also influence supervisors positively to support the EPMDS implemented by the department.

7.4.1.2 Senior managers

Another factor that must be taken into consideration is the creation of public institution culture that is performance-oriented in the department. The HoD is accountable for constructing a workplace that is conducive to creating a performance-driven culture in the department. The HoD must ensure that the senior managers in the department first enter into a performance agreement before completing the PAs with their subordinates. Managers in the department must implement the objectives that are assigned to their directorates and further ensure that sub-directorates develop operational plans that clearly define and stipulate objectives, outputs and performance targets of employees. Managers should ensure that there is a discussion of the KRAs between the supervisors and employees to ensure that each employee is aware of what is expected from him/her. It is necessary to set up monthly meetings to discuss the performance reviews with all the employees under their directorate.

7.4.1.3 Supervisors

Supervisors in their directorates in the department must ensure that they explain the development of the performance agreements of employees to all employees under their supervision. The supervisor must ensure that the development of the PA is a joint effort with their employees and assist in clarifying the objectives of the unit to employees. Furthermore, supervisors must discuss the time frames and the performance rating methods with employees. Employees must be assisted by the supervisor through their PDPs to identify and incorporate the performance development needs through training.

Even though the literature suggests that the emphasis should be placed on the responsibilities of line managers or supervisors to develop and implement an effective EPMDS, the involvement of HR in the implementation processes of the EPMDS should also be strongly highlighted.

7.4.1.4 Employees

It is crucial that employees clarify with their supervisors the signing and submission dates of their performance agreements (PAs). Employees need to explain and discuss their PAs through a meeting with their supervisors for consideration and approval.

7.4.1.5 Human resource management section

It was explained in Chapter 6 that the human resource section should understand their role and function in the system, but they displayed minimal comprehension of the implementation processes of the EPMDS in the department. This means that in order to resolve the implementation challenges facing the department, the HR section must be at the forefront spearheading the implementation process of the EPMDS on all levels in the Department.

The HR section in the DPW should be more active and visible. Based on the semi-structured interviews, the HR section does not provide the necessary support to ensure that the EPMDS is fully effective. Armstrong and Baron (2006b:8) stress that the ultimate objective of EPMDS is to take full advantage of human capital. The HR section must take the responsibility to lead directorates in DPW to adopt a constructive role by empowering them with knowledge and skills to ensure that the EPMDS contributes towards the attainment of the department's goals. The HR section in the department should be central to effective and efficient implementation of the EPMDS by assisting supervisors and employees to formulate realistic goals. Furthermore, HR must play a critical role in the co-ordination process between the supervisor and employee during the EPMDS by communicating with both role players. The HR knowledge, understanding and competencies in the EPMDS will significantly influence whether or not DPW will be successful to achieve its goals.

The literature cited in Chapter 4 states that the focus of human resource section in the KZN DOPW must change from conducting regular HR support functions to becoming an active role-player. This could be realised if HR becomes proactive and engage the

employee and the supervisor before they conduct the performance reviews and ensure that all proper EPMDS processes are implemented effectively (RSA, 2009b:2). The HR section has a critical role of executive oversight in ensuring the implementation of the EPMDS policy, accountability for receiving and analysing performance information, and coordination of the implementation of departmental EPMDS. The HR component in the department should provide sufficient support and direction in the implementation of the EPMDS. When the HR section demonstrates the necessary commitment and efficient management of the EPMDS, the motivation will change from a need to comply towards implementing a good management process. In order to resolve the lack of understanding and the perception of EPMDS within KZN DPW, the department should embed the EPMDS in the public institution culture, change employees' attitudes towards the EMPDS and make performance management a daily activity, meaning reviews are to be conducted weekly instead of annually. This will ensure that short-term tasks contribute significantly to long-term value and provide sustainable outcomes to achieve annual objectives.

There is also a need to re-examine the institution's structure of the HR section of the department to ensure that it supports the assigning of duties, resources and responsibilities to the different components within the department. The re-examination of the institution's structure of HR section is to ensure that the performance management section under HR has been sufficiently capacitated in terms of manpower to provide support to the department. Public institution's structure ensures that processes and reporting are clear; these are critical elements in the implementation process. The public institution's structure ensures an efficient functioning of the EPMDS by creating a formal operational framework that includes reporting structures, collaborations between employees, information flows and the authority distribution with regard to carrying out activities within DPW. The public institution structure of the HR performance management section should be divided into four performance management sub-sections.

The first sub-section should concentrate on performance policies, performance implementation strategy and performance training in the department. The HR sub-section 1 should ensure that the performance management policies of the department have outlined the performance management implementation plan or execution strategy.

The EPMDS implementation plan must provide systematic guidelines, which must be appropriately outlined with steps that must be followed for managing employee performance and provide direction for line managers towards the implementation of the EPMDS. The EPMDS implementation plan steps should stipulate the following:

- The HR sub-section 1 should clarify roles and responsibilities of line managers and employees in the EPMDS through training.
- HR sub-section 1 should through the EPMDS implementation plan stipulate that the performance planning process is compulsory, and it should be discussed between the supervisor and the employee. This should be done before the performance agreement is signed and supervisor must ensure that key performance objectives of the department are cascaded into employee workplan agreements.

The commencement of the EPMDS implementation plan designed by the HR sub-section 1 should provide DPW with the performance management strategy, which should guide all employees in the department with the inception of the EPMDS. The performance management strategy in the EPMDS implementation plan should describe goal formulation procedures, meaning it should guide employees on how to dissect the strategic plan into employee key performance areas (KRAs). The EPMDS implementation plan needs to cater for the training of supervisors as well as employees in the implementation of the EPMDS. The HR sub-section 1 must ensure that on-going EPMDS training and technical support, such as the development of tangible performance agreements (PAs), are provided to all employees. The HR sub-section 1 needs to ensure that the EPMDS policy is disseminated to everyone in the department and any revisions of the policy are properly communicated through EPMDS workshops and internal DPW media platforms. The challenge is not a lack of policy or guidance, but the silence of the policy on supervisors and employees who fail to comply with the requirements of the policy. There are no penalties or ramifications that are stipulated by the policy to ensure accountability of supervisors in the department. HR sub-section 1 should ensure that the supervisors in the department are prompt to comply with the period set for submissions of performance documents and they must be held accountable by instituting disciplinary action against supervisors who do not comply with the requirements of the policy.

The second sub-section should mostly concentrate on the implementation of employee performance management processes in the department and work closely with supervisors to assist them in the implementation processes. This section should also ensure that performance disputes are detected before conducting performance reviews by regularly engaging the supervisors and rectify performance grievances before being submitted to the performance moderating committee. The HR section must not only communicate reminders for completion and submission of performance agreements, review reports and assessments through circulars, but it must also provide the necessary support regarding the employee performance assessment processes by consulting both the supervisor and the employee before the due date of the submission of the EPMDS documents.

The third sub-section should oversee the performance data system, performance reporting of employees and performance monitoring. The HR sub-section 3 should make sure that supervisors continuously monitor the performance of employees against what was planned by collecting and analysing performance data of employees through reports. The HR performance management sub-section 3 in the department must strictly monitor the implementation in line with the DPW EPMDS policy, 2012. This will demonstrate the significance of the EPMDS to the employees in the department and the HR performance management section must report back directly to members of the executive committee (EXCO), which includes the HoD and all senior managers. The HR performance management section must provide performance management advice to first-line supervisors in the preparation of EPMDS documents. They must provide constant guidance on EPMDS policy matters. The HR performance management section should also collect EPMDS information with the purpose of identifying challenges relating to EPMDS broadly and they must be available to assist with queries/enquiries concerning EPMDS through meetings and interviews. Human resource should facilitate the EPMDS information-sharing sessions and identify training needs, including the administration of EPMDS review questionnaires. To determine whether employees and managers are familiar with the objective/goals of the PMS, the HRD section needs to develop or source out a training course for supervisors and employees in relation to performance measurement.

The fourth section should focus on performance reviews and the implementation of the PDPs and should work closely with the HRD section. It is essential that the HR sub-section 4 circulates the timeframes for submission of the necessary EPMDS documents in advance to all employees, including senior management, and that the supervisor and employee are familiar with the rationale, objectives, principles and procedures of the EPMDS. The HR sub-section 4 should also assist and facilitate the compilation of PAs and assessments and monitor the outcome of performance reviews and the developed PDPs. The implementation of the remedial action plan of the HR sub-section 4 should identify key role players (managers) in the department who will champion the review of the EPMDS. Then each key role player must assume the responsibilities outlined in the implementation plan that has been developed.

7.4.2 Integration of EPMDS processes

Van der Waldt (2004:39) stated that EPMDS of employees (micro level) in the department needs to form part of the overall strategic management (macro level) of the department. The departmental annual performance plan (APP) should provide a foundation for the development of the employees' PAs. This means that the employee performance should be measured against the objectives of the annual performance plan. What emerged from the semi-structured interviews is that the process is treated as a paperwork exercise. In order for the department to succeed in the alignment and integration of employee performance and departmental performance, supervisors must not view the EPMDS as an HR compliance exercise, but rather as a tool that will contribute to achieving objectives and service delivery. This could be achieved if supervisors accept full responsibility for the implementation of the EPMDS.

Effective functioning of the EPMDS will not be achieved if it is perceived as a pay progression system rather than a performance management and developmental system. The department should publish quarterly reports per directorate for employees to be able comprehend what they have achieved or have contributed towards the departmental performance. This will assist the management in knowing the amount of resources that will be required to attaining objectives of the department and these targets should be discussed with the employees in the department. The integrated EPMDS process should promote transparent, constant dialogue between the supervisor and the employees. It must be an adaptable process, which includes supervisor and employees

as partners, but within a framework which sets out how they can best work together. This means that the supervisor and the employees should engage with each other (clear performance communication channels) to discuss practical strategies to resolve performance challenges.

7.4.2.1 Combined technique (MBO & Goal setting) for integration of performance

The management by objectives and the goal-setting performance approach were explained by authors such as Akdeniz (2015:1) and Salaman *et al.* (2005:329) as effective techniques that integrate the employees performance to the public institution's performance. The MBO could resolve the implementation challenges that affects the KZN DPW. The MBO is an HR technique that requires supervisors` and employees to work as a unit to develop, record and monitor goals for a specific timeframe for the department. The MBO approach should ensure that in the DPW the overall public institution`s goals and management would cascade down through the public institution and then be converted into employee goals for the department. MBO is a methodical and organised approach that enables line managers to zoom in on critical, reachable goals and to attain the best possible results from the available resources. The department would benefit in adopting the features of the MBO approach, because it embraces the idea of allowing employees to provide input and highlight their main objectives and project specific timeframes for execution. The MBO provides ongoing tracking and feedback in the process to reach unit and public institution`s objectives, thus ensuring that the implementation is productive. The overall objective of the MBO is to ensure that every employee in the department has a clear comprehension of the department's objectives and is well informed about their own roles and duties in achieving their objectives. The MBO approach entails that to effectively implement the EPMDS in the KZN DPW, the overall public institution`s goals must be formulated from the strategic plan and communicated to teams at all levels in the department. To mitigate the challenges of employee performance management, this study has shown that the goal-setting theory should also be appropriate. The features of the goal-setting theory are like MBO, but the approach is simplified and efficient when applied to lower-level (non-management) employees. The most notable benefit of the goal-setting approach is that employees in the department would be motivated because the set performance targets are realistic and attainable as well as challenging. Some objectives can be

viewed by supervisors in the department to be challenging and have a high priority, but because the employees were not involved in their formulation, they will be perceived by employees as less significant. Embracing the goal-setting approach will ensure that supervisors involve employees in working towards critical goals that will help to improve both their employees as well as the public institution's performance. Supervisors should establish clear and specific goals or objectives and make them known to their employees, so that the performance improvement programmes are focused on the areas that determine the success of the public institution. Van der Waldt (2004:30) is of the opinion that departmental systems, structures and lack of leadership hinder the cascading process of departmental goals to employees. These models ensure that employees are included in the planning and formulation of their performance indicators; this allows the integration of the departmental objectives with the employee performance plan.

7.4.3 Performance monitoring

There is an inconsistency when it comes to performance monitoring in the department, because EPMDS in DPW is not an ongoing process but a once-off activity at the end of the financial year. It is recommended that the job evaluation directorate should conduct an assessment regarding the workplans or operational plans of the EPMDS sub section 3.

The EPMDS sub section 3 should add to their workplan the function of conducting performance monitoring throughout the performance cycle, instead of waiting for the end of the financial year to receive EPMDS documentation. This is because the focus group discussions revealed that the EPMDS process was given attention only at the end of the financial year. Throughout the year the employees are not cognizant of how they are performing, because there is no monitoring or feedback. According to Sisa (2014:65) citing Longenecker (1989), for EPMDS to be effective it is necessary for supervisors to observe the employees' actual performance on a regular basis.

The supervisor should track the performance of the employee against what was intended by gathering and analysing data on the indicators established for monitoring and evaluation purposes. The employee should provide information through performance reports to highlight whether advancement is being made toward achieving results (outputs, outcomes and goals) through record keeping and regular reporting

systems. The employee monitoring process in the department should look at the activities and the changes in conditions of target groups and institutions brought about by programme activities. It should be used to distinguish strengths and shortcomings of the employees so as to assist in developing a remedial action plan. The performance information generated from monitoring should be used to enhance a learning experience and to improve performance.

7.4.4 Performance reviews

The process of review should be aimed at enabling a two-way communication between employees and supervisor, which can assist in resolving the challenges impacting on the EPMDS. The current DPW EPMDS policy states that performance reviews must be conducted between the employees and the supervisor on quarterly basis, but these meetings are hardly ever held. The policy further states that the performance review meeting should be used as a platform to discuss the employee's progress and consider all aspects of the employee's performance during that performance cycle. Furthermore, this should be used as an opportunity by the supervisor to evaluate the appropriateness of the signed performance agreement. This means that the performance agreement should be flexible enough to adjust to a new condition that might arise during the performance cycle. In the public sector it must be taken into account that there are certain external situations that affect the objectives of the department and when these situations arise, the performance agreements of employees must be sufficiently flexible to accommodate such change.

Performance reviews should not be conducted on a quarterly basis but rather on a monthly basis, as this would ensure that supervisors know whether their subordinates are delivering on what is expected of them. The monthly performance review meetings should be a formal dialogue session, but the quarterly meeting should be recorded in writing and copies of such documents should be forwarded to HR. Then these records should be used for the annual assessments to appraise the employee. Subordinates should be provided with an opportunity to appraise their supervisors. This process of upward feedback should be constructed on a simple basis where a questionnaire would be completed by subordinates and submitted directly to the Performance Review Committee, who would then make recommendations based on the suggestions. This

mechanism of upward feedback by employees in DPW can change the conduct and approach of line managers in the department towards the EPMDS.

7.4.4.1 Performance meetings

The main purpose of the supervisor and employee meetings should be to enable an environment for supervisor to provide performance feedback, including a recap of what has been achieved. It is recommended that DPW must adopt the 360-degree appraisal approach. The reason for recommending the 360-degree feedback tool is that it encourages the involvement of supervisor and other stakeholders who are directly impacted by the employees' performance to provide constant feedback on the employees' performance throughout the performance cycle. According to Whately (2004:21), this feedback should be conducted through a set of questionnaires to determine progress on the employees' performance.

The 360-degree feedback will be beneficial to the department, as it provides a comprehensive presentation of the employee performance by covering all angles and aspects of the review instead of relying on the single line manager's review. Furthermore, since the 360-degree performance review tool depends on a high degree of transparency, dependence and honesty, it will ensure the establishment of a communication process between the supervisor and the employee. This will assist in determining how the employee is performing in the work and then establish an improvement plan if this is necessary. Monthly documentation that was compiled during the performance reviews should be used in the annual performance meeting process. This meeting should be used as a platform to communicate on how well the employee succeeded in the achieving the outputs. During this meeting, the supervisor provides his/her own performance rating to the employee, including the need for a remedial action plan, if necessary.

7.4.5 Improvement of communication and commitment from supervisors

One of the challenges discussed in Chapter 6 was the lack of communication between supervisor and employees. Sisa (2014:61) states that an important step in the process of establishing an effective EPMDS is for supervisors to communicate the strategic objectives of the department, which will assist the employee to establish goals. Employees in the department should not just know, but also understand, the strategic goals of KZN DPW. It should be made clear to all employees how they are expected to

add to the attainment of the departmental objectives. Communication should begin during the formulation of performance targets. Performance targets should be formulated from the operational plan, which will ensure that targets are developed on the basis of a top-down instead of bottom-up approach. Sahu (2007:4), Van der Waldt (2004:30) and Deb (2008:43) highlighted the challenge that hinders the effective implementation of the EPMDS, namely that performance goals are not communicated across the public institution.

The respondents indicated that most performance assessment complaints they receive from employees were that supervisors do not communicate with them and there is inadequate engagement to ensure constant monitoring of their performance. Whately (2004:9) stressed the following benefits of communication and commitment. Firstly, communication will motivate and enhance the commitment of employees to the attainment of public institutional goals. Whately (2004:9) further emphasised that communication and commitment will provide clear role expectations and realistic objectives for employees. Communication and commitment from the supervisor will enable employees within DPW to translate the departmental strategy into their daily tasks activities and, most importantly, it will provide a more fair and unbiased performance rating. A significant function of performance communication is to enable the supervisor to provide feedback on performance as well as to reprimand, motivate, mentor, lead teamwork, use incentives and make his/her own personal contribution to resolving performance challenges. In order to achieve an effective performance communication process, there must be a willingness from both the supervisor and the employee to engage each other, but this must be a two-way communication process. In order to ensure such responsibility, there should be training for both line managers and employees about their roles and responsibilities in the performance communication process.

7.4.6 EPMDS training in the department

EPMDS training is an important prerequisite for the positive application of the EPMDS. Line managers must be trained in the processes of the EPMDS and in areas such as communication, monitoring and grievance resolution in order to manage EPMDS effectively. Training of supervisors in particular is critical, and this should result in supervisor knowing how to implement the system, ensuring that employees receive

sufficient training and possess appropriate information to be able to completely contribute in the processes. This must be done with the support and co-operation of the performance management sub section 1 in DPW.

The performance management sub section 1 needs to make EPMDS training a compulsory requirement for all employees in the department. This would resolve misconceptions that EPMDS is a responsibility of the HR section amongst the managers and employees. Training relating to the amendments of the performance policies or legislation must be web-based or desktop-based training as this would ensure that it is communicated promptly.

The EPMDS training developed by the performance management sub section 4 should be uploaded on the department's intranet, where employees would login with their credentials and complete the training course within a set period. After completing the training course, the employees should complete a questionnaire to determine the level of knowledge that they have acquired from the course. The EPMDS training course should target the following EPMDS related topics:

- Performance management of supervisor and employees – how to set realistic goals;
- Integration of the employees performance with public institution's performance for supervisors;
- Utilisation of the EPMDS as a development tool;
- Timeframe for the completion of EPMDS documents;
- The role of line managers and employees in the EPMDS;
- Proper implementation of the EPMDS;
- Constructive feedback and monitoring strategies;
- Selection of the appropriate evaluation instruments.

The induction programme that is provided to all employees in DPW should include a specific section that would resolve compliance with the EMPDS. An annual EPMDS training programme is necessary to sustain and further enhance the EPMDS, to prepare and employees to completely participate in all aspects of the EPMDS process, and to stimulate superior levels of mutual performance accountabilities and performance ownership. This training should be formally structured and be provided by an external

service provider rather than by the internal HR section. This would send a message that the department is serious about performance, hence they have invested in it.

The internal HR sub section 4 practitioners in the department should assist in the planning, management of the training program and provide the necessary support. Since the internal HR practitioners are familiar with each employee's roles, responsibilities, weaknesses and strengths in the EPMDS, they would be able to develop tasks/activities to be completed that would provide practical experience of the implementation of the EPMDS.

The HR practitioners sub section 4 should communicate the content of the training to the employees and supervisors; this would strengthen the credibility of the course among the departmental employees. A formal survey should be conducted by the internal HR practitioner, after the training has been conducted, to determine if the objectives of the training have been achieved.

The EPMDS training would not only assist managers in the implementation of the EPMDS, but also in the development of realistic performance targets and to provide important feedback and coaching. The EPMDS training programme should equip supervisors and employees with the necessary skills to communicate and discuss performance issues, especially on how to improve the performance of employees. The HR section should ensure that supervisors in the department receive performance management training that would cover performance coaching by them to employees, performance supervisory skills, handling of performance grievances, appropriate setting of performance targets and an effective feedback mechanism.

What transpired from the focus group interviews was that the training course (information) utilised was the same for everyone in the department, which might have exacerbated the implementation challenge. This creates a challenge as the roles of each employee on various levels of employment differ when it comes to implementation of the EPMDS. The EPMDS training course needs to be tailored to suit the different employees in DPW so that it is targeted to the needs of employees. Tailor-made training courses for the different units may ensure that the perception by supervisors shifts from treating EPMDS as a compliance tool to a strategic tool. This means that supervisor will be able to evaluate and measure employee's performance and

productivity by, amongst other things, clarifying the roles, responsibilities and expectations in specific sections. It is recommended that proper consideration of EPMDS training need take place through clarifying the role and responsibility of each employee in the EPMDS. When roles, responsibilities and expectations are explained, it becomes easier to manage employees' performance, because everyone would be well informed about what is expected of them. This will also strengthen communication and feedback between supervisor and employees.

Supervisor and employees must be properly inducted and trained in the use of performance management and the completion of the Performance Agreements. Performance assessment data for their directorate must be kept in an efficient database for continuous updating and re-use in various other competency-based people management aspects.

7.4.7 Personal development plan

The issue of the implementation of the PDP emanated from the semi-structured interviews with the focus groups, where 50% of respondents in focus group 4 indicated that they had never attended training that was stipulated by them in their PDPs. This is an indication that supervisors sometimes do not utilise employees' PDPs to improve the employees' performance. Some respondents explained that the employee workplace skills plan is developed and implemented without consideration of the information provided by employees in their PDPs. The non-implementation of the PDP has a negative impact on the employee's ability to achieve the DPW targets.

The HR sub-section 4 in the DPW needs to develop a database where they will capture all the information that has been supplied by the employees on their PDPs. This database must be linked to workplace unit skills programmes in the department. Over and above this, the database must be regularly updated by HR sub-section 4 by conducting a workplace skills survey whereby HR sub-section 4 will interview the supervisor and the employees. Data generated from these interviews must be analysed and then communicated back to employees and managers with the recommendation of a specific training course.

The inclusion of a PDP of employees should be compulsory and the PDP form should have a section that the supervisor will complete to substantiate his/her

recommendations of the employee. The PDP of the employee should be checked and signed by the manager after discussing it with the employee this is because the manager is more suitable to identify development areas of the employee. The supervisor must utilise the workplace skills database developed by him/herself, the employee or the HRD, section to implement the performance remedial action plan to deal with the performance gap of employees. The PDP must not only focus on the interventions relating to the rectification of the technical aspects of the employee's work plan but must also articulate steps that need to be taken by the employees in order to improve their performance.

7.5 PROPOSAL FOR AN AUTOMATED PERFORMANCE MANAGEMENT SYSTEM (AEPMDS)

The existing EPMDS system entails a lot of administration work from the employee and the supervisor. This creates delays and technical errors in the administration process and furthermore enables an environment where both the employee and supervisor spend their performance management time processing performance documents instead of engaging in performance discussions.

Hatry (2006:9) argues that performance data provide a baseline for decisions to be made about performance of employees in the public institution and provide an indication of how to formulate a strategic plan that will yield favourable results, for the employee and the department. The department often underestimates how much administrative and analytical capacity is necessary to ensure a fully functional and a successful EPMDS. Supervisor must be able to effectively explain the performance data, thus allowing them to implement the remedial action plan. To enhance performance the supervisor must be able to provide good performance reports, be able to listen to their subordinates and enhance teamwork. It is also not, only that performance data need to be coordinated, but also there must be proper and effective data-capturing systems in place that will enable the department to utilise that data efficiently.

An electronic automated system (AEPMDS) could assist KZN DPW to ease the administrative burden and effectively manage performance of employees. It is essential that the Automated Employee Performance Management and Development System (AEPMDS) be linked with all other existing systems in the department and more especially be integrated with the PERSAL system. The AEPMDS would be integrated

to the Human Resource, Personnel & Salary System (PERSAL) and linking the AEPMDS to PERSAL would ensure that AEPMDS is used for employee performance management, therefore enabling DPW to properly allocate performance training courses, conduct performance planning (performance targets) for employees, performance reporting of employees, career management, performance incentive management and the administration of performance data. Linking AEPMDS should ensure that the following elements are in place.

- Employees should have a perfect understanding of what is anticipated of them and have a visual illustration of projections towards the attainment of their goals as stated in the Employee Performance Agreement.
- This system should ensure that there is an interaction between the supervisor and the subordinate, thus creating an environment conducive to performance debates.
- The AEPMDS should have a function that will capture performance ratings, as the employee and supervisor transfer performance data on the system daily, produce performance reports that would be shared with the HR section. This will assist supervisors in managing the workflow of employees in the DPW.
- The AEPMDS should have a mechanism to identify the development needs of employees and if it is linked with the HRD section, it should alert the HRD section to immediately recommend training courses to mitigate the poor performance of employees.
- Since the AEPMDS is electronic and automated, it could evaluate the performance of employees fairly and accurately. Supervisor should be able to provide instant performance feedback to their subordinates against the set performance targets that would be understood by the employee.
- Since the system is automated, it will automatically recognise employees whose performance is effective and then link this with the recommended performance rewards.
- AEPMDS will also eliminate the challenge of late signing or not signing of the performance agreements by employees. This will also simplify the performance contracting activity by ensuring that under each KRA there would be specific timelines linked to the performance objective and also a column that will allow employees to provide reasons for failing to meet the expected target.

- The system should be programmed to actively capture all performance-related information of employees such as the description of the job of the employee, and a detailed workplan with time frames that would be directly measured against the operational plan.
- The AEPMDS should automatically conduct the annual performance rating of employees and the result of the performance assessment should first be made available to the employee then to the supervisor. After the supervisor and employee have confirmed the rating, the system would then notify members of the performance moderation committee of the outcome of the performance assessment to validate the rating.

The AEPMDS can significantly simplify the performance management workflow process in the KZN DPW and substantively lessen the EPMDS administration in the department. This would then enable a more effective working environment because the burdensome administration of EPMDS has been eliminated.

The AEPMDS would be beneficial to the DPW because it will reduce the workload of supervisors, ensure an all-inclusive access to performance management tools and provide a standardised, structured method of accumulating and storing of performance data. The HR sub-section 3 should be a custodian to the AEPMDS and determine the application, management, processes and utilisation of the data system. The AEPMDS could ensure a collective interactive integration of the HR section, managers and employees to oversee the performance of the employee. The AEPMDS would include performance reporting analysis, dashboard performance assessments and performance data archives.

The AEPMDS would ensure that DPW has effective management of performance records to assist DPW in performance grievance cases. The advantage is that both the supervisor and employee have access to the AEPMDS, thus enabling both to upload performance-related information promptly when required. This will enable the HR section to validate the uploaded performance information and, because it is linked to PERSAL, it will process the performance incentive automatically.

7.6 SUMMARY OF THE STUDY

The first chapter of this study stressed that the RSA government is expected to deliver quality services, and to ensure that this is realised the DPSA introduced the EPMDS to be implemented by departments. The purpose of the EPMDS is to provide a framework to improve (micro level) employees' performance and thereby contribute towards (macro level) departmental performance, which will translate to more effective service delivery. An assessment report by DPSA revealed that government departments are experiencing challenges in the implementation of the EPMDS, leading to the KZN Department of Public Works holding a series of service delivery improvement workshops. The objective of this study was to establish the underlying reasons for the ineffective implementation of the EPMDS in the KZN Department of Public Works. To achieve this, the study critically analysed the performance management systems that is currently being implemented by the DPW in KwaZulu-Natal province, with the focus on the employee performance management. This study consists of seven chapters, which are summarised below.

7.6.1 Chapter 1

Chapter 1 introduced and explained the orientation of the study. The chapter provided the rationale and objectives of the study. The literature review and legislation, that provided a point of departure for this study, were explained. The problem statement that was central to this study was described to outline the key research questions, as well as the aim and objectives of the study. The first objective this study was to explore the literature on performance management systems and the influence it has on public institution's performance; this objective was achieved in Chapter 2. The second objective was to analyse the internal performance management system's legal framework in the public sector and in KZN province and this objective was realised in Chapter 3. Chapter 4 introduced the case study of KZN DPW by providing a background to resolve the third objective, which was aimed at evaluating the influence of the EPMDS on the KZN DPW. The third objective was achieved in Chapter 6, where the EPMDS was evaluated. The final objective was to recommend solutions for an effective EPMDS for the DPW in KZN Province and this was done in Chapter 7. The chapter further identified the study population, research design and methodology that were adopted to realise the objectives of this study. The study used quantitative and qualitative research methods for data collection, which included a pilot study

(questions), primary sources where four focus groups, one employees interviews were conducted, and then secondary data source (annual reports and operational reports) were also consulted. The significance of the study and ethical considerations were also outlined. The chapter outlined all chapters of this study.

7.6.2 Chapter 2

Chapter 2 presented the theoretical background of the study, which enabled the researcher to gain an in-depth comprehension of EPMS. The literature reviewed in this chapter explained the two levels of EPMS; the first part of the chapter explained public institutional performance (macro perspective) and the second part of the chapter explained employees' performance (micro perspective). This chapter provided a background to the EPMS, which was essential in order to comprehend, the basis of EPMS. The definitions of EPMS were explained and it was evident from the definitions that performance management scholars have not reached an agreement on the full definition of EPMS, but there were common trends that were derived from the majority of definitions. The chapter proceeded to explain the overall purpose of EPMS, which is the public institution's performance (macro level) which requires effective employee performance management (micro level). The significance of EPMS in the public sector and the relationship of NPM to PM were explained to provide a better understanding of the topic of EPMS. Key performance management theories that are associated with effective implementation of employee performance management and development system were described. The chapter then explained the benefits of EPMS to both the public institution and the employee.

The second section of the chapter concentrated on the elements of the employee performance management and development system (micro perspective). The area of the EPMS, which is the core of this study, explained the fundamentals of an effective EPMS. The EPMS cycle was described and steps for the effective implementation of EPMS were explained. The chapter also explains the integration of employees' performance to public institution performance and highlights the fact there is a significant amount of literature that supports the link between an effective employees performance management and successful public institution performance. The chapter concludes by highlighting the challenges that affect the effectiveness of PM in a public institution.

7.6.3 Chapter 3

This chapter explained the prescripts, policies and regulatory frameworks that guide the development and implementation of an effective EPMDS in the South African government. This chapter emphasised that various pieces of legislation and statutory guidelines in South Africa stipulate the need for public departments to establish an employee performance management and development system at all levels of government. Most of the prescripts explained in this chapter revealed that they are interrelated; all aim to improve the quality of services to the public by enhancing the performance of employees. The legislative analysis explained in this chapter emphasised the central role of the Constitution, 1996 in the regulatory framework guiding performance management in the public sector and noted that the Constitution, 1996 is the paramount piece of legislation in South Africa. Legislation such as the Public Service Act, 1994 (No. 103 of 1994) supported the literature reviewed in Chapter 2 that performance management must be conducted in a consultative, supportive and non-discriminatory manner. This chapter also explained various statutory structures which promote effective employee performance management and each prescript direct the activities of performance managers in the South African public service. The legislation explained in this chapter stressed on the role of the heads of department (HoDs) and line managers in the overall management of employees and public institutional performance. This chapter indicated that there is a sufficient legislative framework to develop and manage performance management in the public sector.

7.6.4 Chapter 4

Chapter 4 described and explained the KwaZulu-Natal Provincial Department of Public Works in detail. This chapter explained the legislative mandate of KZN DPW and the mission and vision of the department. The chapter outlined the institution's structure of DPW and the services provided by the department in the province. The chapter explained the macro process of EPMDS in the department and the employee performance management policies that are implemented by the department. The chapter provided an outline of the employee performance management processes in DPW. The chapter also explained the roles of the different role players in the EPMDS in the department.

7.6.5 Chapter 5

Chapter 5 provided an explanation of the research design, methodology and data-collection methods followed for the pilot study, discussions and interview. This chapter described the study population and explained the sampling procedure used to select respondents for this study. The emphasis of this chapter was on the analysis of the data obtained through a pilot study, the focus groups discussions and the interview. A quantitative (pilot study) and qualitative research approach (discussions and interview) was followed for this study. Data were analysed in the light of the objective of the study, which was to determine the challenges that affect the effective functioning of the EPMDS in KZN DPW.

7.6.6 Chapter 6

One of the objectives of this study was to evaluate the influence of the EPMDS on the KZN DPW and the research question related to this was to identify the challenges facing the EPMDS in the KZN DPW. This was resolved in this chapter by using the literature, policies on EPMDS and case study and findings from the focus groups discussions and interview that were analysed in Chapter 5 and then clustered into themes for discussion:

- Employee performance management policies
- Perception and understanding of the EPMDS
- Implementation of the EPMDS
 - Integration of the EPMDS process
 - Performance monitoring
 - Performance measurement
 - Lack of communication and commitment
 - Performance management training
 - Performance development plans (PDPs)
 - Administration of grievances
 - Performance data system

Chapter 6 provided findings of themes that were developed from the data analysis of Chapters 2 to 5 and each theme was compared to the performance management literature explained in Chapter 2, the legislation explained in Chapter 3 and the case study of DPW explained in Chapter 4.

7.6.7 Chapter 7

The final objective of this study was to provide a normative approach to an EPMDS implemented in the KZN Department of Public Works. This chapter recommended approaches to an effective EPMDS for KZN DPW. The main aim of the chapter was to recommend changes in which the EPMDS can be enhanced based on the challenges explained in Chapter 6. Chapter 7 proposed the following recommendations grouped into four themes and seven sub themes to provide a normative approach to EPMDS to respond the challenges described in Chapter 6;

- Performance management policies
- Perception and understanding of the EPMDS
- Process of the EPMDS
 - Role players in the EPMDS
 - Integration of the EPMDS process
 - Performance monitoring
 - Performance review
 - Improvement of communication and commitment
 - EPMDS trainings in the department
 - Personal development plans

The last recommendation proposed in this chapter was the development of an electronic automated system to be linked with all other existing electronic systems in the department, more specifically to be integrated with the PERSAL system. Compulsory EPMDS training was recommended to equip managers and employees with the necessary skills to communicate and discuss performance issues, especially on how to improve the performance of employees.

7.7 CONCLUSION

The purpose of this study was to evaluate the implementation of EPMDS in the KZN Department of Public Works with the purpose of identifying the challenges that affect the EPMDS. This study concluded that even though there are two performance management policies in the department developed to manage the performance of employees, the implementation of the EPMDS in the department continues to be challenge. The contribution that this study has made to the body of knowledge on performance management is that supervisors in the department view performance

management as the responsibility of HR and do not take ownership of the EPMDS; this in turn leads to communication and commitment challenges between the supervisor and employees. There must be consequences for supervisors who abdicate their performance management responsibilities to HR units, and this must be resolved through the amendment of the performance policy. The study outlined the challenges that affect the implementation of EPMDS with the aim of developing resolutions to ensure the effective implementation of the EPMDS in the KZN Department of Public Works. The requirement to implement EPMDS is a legislative requirement and must be followed by all employees in the department; furthermore, there must be disciplinary action for non-compliance and the HR section should accordingly develop a performance-monitoring tool in the department. All role-players in the department should be responsible for ensuring the effective implementation of the system. Implementing an effective EPMDS is not an easy task therefore HR has to put in more effort in coordination and monitoring the implementation of the EPMDS. The basic principle underlying EPMDS is that if supervisors comprehend what is required of them, they are more probable to accomplish their role effectively. The above conclusions have been drawn up based on the evidence collected and analysed and all the objectives of the study have been sufficiently resolved.

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ANNEXURES

Annexure A : Letter requesting authorisation and approval by Head of Department



public works

Department:
Public Works
PROVINCE OF KWAZULU-NATAL

Directorate: Operations
Private Bag X9041
PIETERMARITZBURG
3200
Tel: 033 355 5510
Fax: 033 355 5687
Enquiries: Thokozani
Email:
thokozani.hadebe@kznworks.gov.za

TO: Mr. A Govender
Head of the department
Department of Public Works

FROM: Mr. TPS Hadebe
Assistant Director: OHS
Operations

Date: 7 Sep 2016

Request for approval to conduct an academic research as part of a Master's Degree in Public Administration (Stellenbosch University)

I would like to request approval to conduct research on the department for the study entitled: ***Implications of a Performance Management System on Organizational Performance: A case study of the Department of Public Works (KZN)***

The research is conducted as part of fulfilling the requirements of a Master's Degree in Public Administration. The study has been approved by the Stellenbosch University. The purpose of the study is to determine the influence of the Performance Management System on Organisational Performance. The study is inspired by the desire to understand the design of a Performance Management System and how it caters for the attainment of the departmental strategic objectives. There will be short interviews conducted on several officials in various sections within the department. Findings and recommendations of the study shall be made available to the department.

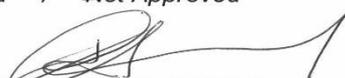
Your approval to conduct the study will be highly appreciated.

Yours sincerely;


Mr. TPS Hadebe

Date: 7/09/2016

Approved / ~~Not Approved~~

Signed: 
Mr. A Govender
Head of Department
Department of Public Works

Date: 8/09/2016

Annexure B : HRD study approval and support letter



public works

Department:
Public Works
PROVINCE OF KWAZULU-NATAL

Mr TPS Hadebe
Private Bag x9041
Pietermaritzburg
3200

Dear Sir

Directorate: Human Resource
Management
Private Bag X9041
PIETERMARITZBURG
3200
Tel: 033-2604174
Fax: 0865182190
Enquiries: TV MKHIZE
Email: tv.mkhize@kznworks.gov
za
Ref: HR5/3

SUBJECT: APPROVAL LETTER TO CONDUCT A STUDY IN THE DEPARTMENT OF PUBLIC WORKS: KZN

The above matter has reference;

Please be informed that your request to conduct a study in the KZN Department of Public Works has been approved and supported by Human Resource Development directorate.

Submitted for your attention.

Yours faithfully

HEAD : PUBLIC WORKS

01/02/2018

DATE :

Annexure C : Pilot study questions to respondents

Internal Master degree student questionnaire

Name : Thokozani Hadebe

Tel : 033 355 5510

A critical Analysis of an Employee Performance Management System at the KZN Department of
Public Works

Dear Colleague

My name is Thokozani Hadebe, I am an Assistant Manager: OHS in the Department. I am currently doing my Masters degree in Public Administration at the University of Stellenbosch. I have selected you to participate in a study regarding the currently implemented EPMDS in the Department. Participation to the study is voluntary and you can choose to withdraw at any stage of the study. Please note that your identity will be treated with the strictest confidence and will not be included in any recording, reporting or publication.

You are kindly requested to complete the following questionnaire. Please yes, not sure or no to indicate your response to the question. After completing the questionnaire kindly return it, my email address Thokozani.hadebe@kznworks.gov.za.

Statement		Yes	Not sure	No
I.	The individual performance management and development system is fully effective in the department.			
II.	Responsible section under Human resource management provide guidance and support in the implementation of the EPMDS			
III.	The employee performance management is linked with the organisational performance			
IV.	Managers, supervisors and employees are fully committed to the implementation of the EPMDS.			
V.	The EPMDS training helps me understand the requirements of the EPMDS.			
VI.	My EPMDS score rating is equivalent to the amount of performance.			
VII.	I always sign the performance agreement in time.			
VIII.	My work plan agreement is in line with my job description			
IX.	How long have you been in the current positions?	0-5 years	6-10years	More than 20
X.	What is your highest level of Education?	Senior Certificate	Diploma Degree	Masters Degree Or Doctorate

THANK YOU FOR PARTICIPATING IN THE STUDY.

Annexure D : Checklist for EPMDS documents submission compliance



public works
 Department:
 Public Works
PROVINCE OF KWAZULU-NATAL

Directorate:
 Private Bag X9041
 PIETERMARITZBURG
 3200

CHECKLIST FOR EPMDS DOCUMENTS

NAME: _____
PERSAL NO.: _____
RANK: _____
OFFICE/REGION: HEAD OFFICE
PERFORMANCE PERIOD: 2011 / 2012

DOCUMENT	COMPLIANCE	INITIALS
JOB DESCRIPTION		
Has it been signed in the first quarter of the cycle/ prior to the cycle		
Are the KPA's and weighting the same as the Performance Agreement and Workplan		
Has it been signed by both parties on the same day		
PERFORMANCE AGREEMENT		
Has the correct format been used		
Has it been signed in the first quarter of the cycle/ prior to the cycle		
Is each page signed by both parties on the same day		
Is the correct cycle reflected on the document		
Are the KRA's and weighting the same as the job description		
Does the weighting of the KRA's and GAF's amount to 100% each		
WORKPLAN		
Has the correct format been used		
Has it been signed in the first quarter of the cycle/ prior to the cycle		
Has it been signed and dated by both parties		
Are the KRA's the same as the Performance Agreement and Job Description		
SEPTEMBER REVIEW		
Has the correct format been used		
Are the KPA's, GAF's and weighting the same as the Job Description, Performance Agreement and Workplan		
Have the assessment columns been completed by both parties		
Has it been signed in the first week of October		
Has each page been signed by both parties on the same day		
Has the calculation sheet been signed by both parties.		
Is motivation provided for marking of 4 and higher		
ANNUAL REVIEW		
Has the correct format been used		
Are the KRA's, GAF's and weighting the same as the Job Description, Performance Agreement and Workplan		
Have the assessment columns been completed by both parties		
Has it been signed in April		
Has each page been signed by both parties on the same day		
Has the calculation sheet been signed by both parties.		
Is motivation provided for marking of 4 and higher		

Annexure E : A sampled circular highlighting the EPMDS implementation challenge in the Department



public works

Department:
Public Works
PROVINCE OF KWAZULU-NATAL

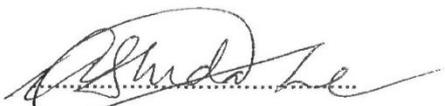
Directorate:
Human Resource Management
Private Bag X9142
PIETERMARITZBURG, 3200
Tel: 033 260 4119
Enquiries: Victor Khumalo
Email: Victor.Khumalo@kznworks.gov.za
Ref: HR6/P

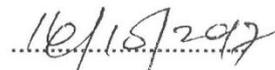
ALL DEPARTMENTAL EMPLOYEES

HRM CIRCULAR NO. **56** OF 2017

SUBMISSION OF HALF-YEARLY REVIEWS FOR 2017/2018 FINANCIAL CYCLE

1. The due date for submission of Half-Yearly (September) Reviews is 31 October 2017 and must be captured on receipt by the respective HR offices.
2. It has been noted that some of the employees do not comply with the PMDS stipulated timeframes and this has a negative impact on the ratings in respect of the Management Performance Assessment Tool (MPAT). Furthermore, it raises preventable and unnecessary audit queries.
3. Failure to comply with the deadline mentioned in paragraph 1 above, means an employee will not qualify for performance bonus or pay progression for the performance cycle in question and may result in the employee and/or his/her supervisor being subjected to disciplinary action.
4. It is imperative to ensure that the contents of this circular are brought to the attention of all employees under your supervision.


HEAD: PUBLIC WORKS


DATE

**Annexure F :
Letter to respondents booking Interview date**

Mr TPS Hadebe
Private Bag x9041
Pietermaritzburg
3201

Dear Sir/ Madam

10 April 2017

SUBJECT : INVITATION TO PARTICIPATE IN A RESEARCH STUDY

I am a candidate for a Master degree in Public Administration at the University of Stellenbosch. I am currently in an ongoing process of collecting data for my research study titled " Critical Analysis of an Employee Performance Management System at the KZN Department of Public Works". The study was approved by the Head of the Department on the 08th of September 2016 and it was supported by HR on the 1st of February 2017. You have been selected after showing interest to the topic through the pilot questionnaire survey that you earlier responded to. You are kindly requested to participate in the main study to provide you with an opportunity to further engage in the EPMDS discussion. Your participation will be through the focus group interviews that have been scheduled according to your rank position in the department. The interviews will be approximately 30 minutes and strictly confidential (no names will be published). The interviews is a once off data collection and no further involvement from you as the participants will be required. You can withdraw or excuse yourself from the study at any stage and your participation is completely voluntary. I would like to make an appointment with you as follows;

Date : 12 May 2017

Venue : 6th floor boardroom

Time : 12:30 pm (lunch time)

If you have any questions or concerns regarding your participation, please contact me on Thokozani.hadebe@kznworks.gov.za – 033 3355 5510

Regards;


Thokozani Hadebe

**Annexure G :
Data Collection Tool**

**FOCUS GROUP 1: INTERVIEWS
HUMAN RESOURCE UTILISATION AND CAPACITY UNDER
PROGRAMME 1**

1. Is this section responsible for implementing EPMDS?

2. Do all employees in the department have performance agreements?

3. How is the EPMDS linked to the DPW performance to ensure the department's objectives are translated through the EPMDS?

4. Do supervisors receive training on EPMDS?

5. Are there any EPMDS training manuals developed for the department?

6. Has the training assisted in implementing EPMDS?

7. What are the key aspects of performance management and how do they impact on the EPMDS?

8. In your own understanding, what is the purpose of implementing an EPMDS within the Department of Public Works?

9. How is the (EPMDS) process implemented within the Department? (please describe the tools used and the key role-players in the implementation)

10. What are those changes that are going to be implemented in the EPMDS?

FOCUS GROUP 3: INTERVIEWS
DEPUTY MANAGERS (MIDDLE MANAGEMENT) AND THE 3
ASSISTANT MANAGERS (JUNIOR MANAGEMENT) FOR PROGRAMME
3 WHICH IS THE CORE FUNCTION OF THE DEPARTMENT

1. In your understanding what are elements of a good EPMDS?

2. What is your understanding of the performance remedial action plan for poor performance?

3. Which of the following do you think is critical for managing the EPMDS?

- a. Planning
- b. Reporting
- c. Monitoring
- d. Implementation process
- e. Compliance issue

4. Do you discuss performance on regular basis or it is discussed at the end of the performance cycle?

5. Which of the following do you think will most likely influence the performance of employees?
 - a. Performance bonus and pay progression
 - b. Effective performance planning
 - c. A Personal Development Plan (PDP)
 - d. Management commitment
 - e. Communication

6. Do you discuss or communicate the operational plan to your subordinates so that it could be incorporated to the employees` performance agreement?

7. What methods do you use to collect EPMDS data?

8. How often is the EPMDS data collected?

9. How is the rating on the EPMDS conducted in the Department?

10. Other than the pay progression, what are other alternative ways of rewarding good employee performance in the Department?

**FOCUS GROUP 3 :INTERVIEWS:
HR PRACTITIONERS WHO ARE AT SUPERVISORY LEVEL UNDER
PROGRAMME 1**

1. How do you ensure that the EPMDS process functions efficiently in the department?

2. What kind of complaints do you receive regarding the implementation of the EMPDS?

3. What would you consider to be the requirements (by supervisors) to influence the successful implementation of the EPMDS?

4. Based on your above response, would you consider the above to be the key elements that underpinning the success of the EPMDS?

5. How is the EPMDS data captured? And how is it utilized?

FOCUS GROUP 4 INTERVIEWS: ADMINISTRATION EMPLOYEES

1. Are you satisfied with the management and the implementation of the EPMDS in the Department? If yes or no please provide a reason.

2. In your own understanding, what is the correct process that should be followed in order to ensure the EPMDS is effective and efficient?

3. The purpose of the Personal Development Plan (PDP) is to highlight any performance output shortfall in your work and specify an intervention on your PDP. This could either be done by employee, the supervisor. Have you received any training that you have highlighted in your PDP and did it have any impact in your work?

4. Have you signed a performance agreement with your supervisor and did you discuss and negotiate the work plan agreement? How was the process facilitated?

5. What was average rating in your last EPMDS review, did you and your supervisor agree on this rating? *(please tick one)*

Respondent	Categories of performance and rating scale				
	1	2	3	4	5
(i) WIMS system administrator (Programme 3)					
(ii) Major projects administrator (Programme 3)					
(iii) Supply Chain Management administrator (Programme 1)					
(iv) Administration Officer: Programme Management (Programme 3)					

EMPLOYEES INTERVIEW WITH THE DIRECTOR: HUMAN RESOURCES MANAGEMENT (PROGRAM 1)

1. In your own opinion, what value does the department get from using the EPMDS?

2. Does the Department have a process in place that aims to integrate the EPMDS (micro) and the department's performance?

3. In your own opinion what challenges contribute to ineffective implementation of the EPMDS?

4. In your own opinion who are the champions or key role-players in the integration of the EPMDS and the Department's performance?

5. What does it require to have a successful and effective EPMDS?

6. Does the department have a Performance Moderation Committee?

7. Performance review sometimes present challenges between the employee and the supervisor. What methods and recommendations do you use to resolve employee performance management grievances in the department?

8. How do supervisors manage poor performance?

9. What happens if an employee has not signed the performance agreement?

10. The department is using the EPMDS, in your own opinion do you think that the EPMDS is suitable to be used by all government departments since the services and functions of each department are different?

