THE ROLE OF PERFORMANCE MANAGEMENT IN THE ENHANCEMENT OF DESIRED EMPLOYEE OUTCOMES

By

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STUDY LEADER: PROF. A.S. ENGELBRECHT

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DECLARATION

I, the undersigned, hereby declare that the work contained in this thesis is my own
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at any university for a degree.
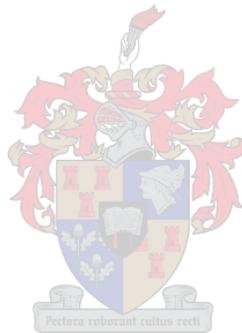
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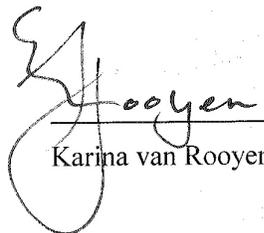
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ABSTRACT

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THE ROLE OF PERFORMANCE MANAGEMENT IN THE ENHANCEMENT OF DESIRED EMPLOYEE OUTCOMES

STUDY LEADER: PROF. A.S. ENGELBRECHT, M.COMM, Ph.D. (Stell.)

Over the past decade we have seen an emerging consensus on the importance of performance management as the mechanism to improve the contribution of individual employees to the overall success of the organisation. The predicament, however, is that performance management efforts often appear to be perceived to lack relevance, to constitute a waste of time or perceived to be faddism. To address possible scepticism and the need for greater prioritisation, answers must be found on the extent to which performance management enhance those attitudes and employee responses that underpin work performance.

The main purpose of this research study was to empirically examine the relationship between performance management practices (i.e. providing employees with context, focus, resources, development, monitoring/feedback, and consequences) and the achievement of specific desired employee outcomes (i.e. employee job satisfaction, intention to quit, perception of fairness, organisational commitment, employee empowerment, and team cohesion). For the purpose of this study a theoretical model (Shirley, 2005) depicting the relationship between performance management practices and desired employee outcomes has been empirically tested.

The sample (n = 1016) consisted of employees working in the financial services sector in South Africa. The data was acquired through the *High Performance Practices Survey* (Shirley, 2004), which measured employee perceptions regarding the extent to which the performance management practices were implemented within their operational unit; and the extent to which they experienced the above mentioned attitudes or responses.

The results of the reliability analyses revealed Cronbach's alpha values ranging between 0.68 and 0.93 on nine sub-scales. After being subjected to exploratory factor analysis which was conducted by means of the Principal Component extraction method, five of the sub-scales satisfied the uni-dimensionality test whilst the remaining four presented a clear, relatively easy interpretable two-factor orthogonal factor structure. Despite certain shortcomings, the

reliability and construct validity analyses seemed promising, thereby enhancing the usability of the *High Performance Practices Survey* (Shirley, 2004) for future research and commercial use purposes.

The statistical analysis of the data was conducted through correlation and regression analyses. The results corroborated the hypotheses that performance management practices correlate positively with job satisfaction, perceptions of fairness, organisational commitment, employee empowerment and team cohesion. Surprisingly, no convincing empirical support could be found for the hypothesised relationship between the management practices and intention to quit. The findings of regression analysis supported that all the desired employee outcomes could each be significantly predicted by at least three performance management practices. Important insight was gained into the relative importance of the performance management practices to promote desired employee outcomes.

In view thereof that a discussion of performance in organisations is incomplete without reference to the construct of organisational culture, this study also provided propositions to prompt further research on the role of performance management in reinforcing a high performance organisational culture.

Insightful conclusions were drawn from the results obtained and recommendations are made for future research.
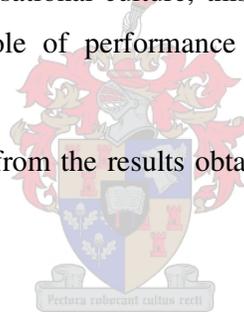
OPSOMMING

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DIE ROL VAN PRESTASIEBESTUUR OP DIE BEVORDERING VAN GEWENSDE WERKNEMER UITKOMSTE

STUDIELEIER: PROF. A.S. ENGELBRECHT, M.COMM, Ph.D. (Stell.)

Die afgelope dekade is gekenmerk deur 'n groeiende konsensus rakende die belangrikheid van prestasiebestuur as meganisme om die bydrae van individuele werknemers tot algehele organisatoriese sukses te optimaliseer. Die probleem, egter, is dat prestasiebestuurs-intervensies dikwels as irrelevant, 'n vermorsing van tyd of as nog 'n besigheidsgier beskou word. Ten einde skeptisisme en die behoefte aan prioritisering rondom die talle beskikbare prestasiebestuursintervensies aan te spreek, is dit nodig om te bepaal tot watter mate prestasiebestuur die houdings en reaksies by werknemers ontlok wat bevorderlik vir werksprestasie is.

Die hoofdoelwit van hierdie studie was om vas te stel of daar 'n verband bestaan tussen prestasiebestuurspraktyke (naamlik om werknemers te voorsien van konteks, fokus, hulpbronne, ontwikkelingsgeleenthede, terugvoer, en gevolge) en bepaalde gewensde werknemer uitkomste (naamlik werkstevredenheid, intensie om te bedank, billikheids-persepsie, organisasiebetrokkenheid, werknemer bemagtiging en spankohesie). Vir hierdie doel is 'n teoretiese model (Shirley, 2005) wat die verwantskappe tussen prestasiebestuurspraktyke en die gewensde werknemer uitkomste illustreer, empiries getoets.

'n Steekproef (n = 1016) bestaande uit werknemers werksaam in die finansiële dienste sektor in Suid-Afrika is vir die doeleindes van hierdie studie gebruik. Die *High Performance Practices Survey* (Shirley, 2004) is gebruik om werknemer persepsies oor die mate waarin prestasiebestuurspraktyke effektief in hulle besigheidseenheid geïmplementeer is, te meet, asook die mate waartoe hulle die genoemde werknemer uitkomste ervaar het.

Die resultate van die betroubaarheidsontleding het Cronbach's alpha waardes tussen 0.68 and 0.93 op nege sub-skale getoon. Die sub-skale is onderwerp aan eksploratiewe faktorontleding deur gebruik te maak van die hoofkomponent metode. Vyf van die sub-skale het die een-dimensionaliteitstoets geslaag, terwyl die ander vier 'n duidelike, relatief maklike interpreteerbare twee-faktor struktuur bevind het. Ten spyte van tekortkominge was die

resultate verkry uit die betroubaarheid- en geldigheidsontledings belowend. Daardeur is die bruikbaarheid van die *High Performance Practices Survey* van Shirley (2004) verhoog vir toekomstige navorsings- en kommersiële gebruik.

Statistiese analise: Die statistiese ontleding is uitgevoer deur middel van korrelasie- en regressieontleding. Die resultate het getoon dat prestasiebestuurspraktyke positief met werkstevredenheid, billikheids-persepsie, organisasiebetrokkenheid, bemagtiging en spankohesie korreleer. Geen oorredende empiriese gronde kon gevind word vir die verband tussen prestasiebestuurspraktyke en intensie om te bedank nie. Die resultate het nietemin baie waardevolle insigte aan die lig gebring aangaande die relatiewe belangrikheid van die praktyke om uitkomste te bevorder.

In die lig van die belangrikheid van die konstruk organisasiekultuur is dit sinvol geag om proposisies te formuleer ten einde verdere navorsing aangaande die rol van prestasiebestuur in die bevordering van organisasie kultuur aan te moedig.

Insiggewende afleidings en gevolgtrekkings is gemaak uit die resultate wat verkry is. Aanbevelings vir toekomstige navorsing is ook op grond van die resultate gemaak.

<u>ACKNOWLEDGEMENTS</u>

I would like to express my gratitude towards all the people who have assisted and encouraged me in the completion of this research study.

My heartfelt thanks to Dr. Derek Shirley for sharing with me what he has built up, for the many thought-provoking discussions we had, and his overall involvement in my progress.

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Renier - my husband, who carried me, who took the financial plunge this study implicated, and to whom I am forever grateful for allowing me to close this chapter in my life.

Margaret Masumbuka, the extraordinary woman who took care of our baby boy Ryno and to whom I am very grateful.

In times when I got weary or disheartened thank you for my father and mother, family, friends, brothers and sisters in Christ, who encouraged me and proclaimed His life-giving Spirit and grace.

"As a manager you can never force people to perform. The best you can do is to create a context in which people will apply their minds and their efforts as volunteers rather than conscripts. A context in which they want the same things as badly as you do, and will bust a gut to get that. This however, is partly a matter of organisational culture ('the way we do things around here'). It is even more a matter of climate (the way things feel around here, and the way I feel about being here')"

Manning (2001)

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CHAPTER 1 :

BACKGROUND AND OBJECTIVES

1.1   Introduction

1.1.1   The role of people in achieving business success

In a world where people and performance is at a premium as never before, high performance organisations are often characterised by employees with high performance attitudes and mindsets. Typically employees are deeply involved and engaged in their work and in the business as a whole. Employees tend to have a strong sense of meaning, purpose and belonging, coupled with feelings of community, collaboration and cohesiveness. Instead of attitudes of distrust and defensiveness, employees feel 'safe' to react honestly and openly when confronting issues or when being confronted. The actions and behaviours of employees in high performance organisations are typically underpinned by a sense of competence, responsibility, autonomy, clarity about what needs to be done, a willingness to recognise problems, decisiveness to make decisions, ambitiousness to improve the way things are done, and a sense of innovativeness to experiment, think creatively, and come up with breakthrough ideas. Flexibility of mindset tends to be present amongst these employees, because they are able to see the bigger picture. They do not feel 'weary of change' because they feel secure in their jobs and understand the value of renewal. Typically employees in high performance organisations feel satisfied and proud about what they have achieved, accomplished or contributed. Furthermore they perceive their contributions, efforts and ideas as being valued, having impact, being recognised and rewarded. They can therefore feel hopeful about their future within the organisation and don't intend to leave (Bechtold, 1997; Holbeche, 2004; Mol, 2005; Reid & Hubbell, 2005; Shirley, 2005).

Such attitudes as described above are incredibly valuable to a business, as they underpin work performance. They are the so-called 'desired employee outcomes' that are associated with the participative, successful, service- and quality- oriented, sustainable, adaptive, continuously improving performance cultures and climates of today (Bechtold, 1997; Franzsen, 2003; Koys and DeCotiis, 1991; Schneider, Brief & Guzzo, 1996; Schneider, Gunnarson & Niles-Jolly, 1994; Van der Post, de Coning & Smit, 1997).

Research indicates that employees who possess these types of attitudes, mindsets and perceptions about 'what it feels like' and 'how they feel like' in the organisation generally perform better in terms of output measures and other people's performance ratings of them.

Research has reported, for example, that higher levels of commitment relate to improved job performance (Larson & Fukami, cited in Mathieu & Zajac, 1990), correlates positively with attendance, negatively with lateness, turnover, intention to search for job alternatives and intention to leave one's job (Mathieu & Zajac, 1990). Furthermore research supports the notion that employees who experience a sense of empowerment will be much more willing to take responsibility for effective decision making across those decisions which must be made (i.e. those necessary for job completion) and those that are discretionary and require some degree of personal initiative for example refining processes, production, products and services (Robbins, Crino & Fredendall, 2002). Furthermore research supports the notion that a sense of collaboration amongst employees are associated with improved team effectiveness, greater problem-solving, more communication, shared information, increased productivity, greater innovativeness, quality and lower costs (Özaralli, 2002).

Considering these examples of the role of people in achieving business success, it is thus not surprising that people have been identified as a key asset, service differentiator and sustainability factor for organisations. In today's knowledge and service delivery society, service organisations in particular need the unique and discretionary effort of their employees.

In a complex, competitive and continuously changing economy where customer satisfaction and business results are everything, the management of people for high performance is one of the most important strategic capabilities that any organisation can acquire.

1.1.2   The role of performance management to improve people's performance

Given the competitiveness of the global and national economy and the role of people in achieving success, it is not surprising that the notion of 'performance management' has become such a central theme and preoccupation in business thinking.

In recent years, the efforts of many organisations have been directed towards strategies to improve the contribution of individuals to the overall success of the organisation. The name given to this almost indispensable process (or by others perceived to be a system or a range of strategies) is 'performance management' (Fletcher & Williams, 1996; Theron & Spangenberg, 2000).

According to the IPM (Fletcher & Williams, 1996) it is claimed that performance management should result not only in an improvement in profitability or the delivery of services, but also in an enhancement of employee motivation, satisfaction and identification with the organisation.

Over the past decade we have seen an emerging consensus on the importance of performance management as the mechanism to improve the contribution of individual employees to the overall success of the organisation (IPM, cited in Fletcher & Williams, 1996). This is evident in the results of a study (n=342) reporting that 73% of the organisations responding had performance management as a point of highest importance on their agenda for the year 2002 (Corporate Leadership Council, 2002).

To appreciate more fully the extent to which performance management has gained ground in recent years, we need to look no further than the growth of the knowledge base on performance management systems and solutions and the increasing number of organisations practicing some form of performance management, the pervasiveness of consulting firms offering performance management solutions in their portfolios, and the availability of performance management software and information technology applications in the market.

1.1.3 The predicament concerning performance management

Despite the overall consensus on the importance of performance management, it has been observed that performance management *per se* are quite differently interpreted by different people and that how the term is used varies enormously (Bevan & Thompson, cited in Fletcher & Williams, 1996; Corporate Leadership Council, 2002).

Table 1.1 below provides a list of possible strategies and management practices that are often reported as part of organisations' performance improvement drives. This list reflects the diversity of opinion around what the key drivers of performance of people really are. Some items in the list represent a contributor to the motivation of people. Some others address the matter of how work should be best organised and described, whilst others address the matter of how interpersonal relationships and agreements should be nurtured and maintained (Schneider, Brief & Guzzo, 1996).

Table 1.1
Range of possible performance improvement practices and strategies

Strategies and practices	
Linking performance management system and corporate strategy	Compensation
Inspiring leaders	Variable compensation
Decentralised employee decision-making power	Merit based bonuses
Employee engagement	High pay for high performance
Personal accountability	Non-financial incentives
Challenging, rewarding work	Profit sharing
Forced ranking	Recognition
Access to 360º-degree reviews	Connection between work and incentives
Fair review systems	Likelihood of promotion
Specific performance feedback	Long-term career prospects within the organization
Manager effectiveness in giving formal and informal feedback	Opportunity for cross-business unit/cross-functional moves
Frequent feedback on performance	Access to flexi time
Specific suggestions for doing the job better	Good work-life balance
Dedicated professional coaches	Reduced status distinctions
Opportunities to learn – training and on-the-job	Work environment
Varied work	Self-managed teams
Personal development opportunities	Selective hiring
Mentoring programs	Extensive sharing of knowledge
Opportunity for development experiences	Total quality management
Customised career pathing	Risk tolerance
Opportunity to work on what you do best	
Employee's personal interest in work	
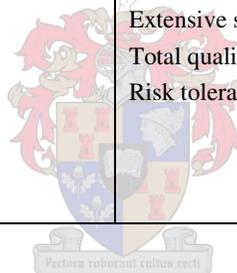
Corporate Leadership Council (2002)

It has been observed that the potential problem with these efforts intending to motivate employees is that organisations try to do a wide range of things and in the event end up not being good at any one of these (Corporate Leadership Council, 2002). Often line managers are bombarded by human resource managers to drive yet another 'flavour of the month'. This undermines the credibility and effectiveness of the HR function and counteracts the intention to develop effective management. Although most managers do realise the need to fully and effectively utilise human resource potential and facilitate optimal individual contributions, they do have limited time available to execute yet another intervention.

Further, the incentive value for managers to implement performance management strategies is low (Franzsen, 2003), as from their viewpoint the positive behavioural changes and financial gains resulting from implementing these practices may seem to be insignificant (Corporate Leadership Council, 2002; Franzsen, 2003). As from managers' point of view it seems debatable which of these strategies and practices 'merely move', and which ones truly evoke

positive change and motivates employees to achieve enhanced performance (Mol, 2005; Herzberg, cited in Greenberg & Baron, 2003).

It is thus not surprising that perceptions exist that many performance management practices is merely a 'mechanistic process', 'an administrative waste of time', a 'paper exercises', or something that 'needs to be done for the sake of window dressing'. In the process managers get confused, overwhelmed, cynical and disheartened (Amaratunga & Baldry, 2002; De Waal, 2002).

Considering the observations above, a predicament is apparent in that performance management or performance improvement efforts can easily be perceived to lack relevance, to constitute a waste of time or perceived to be faddism.

1.1.4   The need for performance management prioritisation

To address the problems and predicaments with regards to the role of performance management in the enhancement of desired employee outcomes as highlighted in the previous section, the following pressing question seems justifiable and reasonable:

"Which categories of performance management practices will truly instil the desired employee outcomes? Which ones matters most, and which ones should be done first or to what degree?"

In light of this pressing question it is then relevant to first determine and clearly articulate what the essence of performance management is. Based on the previous arguments regarding the diversity of opinion around what the essence (key drivers) of the performance of people really are, it seems justifiable that an overview of the literature needs to be done on existing definitions, perspectives and models regarding the role of performance management as it is defined within organisations.

As a second step in the process of finding answers to the pressing question, further research also seems relevant. In support hereof, the authoritative business advisory centre, the Corporate Leadership Council (2002), recommends that the approach with regards to performance improvement strategies should be: 1) identifying the most important or effective drivers of performance, and 2) focused implementation of these practices. The Corporate Leadership Council (2002) recognises the importance of research in determining priorities for action from the extremely varied possible set of performance improving interventions, which are collectively referred to as 'performance management'.

Performance management is not defined as a unilateral construct, but encompasses a range of practices that have the performance of employees as their central concern. It is therefore not surprising that research on evidence on performance management *per se* is very thin (Fletcher & Williams, 1996).

- At macro-level research does exist, where it has been demonstrated that differences between organisations in their human resources policies do affect employee attitudes and responses (Ogilvie; Caldwell, Chatman & O'Reilly; Kinicki; Carson & Bohlander, cited in Flethcer & Williams, 1996; Laka-Mathabula, 2004).

- In general, research also exists where it has been demonstrated that different leadership styles and behavious do affect employee attitudes and responses (Avolio, 1999; Chen, 2004; Engelbrecht & Chamberlain, 2005; Ferres, Travaglione & Connell, 2002; Krafft, Engelbrecht & Theron, 2004; Pillai, Schriesheim & Williams, 1999; Podsakoff, MacKensie & Bommer, 1996; Schlechter, 2005; Wang, Chou & Jiang, 2005; Yukl, 2002).

- At a micro-level, studies have been reported regarding individual practices or processes and their impact on employee attitudes and responses. In this regard there is extensive literature on goal setting (Locke, Shaw, Saari & Latham, cited in Fletcher & Williams, 1996); on performance appraisal and feedback (Fletcher, cited in Fletcher and Williams, 1996); and on incentives (Pritchard, Jones, Roth, Stuebing & Ekeberg, cited in Fletcher & Williams, 1996). All these studies have however looked at the effect of a particular technique, practices or process in isolation.

Only a limited number of studies (Doolen, Hacker & Van Aken, 2006; Fletcher & Williams, 1996; Wageman, 2001) have partly addressed the question of the extent to which multiple elements of performance management work to achieve desired employee outcomes. Of these studies, the most significant (n = 860) probably was the findings reported by Fletcher and Williams (1996) which were part of a wider study of performance management in UK organisations carried out on the behalf of the Institute of Personnel Management (IPM, cited in Fletcher & Williams, 1996).

Accordingly it would appear that all the answers have thus not been provided to guide leaders / managers in their challenge to prioritise and choose between a wide range of possible performance improvement solutions.

1.1.5 The need to prompt further research on performance management in the context of organisational culture

Any discussion of performance in organisations is however incomplete without reference to the construct of organisational culture.

Kotter and Heskett (1992, p.11) provides support for the notion that organisational culture can have a significant impact on an organisation's long-term performance. They found that organisations with cultures that emphasised all the key managerial constituencies (customers, shareholders, and employees) and leadership from managers at all levels outperformed organisations that did not have those cultural traits by a huge margin. Over an eleven year period, the former increased revenues by an average of 682% versus 166% for the latter, expanded their work forces by 282% versus 36%, grew their share prices by 901% versus 74%, and improved their net incomes by 756% versus 1%.

Apart form the findings reported by Kotter & Heskett (1992) there is attested consensus that a strong culture that fits the industry and organisation's strategy will have a positive effect within the organisation (Nelson & Quick, 2003).

It is therefore no surprise that organisation culture is a construct that is imbued with overriding importance in the literature (Ashkanasy, Wilderom & Peterson, 2000; Bechtold, 1997; Chen, 2004; Corbett & Rastrick, 2000; Graham, 2004; Holbeche, 2004; Kotter & Heskett, 1992; Koys & DeCotiis, 1991; Martins & Von de Ohe, 2003; Petkoon & Roodt, 2004; Schneider, 1990; Schneider, Brief & Guzzo, 1996; Schneider, Gunnarson & Niles-Jolly, 1994; Schneider, White & Paul, 1998; Seel, 2000; Sempane, Rieger & Roodt, 2002; Tustin, 1993; Van der Post, de Coning & Smit, 1997).

Considering the extensive manner in which the organisational culture concept is utilised to help explain the variance in individual and organisational performance, it seems relevant to ask the following two questions:

- How do performance management practices contribute to the overall reinforcement of organisation culture?

- How are core performance management practices related to the many descriptions, characteristics and dimensions of organisational culture?

Popular literature on the topic 'how to create a performance-based or high performance culture' is widespread and does consider performance management practices which are

associated with performance-based cultures (Graham, 2004; Holbeche, 2004; Reid & Hubbell, 2005). However, these appear to provide only fragmented, unscientific and case-specific perspectives on the two questions raised above.

Conceptually, the role of management behaviours and practices in influencing cultural values has been acknowledged (Kotter & Heskett, 1992). More specifically performance management practices as key change agent or driver in creating and maintaining a performance culture has been suggested (Amaratunga & Baldry, 2002; Theron & Spangenberg, 2000), and it appears as if models do exist that, in principle, acknowledges the role of core performance management practices in the enhancement of organisational culture (Theron and Spangenberg, 2000; Spangenberg & Theron, 2001).

However, research studies focusing on specific practices and their distinct contribution or relation to organisational culture seem limited.

1.2   Research problem

1.2.1   Empirical research problem

The problems and predicaments with regards to performance management has been highlighted in that performance improvement efforts can easily be perceived to lack relevance, to constitute a waste of time or can be perceived to be faddism.

The need for answers on 'how to prioritise' and 'what is most important' with regards to performance management interventions seems a relevant research challenge. Further, in view of the lack of research supporting the extent to which multiple elements of performance management work to achieve desired employee outcomes, the following two research questions appear to be relevant:

- Does effective implementation of performance management practices truly evoke those attitudes and responses which are essential for employees to perform optimally?

- What is the relative importance of the different performance management practices in evoking the attitudes and responses which are essential for employees to perform optimally?

A theoretical model (see Figure 2.3 and Figure 2.4, Section 2.1) depicting the relationship between performance management practices and desired employee outcomes has to be

empirically studied to clarify and determine the nature of the relationships between the various constructs.

1.2.2   Theoretical research problem

The significant impact organisational culture has on individual and organisational performance has been highlighted. However, the problem is that little research evidence exists to support the role of performance management practices in enhancing organisational culture.

It appears therefore that there is a need for theoretical propositions that will prompt future research, regarding:

- The manner in which core performance management practices contributes to the overall enhancement or reinforcement of organisational culture

- The nature of the relationship that appears to be evident between the core performance management practices and certain dimensions (i.e. descriptions or characteristics) of organisational culture

The research challenge is thus to present theoretical propositions that will position 'the role of performance management in the enhancement of organisational culture' as a relevant and rigorous field of enquiry for future research purposes.
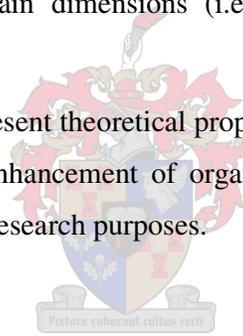
1.3   Aim of the study

1.3.1   Empirically

This study hopes to provide empirical support for the relationship between performance management practices and desired employee outcomes as depicted in Figure 2.3 and Figure 2.4 (Section 2.1). Accordingly this study hopes to clarify the relative importance of the different practices in generating these outcomes.

Performance management practices – as the independent or predictor variables in this study are:

- Providing context

- Providing focus

- Providing resources

- Providing development opportunities

- Monitoring and feedback

- Providing consequences.

Desired employee outcomes (i.e. attitudes, mindsets and responses associated with high performance) - as the dependent variables in this study are:

- Job satisfaction

- Intention to quit

- Fairness

- Organisational commitment

- Employee empowerment

- Team cohesion

As a result this study hopes to build on the findings of previous research studies (Doolen, Hacker & Van Aken, 2006; Fletcher & Williams, 1996; Wageman, 2001) regarding the extent to which multiple elements of performance management work to achieve desired employee outcomes, as it is evident within the South African business context.

Secondary to these two main objectives of this study is to ascertain the psychometric properties of the unstandardised measuring instrument being used in this study; and ascertain the theoretical rigour and construct validity of the model on which it is based, in turn enhancing both the model and measuring instrument's usability for future research and commercial use purposes.

1.3.2 Theoretically

In addition, this study hopes to provide theoretical propositions that will:

- Provide a structure for the manner in which core performance management practices contribute to the overall enhancement or reinforcement of organisational culture

- Provide a structure for the relationships that appear to be evident between the core performance management practices and certain dimensions (i.e. descriptions or characteristics) of organisational culture

Through these propositions the study hopes to position 'performance management as key drivers in the enhancement of organisational culture' as a relevant and rigorous field of enquiry for future research purposes.

The researcher believes that, apart from providing answers to the research problems, both the empirical and theoretical part of the study are critical to the advancement of the human resource and organisational development professions.

The study thus generally aims to develop the body of knowledge that currently exists on performance management and performance improvement solutions. This represents the broad objective of the study.

1.4   Composition of the study

In chapter 1 the background and necessity for the study are established and the research problems and the goals of the study are outlined.

In chapter 2 an overview of the literature is provided regarding performance management as it is defined within organisations; and regarding the role of performance management in establishing desired employee outcomes. An integrated framework of organisational culture dimensions are also provided within the context of performance management.

In chapter 3 the research methodology is specified, the variables are defined and the measuring instrument is presented.

In chapter 4 the analyses of the research data are presented and research results are discussed.

In chapter 5 conclusions, implications and limitations of the study are highlighted, and recommendations for further study are suggested.

CHAPTER 2: OVERVIEW OF LITERATURE REGARDING PERFORMANCE MANAGEMENT, DESIRED EMPLOYEE OUTCOMES AND ORGANISATIONAL CULTURE

2.1   PERFORMANCE MANAGEMENT

After reviewing many definitions and models of performance management systems, the following three were selected to best describe performance management within the context of this study.

The first definition was chosen because it explicitly highlights performance management as a *continuous* process. According to Kreitner and Kinicki (2007) performance management is the continues cycle of improving job performance by integrating the activities of goal setting, feedback and coaching, providing rewards and positive reinforcement.

As source for a second definition, Spangenberg and Theron's (2001) Systems Model of Performance Management was chosen. This model succeeds in illustrating the complexities of performance management as an *integrative* Human Resources system in a comprehensive manner. According to this model performance management's effectiveness is greatly influenced by inputs into the system; processes (which comprises the core of the system); linkages to other business systems; and the outputs (which reflect the main purposes of performance management).

Being the model under review in this research study, The High Performance Practices model (Shirley, 2005) was considered as the basis for a third definition of performance management. This model emphasises the importance of management behaviour as practices that comprise the core of the performance management system. The model further emphasises how these practices influence employee outcomes.

Each model of performance management briefly introduced above will now be discussed with the intention of highlighting performance management practices, desired employee outcomes, and organisational culture as key concepts within the context of performance management systems.

2.1.1 A model of performance management as continuous process

The model presented in Figure 2.1 (Kreitner & Kinicki, 2007) emphasises how improving individual job performance is a continuous process. As illustrated, the key aspects of the performance improvement cycle lie at the heart of the model. These aspects include goal setting; feedback and coaching (based on performance monitoring and evaluation); rewards and positive reinforcement. To thrive, however, the performance management cycle cannot stand in isolation. Individuals with the necessary abilities, skills, knowledge and motivation for the job need to be hired. From an organisation / group / team perspective, the organisation's culture, job design and supervisory practices also need to facilitate job performance.
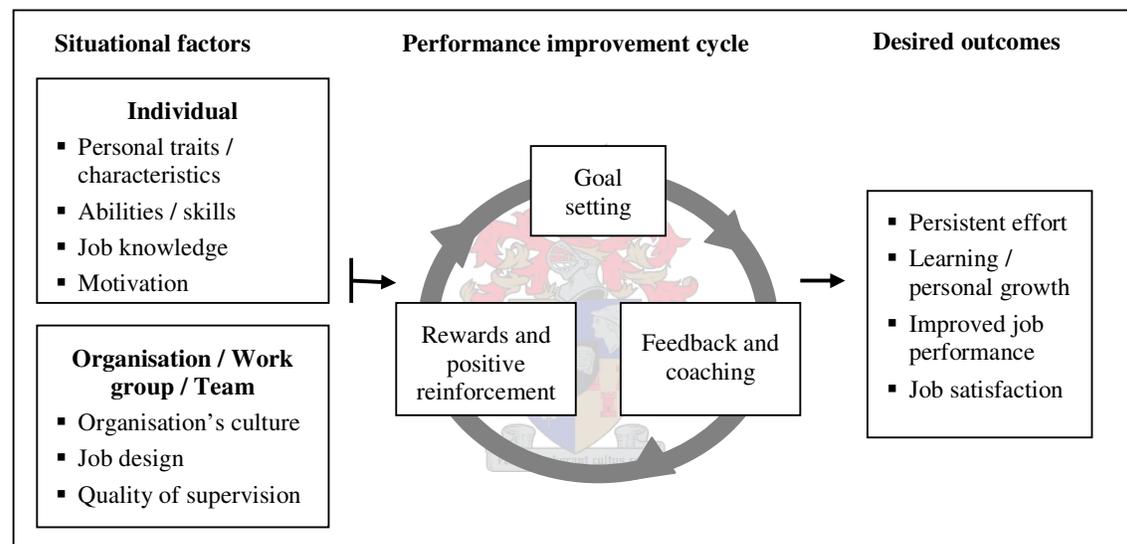
Figure 2.1:   **Improving individual job performance: A continuous process (Kreitner & Kinicki, 2007)**

When analysing the model depicted in Figure 2.1 it is important to notice how performance management is a dynamic and a continuous cycle requiring management's day-to-day attention. Of further importance to this study is the link that exists between the key aspects of the performance improvement cycle and certain desired outcomes reflected in employee's persistent effort, learning and personal growth, improved job performance and job satisfaction.

2.1.2 Spangenberg and Theron's Systems Model of Performance Management

According to the Systems Model of Performance Management (Theron & Spangenberg, 2000) and its adaptations (Spangenberg & Theron, 2001) performance management is viewed

as a system comprising of inputs, processes, outputs and linkages to other systems. The model is depicted in Figure 2.2.
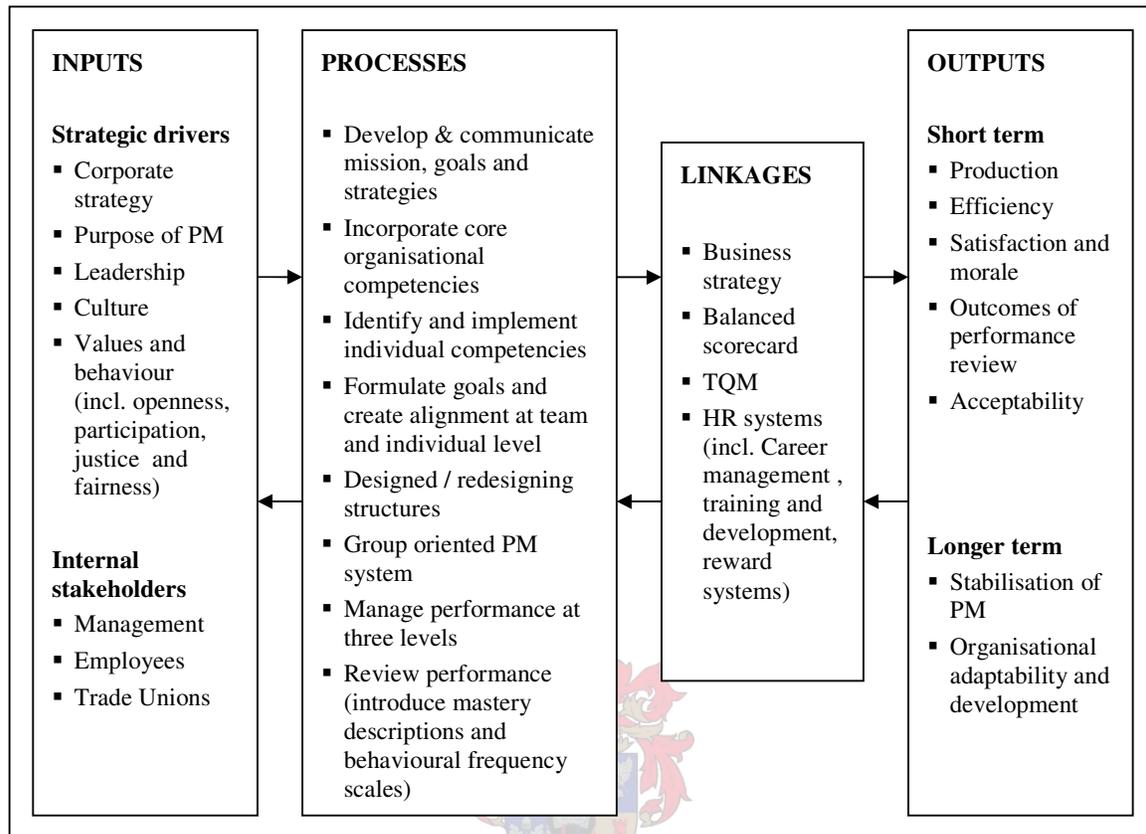
Figure 2.2: **Systems Model of Performance Management (Spangenberg & Theron, 2001)**

As illustrated in Figure 2.2, the model suggests that the effectiveness of performance management is greatly influenced by **inputs** to the system. These are the strategic drivers, such as corporate strategy, purpose of performance management, leadership and culture; values and behaviours (such as participation, openness, justice and fairness); and the internal stakeholders which are management, employees and trade unions. In the model, **processes** comprise the core of the performance management system and entail the following actions:

1) An organisational or unit mission, goals, and strategies are developed, communicated and clarified to all employees.

2) Core organisational and individual competencies are identified and implemented.

3) Goals and performance standards, related to wider organisation goals, are negotiated for teams and individuals.

4) Structures are designed or redesigned at organisational, process and team/individual levels to ensure effective function of the entire organisation.

5) Performance at all levels is measured, feedback is provided on an ongoing basis, and problem-solving mechanisms are put in place and used.

6) In addition to ongoing performance reviews, regular performance reviews are scheduled for individual employees. Mastery descriptions and behavioural frequency scales are introduced for this purpose. Subsequently training and development needs are identified and coaching conducted.

In addition to the process, the model suggests that **linkages** exist between the performance management process and certain human resources processes (including training and development, career management and the reward system). Often links might even exist between the performance management process and other organisation systems and processes such as total quality management, balanced scorecard and the business strategy.

The **outputs** illustrated in the model reflect the main purpose of performance management. Over the short term outputs entail increased production, efficiency, employee satisfaction and morale. Over the longer term outputs entail adaptability to external changes and organisational development.

For the purpose of this study it is however important to note how the actions integrated in the performance management process will supposedly result in employee satisfaction, high morale and efficiency; and will also reinforce cultural values and behaviours such as openness, participation, justice and fairness.

2.1.3   Shirley's model of High Performance Practices

The High Performance Practices model proposed by Shirley (2005) is presented in Figure 2.3.

The **performance management practices** represent 'themes' or categories of management behaviours or mindsets; and lie at the heart of the High Performance Practices model.

The performance management practices entail management behaviours that provide employees with context, focus, development opportunities, resources, monitoring and feedback, and consequences. A brief description of each performance management practice is provided further on in the study in Table 2.1.

What leaders' value
Includes efforts to articulate and communicate that which is valued within the organization, incl. beliefs and assumptions about:
- What to focus on (goals)
- What motivates people to perform

Structures, systems, procedures and policies
- Policies and procedures guiding what to do when and how
- Platforms / computer systems capturing, monitoring and presenting performance data
- Linked systems incl. job design, recruitment, socialization, reward, training and development, and career planning

Regulatory environment
Includes basic conditions of employment, skills development legislation, employment equity legislation, labour relations etc.

High performance organisational climate

Performance management practices
Continuously providing employees with:

Context / purpose

Focus / responsibility

Skills / development

Resources

Monitoring / Feedback

Consequences

Desired employee outcomes
- Job satisfaction
- Low intention to quit
- Fairness
- Employee empowerment
- Organisational commitment
- Team cohesion

Desired performance results
Performance results on individual, team, business level

Figure 2.3: **The High Performance Practices model (Adapted from Shirley, 2005).**

As opposed to the fragmented approach of annual or bi-annual discussions suggested by many traditional performance management processes, the High Performance Practices model proposes that the performance management practices are applied in a continuous day-to-day manner (Shirley, 2005).

It is hypothesised by the model that effective implementation of performance management practices would enhance **desired employee outcomes**. Desired employee outcomes could entail a range of employee responses, perceptions, attitudes, cognitive states and salient behaviours associated with healthy, performance-enhancing work cultures. Job satisfaction, low intention to quit, perceived fairness, organisational commitment, employee empowerment and team cohesion have been included in the model as the most obvious ones and are described further on in the study in Table 2.2.

As depicted in Figure 2.3 these so-called desired employee outcomes are extremely valuable to a business, as they result in **desired performance results** on individual, team and business level – which reflect the ultimate purpose of performance management (Shirley, 2005).

According to the High Performance Practices model the effectiveness with which the performance practices are applied are influenced by: 1) that which is valued by leaders; 2) the effectiveness of structures and systems which relates to the performance management practices; and 3) the regulatory environment. These factors are only briefly described below as they fall beyond the scope of this research study (Shirley, 2005).

That which is valued by leaders' shapes the effectiveness with which the performance management practices are exercised. When that which leaders' value is expressed in terms of goals being pursued (for example a goal of safety, service, or innovation, and so forth) it influences what gets supported and rewarded throughout the performance management cycle. When leaders' values are expressed in terms of beliefs about what motivates people to perform it can influence: (a) the nature of interpersonal relationships (e.g. the level of mutual sharing and trust throughout implementation of the performance management practices); (b) the nature of the hierarchy (e.g. the level of participation with which the performance management practices are implemented); and (c) the nature of work (e.g. the level of adaptability and challenge built into job responsibilities).

Formal structures, systems, procedures and policies also shape the effectiveness with which the performance management practices are exercised. For example, within an organisation there are policies, procedural guidelines, work aids and schedules guiding which performance management practice to exercise when and how? There are platforms and computer systems capturing, monitoring and presenting performance related data, ranging from performance feedback systems to business scorecards. Also influencing the effectiveness of the performance management practices are linked processes such as the job design-, recruitment-, induction-, reward-, training and development-, the career planning-process, and so forth.

According to the model, the influence of the **regulatory environment** cannot be ignored in shaping the effectiveness with which the performance management practices are applied. For example, skills development legislation provides guidelines regarding the focus and quality of training and development being provided; labour legislation provide guidelines on how poor performance must be addressed; and employment equity legislation provides guidelines in terms of career succession strategies which is key to how consequence (perceived performance-reward link) can be exercised.

It is important to notice that the part of the High Performance Practices model that is under investigation in this study is the hypothesised relationships between the six performance management practices (namely providing employees with context, focus, development opportunities, resources, monitoring and feedback, and consequences) and the six desired employee outcomes (namely job satisfaction, intention to quit, perception of fairness, organisational commitment, employee empowerment, team cohesion).

2.1.4 Conclusion

Three performance management models were reviewed for the purpose of describing performance mangagement in the context of this study. These were the models proposed by Kreitner and Kinicki (2007), Spangenberg and Theron (2001), and Shirley (2005).

Based on this review, the features that appears to be pertinent in describing performance management are: 1) the frequency with which performance management practices are applied; 2) the level of integration of performance management practices with the business; 3) the similarity of the themes that underpin the performance management practices; and 4) the role of performance management practices in evoking desired employee outcomes.

With regards to the first point of discussion (namely the frequency with which performance managmenet practices are applied) all three the models view performance management as being a *continuous* process. This perspective on performance management stands in contrast to the haphazard tradition of annual performance appraisals, a largely unsatisfying experience for managers and employees (Kreitner & Kinicki, 2007).

With regards to the second point of discussion (namely the level of integration with the business) all three the models acknowledge performance management as being an *integrative,* business driven system. This perspective stands in contrast to the isolated, mechanistic, HR-driven approach to performance appraisals of the past (Spangenberg & Theron, 2001). To this extent, all three models emphasise links that exist between performance management and other strategic business and HR-related systems. The role of leadership and culture are also highlighted as factors that influence how performance management practices are implemented.

With regards to the third point of discussion the models highlight similar themes as being core or central to performance management. These *core themes* appear to be the following:

- The development of a mission statement and business plan or strategy, and the enhancement of communications within the organisation, so that employees are aware of the objectives of the business (i.e. *providing context*).

- The clarification of individual responsibilities and accountabilities (usually through role clarification, job descriptions, competency profiles and so forth) leading to the defining of performance measures and targets (i.e. *providing focus*).

- The *development* of employees in line with the competencies they require to optimally do their job and in line with the competencies they might require for future jobs.

- The provision of *resources* in terms of required materials (usually an adequate work station and office supplies) and effective work methods (usually user-friendly computer operating systems, work procedures, interdepartmental service level agreements and policies).

- The *monitoring* of performance in an objective manner and *providing feedback* on performance that is frequent, adequate and constructive.

- The implementation of appropriate *consequences* for good and poor performance (usually through recognition, reward, and disciplinary strategies) so that employees will be able to see a clear link between their efforts and rewards.

According to the models, performance management is thus not defined as a unilateral construct, but encompasses a range of practices that have the performance of employees as their central concern.

With regards to the fourth point of discussion, all three models highlight the role of performance management in *evoking desired outcomes* in terms of employee attitudes and responses. This is evident in that the models imply that effective implementation of performance management practices or processes will result in (or will reinforce) openness, participation, justice and fairness, job satisfaction, high morale, employee empowerment, persistent effort, learning and personal growth, low intentions to quit, organisational commitment, team cohesion, efficiency and/or job performance (Kreitner & Kinicki, 2007; Shirley, 2005; Spangenberg & Theron, 2001). These employee outcomes stand in contrast to perceptions of compliance, control, judgement, unfairness and low morale - as typically associated with traditional performance management processes where appraisals and ratings were the key elements (Amaratunga & Baldry, 2002; De Waal, 2002; Fletcher, 2001; Franzen, 2003).

These desired employee outcomes furthermore appear to be related to the dimensions often used to describe successful, sustainable, healthy, empowering and performance-enhancing organisational cultures as described by Ashkanasy, Wilderom and Peterson (2000); Koys and DeCotiis (1991); Martins and Von der Ohe (2003); Schneider, Brief and Guzzo (1996); Schneider, Gunnarson and Niles-Jolly (1994); and Van der Post, de Coning and Smit (1997). The role of performance management in the enhancement of organisational culture is thus also implied by the models.

2.2 THE RELATIONSHIP BETWEEN LEADER/MANAGER BEHAVIOUR AND DESIRED EMPLOYEE OUTCOMES

2.2.1 Introduction

The main aim of this research study is to examine the relationship between performance management practices and the achievement of desired employee outcomes as it is proposed by the High Performance Practices model of Shirley (2005). For the purpose of the study a simplified version of the model is depicted in Figure 2.4.

In brackets the hypothesised relationships between the performance management practices (context, focus, development, resources, monitoring and feedback, consequences) and the desired employee outcomes (job satisfaction, intention to quit, perception of fairness, organisational commitment, employee empowerment, team cohesion) are indicated.
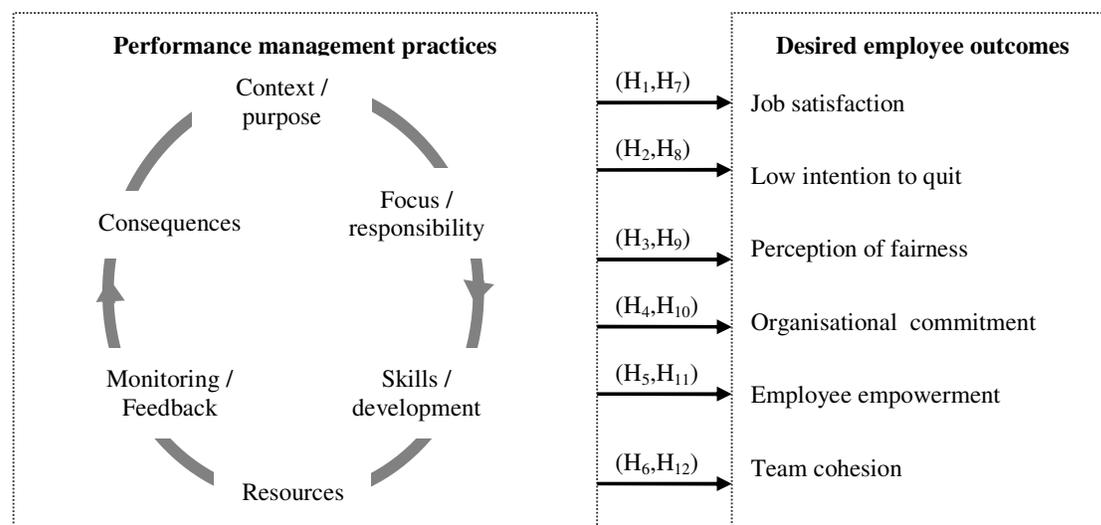
Figure 2.4: **Simplified version of the High Performance Practices model (Adapted from Shirley, 2005)**

According to the High Performance Practices model (Shirley, 2005) effective implementation of the performance management practices will result in the desired employee outcomes. Table 2.1 and Table 2.2 provide a definition of each of the variables of the model illustrated in Figure 2.4.

Table 2.1
Performance management practices

Variable name	Description
Context and purpose	*Awareness - strategy:* The extent to which the vision, strategy and the team's purpose and contribution towards the strategy are communicated and understood. *Awareness – new development:* The extent to which changes in the environment are communicated and understood.
Focus and responsibility	*Strategic relevance of role*: The extent to which strategic direction and team purpose is translated into individual roles and relationships, ensuring that the strategic relevance of employees' roles are clarified *Specific responsibilities*: The extent to which performance requirements are clarified and agreed on in terms of objectives, goals and measures which are fair, realistic and achievable
Skills and development	*Current:* The extent to which skills requirements for current job effectiveness are specified, development areas are agreed, and appropriate training / coaching are provided. *Future:* The extent to which career plans exist and skills requirements for future job requirements are developed.
Resources	*Materials:* The extent to which required resources are made available in terms of the physical working environment or materials needed such as computer, telecommunication, office equipment and workspace. *Methods:* The extent to which required resources are made available in terms of effective and user-friendly operating systems, processes, job aids, procedure manuals, policies and checklists.
Monitoring and feedback	*Feedback frequency:* The extent to which feedback is frequent and regular on top of bi-annual performance discussions *Feedback quality:* The extent to which feedback is adequate, gives employees a chance to explain difficulties, resolve problems and find ways to improve their performance. *Objectivity:* The extent to which monitoring and evaluations of performance are fair and based on facts.
Consequences	*Perceived link 'performance-reward'*: The extent to which employees believe that there is a link between their contribution, reward and remuneration. *Recognition:* The extent to which employees feel their efforts are recognized and supported. *Disciplinary approach:* The extent to which employees perceive that poor performance is dealt with.

Adapted from Shirley (2005)

Table 2.2
Desired employee outcomes

Variable name	Description
Job satisfaction	The extent to which employees find their work satisfying.
Intention to quit	The extent to which employees would leave the organization if they could.
Fairness	The extent to which employees believe they are fairly treated by others at work
Organisational commitment	*Loyalty:* The extent to which employees are committed to work for the company. *Identification:* The extent to which employees treat the company as if it were their own and feel hopeful, motivated and enthusiastic about the company. *Involvement:* The extent to which employees are willing to exert considerable effort and do their best to take the company forward.
Employee empowerment	*Perceived competence:* The extent to which employees feel they have what it takes to succeed.
	Perceived control: The extent to which employees take responsibility.
Team cohesion	The extent to which individuals feel valued as a member of the team, assist each other and cooperate towards the achievement of shared common goals, and experience working relations as friendly and co-operative.

Adapted from Shirley (2005)

In the sections to follow, theoretical arguments and empirical findings will be provided that support the hypothesised relationships between the performance management practices and desired employee outcomes as defined by the High Performance Practices model.

The researcher, however, faced the challenge of limited theoretical argument and empirical evidence in support of the extent to which the *multiple elements* of performance management (as apposed to work to achieve desired employee outcomes. This is a challenge that was also reported by Fletcher and Williams (1996) in their study regarding the influence of performance management on job satisfaction and organisational commitment, and by Laka-Mathebula (2004) in her study regarding the influence of human resource management practices on certain organisational commitment related variables.

For the purpose of the literature review an approach was therefore taken to include findings reported on the relationship between transformational and transactional leadership behaviours and the desired employee outcomes relevant to this study, namely job satisfaction, intention to quit, fairness, organisational commitment, employee empowerment and cohesion. This approach was justified based on the conceptual links that were apparent between transformational / transactional leadership behaviours and the performance management practices under investigation in this study. The way in which the performance management practices (namely context, focus, resources, development, monitoring and feedback, and consequences) are encompassed in transactional and transformational leader behaviours

(namely idealised influence, inspirational motivation, intellectual stimulation, individualised support, contingent rewards and management by exception) are outlined in more detail in the concluding remarks (see Section 2.2.8).

2.2.2 The relationship between manager/leader behaviour and employee job satisfaction

The High Performance Practices Survey which was used as measuring instrument in this study defines job satisfaction as a one-dimensional construct measuring the extent to which employees find their work satisfying (Shirley, 2005). According to Locke (cited in Sempane et al., 2002) job satisfaction is a positive emotional state resulting from the appraisal of the employee's job or job experiences. According to Mowday, Porter and Steers (cited in Chen, 2004) the emphasis in job satisfaction is on employees' evaluation of the overall organisational context, but inherently it refers to a number of evaluations referring to the specific task environment in which these employees perform their duties. These evaluations can include satisfaction with pay, nature of work, supervision, promotional prospects, relations with co-workers and so forth (Kerego & Mtupha; Robbins; Hutcheson; Locke, cited in Sempane et al., 2002). The definition used in this study did not single out certain of these evaluations as sole contributory factors to job satisfaction. Rather than measuring job satisfaction in terms of its multiple individual dimensions, job satisfaction in this study is measured as a global construct (Chetty; Robbins; Mc Cormick & Ilgen; Kerego & Mthupa, cited in Sempane et al., 2002).

The relationship between manager / leader behaviour and employee job satisfaction as examined in the context of this study, is best supported by a study reported by Fletcher and Williams (1996) in which they examined the extent to which main elements of typical performance management systems are associated with job satisfaction. The aspects of performance management as measured by Fletcher and Williams (1996) pertaining to this study are summarised in Table 2.3.

Table 2.3
Aspects of performance management

Area	Measure	Description
Goal	Participation	Reported level of participation in goal-setting.
	Feedback	Amount of performance feedback received.
	Difficulty	Degree to which individual goals are perceived to be challenging.
	Specificity	Degree to which individual goals are perceived to be clear.
	Short-term emphasis	Avoidance of an excessively short-term emphasis on performance.
	Strategic relevance	Extent to which individuals are able to see the strategic relevance of their goals in terms of organisational-level planning and objectives.
Perceived links	Effort / performance	Links employees see between effort and performance.
	Performance / reward	Links employees see between performance and reward.
Organisational communication	Aware of performance	Effective internal communication and the extent to which employees felt that they knew how the organisation as a whole was performing.
	Aware of development	Effective internal communication and the extent to which employees felt that they knew what current developments were affecting the organization.

Fletcher and Williams (1996)

The measuring instruments to measure the above performance management attributes consisted mainly of the Steers task-goal attributes scale, a scale developed by Sims, Szilagyi and McKemey and some newly written items (Fletcher & Williams, 1996). The alpha coefficients for all the scales used were satisfactory, ranging from 0.67 - 0.86. Job satisfaction was measured through the 15-item questionnaire developed by Warr, Cook and Wall (cited in Fletcher & Williams, 1996) which yielded separate scores for intrinsic, extrinsic and overall job satisfaction.

An extract of the results obtained from the multiple regression analysis is provided in Table 2.4.

Table 2.4
Multiple regression of job satisfaction

		Overall		Intrinsic		Extrinsic	
		Beta	**F**	Beta	F	Beta	F
Goal	Participation	0.23	56.49	0.11	8.86	0.28	89.62
	Feedback	0.21	49.24	0.19	26.48	0.20	43.44
	Difficulty	-	-	- 0.06	4.51	0.07	8.09
	Specificity	0.20	35.27	0.18	20.56	.019	33.10
	Short-term emphasis	- 0.09	10.36	- 0.08	6.49	- 0.07	7.64
	Strategic relevance	0.10	8.98	0.08	4.81	0.08	6.84
Perceived links	Effort / performance	-	-	-	-	-	-
	Performance / reward	0.19	49.13	0.15	20.08	0.20	53.49
Organisational communications	Aware of performance	0.07	6.13	0.12	11.42	-	-
	Aware of development						
	Multiple R	**0.1756**		0.621		0.757	
	Adjusted R²	**0.566**		0.376		0.567	

Beta and F-values were reported only for those variables that accounted for a significant amount of variance.

Fletcher and Williams (1996, p. 175)

The findings indicated that most elements of performance management did contribute to job satisfaction, and together accounted for a substantial proportion of the variance ($R^2 = 0.566$). Fair positive relationships were reported between job satisfaction and participation in goal-setting ($\beta = 0.23$), feedback on performance ($\beta = 0.21$), specificity of goals ($\beta = 0.20$), and perceived link between performance and reward ($\beta = 0.19$). Difficulty of goals showed no significant relation to overall job satisfaction. This, however, was explained by its opposite impact on intrinsic satisfaction (negative coefficient) and extrinsic satisfaction (positive coefficient). As it has been hypothesised in their study, emphasis on short-term goals was negatively related to job satisfaction (Fletcher & Williams, 1996, p.175).

Although reported in a team context, the study by Doolen, Hacker and Van Aken (2006), is worth mentioning, as it reported significant relationships between organisational context variables and member satisfaction. The organisational context variables measured the extent to which the organization provides the team with resources and support they need to be successful (i.e. clear goals, resources, feedback and recognition, training, and information availability).

- A significant and positive linear relationship was found between clear goals and team member satisfaction (β = 0.818, p $\leq$ 0.01). This implied that teams with clearer understanding of team-level goals and the team's role within the organisation have members who are more satisfied.

- The linear relationship between resource allocation and team member satisfactions was significant (β = 0.820, p $\leq$ 0.01). This finding implied that team members who perceived they had sufficient resources were more satisfied.

- Significant linear relationships were found between feedback and recognition (β = 0.784, p $\leq$ 0.01) and team member satisfaction and between training (β = 0.646, p $\leq$ 0.01) and team member satisfaction. Based on these results, it appears that teams that are recognised and rewarded for team–level contributions and have access to training have members who are more satisfied.

- In the last instance, significant relationships were found between access to technical and business information systems and team member satisfaction (β = 0.730, p $\leq$ 0.01). Implicitly, teams who perceived that they received and / or had access to information exhibited higher levels of satisfaction. Access to business information appears to be relevant in terms of providing employees with context.

Also reported within a team context, the study by Wageman (2001) found that individual work satisfaction was positively related to the extent to which clear direction were provided (r = 0.43, p < 0.05); goals and objectives were ambitious but were defined specifically in terms of deadlines and measurement indicators (r = 0.40, p < 0.05); group-level recognition and rewards were provided (r = 0.52, p < 0.05); and leaders provided hands-on coaching in terms of problem-solving facilitation (r = 0.51, p < 0.05).

The relationship between manager / leader behaviour and job satisfaction has further been established in research studies related to transformational and transactional behaviours. In a study conducted in Taiwan, Chen (2004) reported a significant positive relationship between transformational leadership and job satisfaction (r = 0.54; p < 0.01). Although to a smaller degree, a positive correlation was also reported between transactional leadership and job satisfaction (r = 0.16; p < 0.01).

Similar results were reported by Pillai, Schriesheim and Williams (1999). The relationship between transformational leadership and job satisfaction were significant for sample group one (r = 0.17; p < 0.05) and for sample group two (r = 0.49; p < 0.01). The relationship

between transactional leadership and job satisfaction were significant for sample group two (r = 0.33; p < 0.01) but not for sample group one (Pillai et al., 1999).

More specifically, a study conducted by Podsakoff, MacKenzie and Bommer (1996) reported significant positive correlation coefficients between specific transformational leadership behaviours and job satisfaction. The reported correlation coefficients of specific transformational leader behaviours and job satisfaction are presented in Table 2.5.

Table 2.5
Intercorrelations of transformational leader behaviours and general satisfaction (N=1200)

Variables	General satisfaction
Transformational leader behaviours *(with its relevance to this study in brackets)*	
Articulating a vision *(i.e. providing context)*	0.49*
Fostering acceptance of group goals *(i.e. providing focus and responsibility)*	0.46*
High performance expectations (i.e. providing focus and responsibility)	0.27*
Individualised support *(i.e. providing skills and continuous feedback)*	0.45*
Intellectual stimulation *(providing continuous feedback)*	0.36*

 * p < 0.01   Podsakoff et al. (1996)

A concluding remark to consider in this discussion about the relationship between manager/leader behaviour and job satisfaction is that it is a relationship typically mediated by each employee's unique circumstances like needs, values and expectations which influences his/her perceptions and evaluation of the job. According to Schneider and Snyder (cited in Sempane et al., 2002) employees will therefore evaluate their jobs on the basis of factors, which they regard as being important to them.

In general, however, it might be expected that most practices associated with performance management would lead to high job satisfaction, and subsequently that the following hypotheses will be confirmed.

Hypothesis 1: Positive linear relationships exist between the performance management practices (context, focus, resources, development, monitoring and consequences) and employee job satisfaction.

Hypothesis 7: Performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict employee job satisfaction.*

*Note: The numbering of hypotheses is in the order that the hypotheses were tested.

2.2.3   The relationship between manager/leader behaviour and intention to quit

The High Performance Practices Survey which was used as measuring instrument in this study defines intention to quit as the extent to which employees would leave the organization if they could (Shirley, 2005). According to Boshoff, Van Wyk, Hoole and Owen (2002) intention to quit is the strength of an individual's view that he/she does not want to stay with his/her current employer. Usually, intention to quit is seen as an indication of the probability that an employee will leave the organisation in the foreseeable future.

The relationship between manager / leader behaviour and employees' intention to quit has been established in a study by Schlechter (2005) where a substantial ($r = - 0.45$; $p < 0.01$) negative relationship was reported between transformational leadership and intention to quit.

In another study reported by Bycio, Hackett and Allen (1995) transformational leadership and turnover intention was also found to be negatively related. More specifically, management-by-exception had little to do with employees' intent to leave the job, whereas contingent reward was associated with a reduction in employees' intent to leave their job. Furthermore, additional reductions in this intention were obtained, given the presence of transformational leadership.

In further support of this finding, Ferres, Travaglione & Connell (2002) found that transformational leadership was a significant predictor of turnover intention ($\beta = 0.33$; $p < 0.05$).

Williams and McDermid (cited in Laka-Mathebula, 2004) found that individuals who were compensated more for their high levels of performance were less likely to quit. This was explained in that the high compensation becomes an investment that ties the employee down. Similarly, Park and Ofori-Dankwa (cited in Laka-Mathebula, 2004) found that turnover is negatively associated with levels of pay, particularly when individual incentive programs determined pay. In support of this finding, Stum (cited in Laka-Mathebula, 2004) found that pay and benefits are still the foundation for choosing the new employer or for leaving the present one, whether that is medical plans, retirement plans, vacation, sick leave or short-term disability.

The literature supporting a direct relationship between performance management practices and intention to quit, however, seemed very thin. No study could be found in which the

relative influences of the performance management practices *per se* on employee's intention to quit had been investigated.

Most studies, do however include the possibility that turnover is motivated by the disaffection of the individual with some aspect of the work environment including the job, co-workers, or organisation (Lee & Mitchell, cited in Ferres, Connell & Travaglione, 2004). As an antecedent, organisational commitment has often been used to predict organisational withdrawal behaviours. As reported in a meta-analytical review of antecedents, correlates and consequences of organisational commitment (Mathieu & Zajac, 1990) commitment demonstrated large correlations with two turnover-related intentions: (a) intention to search for job alternative (r = 0.599) and (b) intention to leave one's job (r = 0.464). A substantial (r = -0.48; p < 0.01) negative relationship between affective organisational commitment and intention to quit was also reported by Ferres et al. (2004). Considering that organisational commitment is one of the other employee outcomes being investigated in this study, the assumption is that if there is support for a substantial relationship that exist between performance management behaviours and organisational commitment, these behaviours would also (indirectly) influence employee's intention to quit.

Based on the theoretical arguments and empirical support provided above, it is expected that the hypotheses below will be corroborated.

Hypothesis 2: Negative linear relationships exist between the performance management practices (context, focus, resources, development, monitoring, and consequences) and employees' intention to quit.

Hypothesis 8: Performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict employees' intention to quit.

2.2.4   The relationship between manager/leader behaviour and perceptions of fairness

The measuring instrument used in this study defines fairness as a one-dimensional construct, i.e. the extent to which employees believe they are fairly treated by others at work (Shirley, 2005). The role of fairness in the workplace is however a multi-dimensional construct often referred to as organisational justice. Distributive justice and procedural justice form the two sub-domains of organisation justice (Greenberg; Moorman; Folger & Konovsky, cited in Engelbrecht & Chamberlain, 2005). According to Moorman (cited in Engelbrecht & Chamberlain, 2005) and Krafft, Engelbrecht and Theron (2004), procedural justice consists of

two dimensions, namely: (1) a structural dimension - i.e. the degree to which formal procedures are fair; and (2) an interpersonal or interactional dimension - i.e. the honesty and sensitivity in which the procedures are carried out and communicated. According to Bies and Noag (cited in Colquitt, Conlon, Wesson, Porter & Yee Ng, 2001) interactional justice refers to the quality of the interpersonal treatment people receive when procedures are implemented. Based on these definitions of organisational justice it can be concluded that the fairness construct as measured in this study only encompass the interactional or interpersonal dimension, and does so only to some extent.

According to Bass (cited in Engelbrecht & Chamberlain, 2005) employees' ability to take part in processes and decision-making will inevitably lead to enhanced perceptions of procedural justice. Supportive supervisor behaviours, which are a characteristic of transformational leadership, produce more favourable procedural justice perceptions than do non-supportive supervisor behaviours (Tepper & Taylor; Pillai et al.; Niehoff & Moorman, cited in Engelbrecht & Chamberlain, 2005).

Empirically, the relationship between manager / leader behaviour and procedural justice (with both its structural and interactional dimensions) has been established in a study by Pillai, Schriesheim and Williams (1999). Firstly, this study found that the behaviours associated with transformational leadership correlates substantially ($r = 0.59$) and ($r = 0.56$) with procedural justice throughout two sample groups respectively, both at the $p < 0.01$ level. In the same manner this study found that transactional leader behaviour also show a substantial positive correlation ($r = 0.50$) and ($r = 0.55$) with procedural justice, both at the $p < 0.01$ level. Based on the findings of this study it appears that leaders/mangers do play some role in the levels of fairness experienced by employees.

In further studies by Krafft, Engelbrecht and Theron (2004) significant ($p < 0.05$) path coefficients were reported between three of the components of transformational leadership and interactional justice, namely idealised influence ($t = 2.37$), intellectual stimulation ($t = -2.38$) and individualised consideration ($t = 4.33$). The results of the structural analysis are depicted in Table 2.6, as an extract of the originally reported gamma (Γ) matrix of the direct effects between the constructs.

Table 2.6
Gamma (Γ) matrix: direct effects of leadership dimensions on justice dimensions

	Idealised influence	Intellectual stimulation	Inspirational motivation	Individualised consideration	Contingent reward	MBE active	MBE passive
Procedural justice	1.87	-1.60	-1.69				
Interactional justice	2.37*	-2.38*	-1.92	4.33*			
Distributive justice					5.68*	-1.36	1.13

*t-values greater than |1.96| indicated *significant (p < 0.05)* path coefficients   Krafft et al. (2004, p. 15)

Krafft et al. (2004) concluded that interpersonal / interactional justice as a sub-component of procedural justice plays *the* important role in a manager's efforts to elicit perceptions of fairness amongst employees. The interaction is the focal point of achieving trust and not the procedure *per se*. According to these authors, this corresponds to the argument of social exchange on which transformational leadership is based. Subsequently for transformational leaders to instil trust, they have to treat employees in a sensitive and considerate manner. Rather than just focusing on the fairness of the procedures itself, the focus should be on how procedures are communicated and how decisions are explained to employees in order to enhance the quality of interpersonal treatment.

In a study conducted by Engelbrecht and Chamberlain (2005) a direct, positive relationship between transformational leadership and procedural justice (t = 5.88, p < 0.05) was reported. According to Engelbrecht and Chamberlain (2005) this finding supports the view that transformational leaders influence employees' perceptions of justice, based on social exchange relationships, thus supporting the findings reported earlier by Pillai et al. (1999).

The literature supporting a direct relationship between performance management practices and perceptions of fairness, however, seemed very thin. No study could be found in which the relative influences of the performance management practices *per se* on employee's perceptions of fairness had been investigated.

Based on the limited overview of theoretical arguments and empirical support provided above, it is however still expected that the following hypotheses will be corroborated.

Hypothesis 3:   Positive linear relationships exist between the performance management practices (context, focus, resources, development, monitoring, and consequences) and employees' perceptions of fairness.

Hypothesis 9: Performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict employees' perceptions of fairness.

2.2.5 The relationship between manager/leader behaviour and organisational commitment

The measuring instrument used in this study focuses on the affective dimension of organisational commitment and defines it as the extent to which employees show loyalty, enthusiasm and high levels of involvement towards the organisation, reflected in a willingness to do their best and exert considerable effort to take the company forward (Shirley, 2005).

This definition is in line with that of Mowday, Steers and Porter (cited in Chen, 2004) portraying organisational commitment as a three-dimensional construct, firstly being a strong belief in and acceptance of the organisation's values; secondly a willingness to exert considerable effort on behalf of the organisation; and thirdly a strong desire to maintain membership in the organisation. Although other dimensions of commitment exist, Randall (cited in Fletcher & Williams, 1996) conducted a meta-analysis of studies examining links between organisational commitment and work outcomes, and concluded that attitudinal commitment measures showed stronger relationships. Consequently, referring only to the affective dimension of organisational commitment in the present study is justified.

2.2.5.1 Empirical support

The particular role of the performance management practices to instil a sense of organisational commitment is best highlighted in a study reported by Fletcher and Williams (1996). The study examined the extent to which the main elements of performance management systems are associated with organisational commitment. Organisational commitment accounted for a fair proportion of variance in organisational commitment measures ($R^2 = 0.382$).

An extract of the results obtained from the multiple regression analysis is provided in Table 2.7. Beta and F-values were reported only for those variables that accounted for a significant amount of variance. See Table 2.3 earlier on in this research paper for a description of each performance management measure, as defined by Fletcher and Williams (1996).

Table 2.7
Multiple regression of organisational commitment

		Overall		Identification		Involvement		Loyalty	
Performance management measures		Beta	F	Beta	F	Beta	F	Beta	F
Goal	Participation	0.11	8.99	0.15	19.05	-	-	0.08	3.92
	Feedback	0.14	15.41	0.08	4.84	0.14	15.70	0.16	15.69
	Difficulty	-	-	-	-	0.11	5.62	-	-
	Specificity	0.16	16.47	0.13	10.51	-	-	0.14	10.63
	Short-term emphasis	-	-	-	-	-	-	-	-
	Strategic relevance	0.16	17.41	0.15	15.72	0.22	24.47	-	-
Perceived links	Effort / performance	-	-	-	-	-	-	-	-
	Performance / reward	0.15	19.50	0.25	59.29	-	-	-	-
Organisational communications	Aware of performance	0.12	12.31	0.12	12.65	-	-	-0.08	5.40
	Aware of development	-	-	-	-	-	-	-	-
	Multiple R	0.625		0.635		0.429		0.472	
	Adjusted R²	0.382		0.394		0.172		0.211	

Beta and F-values were reported only for those variables that accounted for a significant amount of variance.

Fletcher and Williams (1996, p. 175)

Although the patterns of relationships were weaker and somewhat different to that of job satisfaction discussed in Section 2.2.2, the study showed slight intercorrelation between organisational commitment and feedback received ($\beta = 0.14$), goal specificity ($\beta = 0.16$), strategic relevance of goals ($\beta = 0.16$), perceived link between performance and reward ($\beta = 0.15$), goal participation ($\beta = 0.11$), and awareness of organisational performance ($\beta = 0.12$). Goal difficulty showed a slight correlation with organisational involvement ($\beta = 0.11$).

Surprisingly, the perceived effort-performance link, awareness of new developments within the organisation, and short-term emphasis of goals did not show significant positive relationships with organisational commitment (Fletcher & Williams, 1996).

The variables more strongly related to organisational commitment than to job satisfaction were: (1) seeing the strategic relevance of one's goals; (2) being aware of how well the organisation is performing; (3) perceiving the link between performance and reward. According to Fletcher and Williams (1996) the focus on the broader organisation perspective in these aspects is in line with the commitment construct.

More studies have provided support for the hypothesised relationships between performance management practices (context, focus, development, resources, monitoring and feedback, and

consequences) and organisational commitment. These are outlined below as they relate to a specific performance management practice.

Providing context: In their findings about the relationship between leader communication and organisational commitment which was assessed across four samples, Mathieu and Zajac (1990) reported that all yielded a large corrected correlation of r = 0.454. Sharing information was also found to correlate positively with affective commitment, as reported by Meyer and Herscovitch (cited in Laka-Mathebula, 2004). To shed more light on the relationship between communication and organisational commitment, Postmes, Tanis and de Witt (cited in Laka-Mathebula, 2004) attempted to identify aspects of organisation commitment that might contribute to affective organisational commitment. They made a distinction between horizontal and vertical communication with horizontal communication referring to the informal interpersonal and socio-emotional interactions between immediate colleagues and vertical communication referred to work-related communications up and down the organisational hierarchy. Results of their studies show that horizontal communications are less strongly related with organisational commitment while vertical communication was found to be the stronger predictor of organisational commitment.

Providing focus and feedback: In a goal-setting field experiment, Ivancevich and McMahon (cited in Mathieu and Zajac, 1990) found that although goals per se had no direct influence on employees' organisational commitment, feedback did increase organisational commitment levels. In a study by Premack and Wanous (cited in Mathieu and Zajac, 1990) it was concluded that realistic job previews tend to have a modest positive influence on organisational commitment levels. Positive correlation coefficients were also reported between challenge, task autonomy, role ambiguity, role conflict and organisational commitment.

Providing development opportunities: In a meta-analysis of the antecedents, correlates, and consequences of organisation commitment, Mathieu and Zajac (1990) reported that perceived competence exhibited a large positive correlation (r = 0.630) with commitment across five samples, all of which assessed attitudinal commitment. An average corrected correlation of r = 0.136 was also obtained from three studies that assessed employees' ability or skill level and commitment. Extensive training was found to correlate positively with affective commitment, as reported by Meyer and Herscovitch (cited in Laka-Mathebula, 2004). Using hierarchical linear modelling, Whitener (cited in Laka-Mathebula, 2004) found that employee's commitment to the organisation is significantly related to both actual and

perceived HRM practices such as training opportunities. These findings are supported by Graetner and Nolien (cited in Laka-Mathebula, 2004) who found that employees who held the perception that their organisation was committed to training and development and internal mobility reported more organisational commitment than those who have a negative perception of their organisation's allegiance to employees. The results reported by Meyer and Smith (cited in Laka-Mathebula, 2004) further confirmed that positive and significant correlations were observed between HRM practices and organisational commitment, which ranged from 0.36 for training and benefits to 0.62 for performance appraisal and career development.

Providing consequences: In studies related to HRM practices researchers have shown a link between rewards and benefits and organisational outcomes. Pfeffer (cited in Laka-Mathebula, 2004) argues that reward systems such as a higher salary base, gain-sharing, bonuses and employee stock options act as incentives for employees to be committed and motivated to achieve organisation goals. In a study of 250 employees of a manufacturing operation, Oliver (cited in Laka-Mathebula, 2004) found a positive correlation ($r = 0.56$; $p < 0.01$) between work rewards and commitment. In a correlation study, Ogilvie (cited in Mathieu and Zajac, 1990) found significant relationships between employee's perceptions of the accuracy of a merit-based pay system and the fairness of promotional decisions and their organisational commitment levels. High compensation tied to organisational performance was also found to correlate positively with affective commitment, as reported by Meyer and Herscovitch (cited in Laka-Mathebula, 2004). Authors (Grusky; Iles; Snell & Dean; Kallenberg & Mastekaase, cited in Laka-Mathebula, 2004) have linked promotion procedures and the presence of promotion opportunities or career paths to have a positive relationship with organisational commitment. Supporting these results, Young and Worchel (cited in Laka-Mathebula, 2004) found high positive correlations between satisfaction with promotion opportunities and organisational commitment ($t = 0.1059$, $p < 0.01$).

Research with regards to the influence of manager/leader behaviour on organisational commitment has also been reported from a transactional versus transformational leadership perspective.

For example, positive relationships between transformational leadership and organisational commitment were reported by Dubinsky, Yammario, and Spangler (cited in Chen, 2004); Bycio, Hackett and Allen (cited in Schlechter, 2005). Chen (2004) reported substantial ($r = 0.48$; $p < 0.01$) correlations between organisational commitment and transformational leadership; and although weaker, positive but fair ($r = 0.16$) correlations were reported

between organisational commitment and transactional leadership at the 0.01 significance level. Regression analysis results with regards to specific transformational and transactional behaviours showed that idealised influence behaviour, contingent reward, and management by exception (passive) were significant predictors of organisational commitment within an innovative organisation culture; whilst idealised influence attributed, individual consideration, contingent reward and laissez-faire behaviours were the significant predictors of organisational commitment within a supportive and bureaucratic organisational culture (Chen, 2004). Similar results were reported by Pillai, Schriesheim and Williams (1999). In their study the relationship between transformational leadership and organisational commitment was significant for sample group one (r = 0.42; p < 0.01) and for sample group two (r = 0.61; p < 0.01). The relationship between transactional leadership and organisational commitment were slightly lower but still significant for sample group one (r = 0.40; p < 0.01) and for sample group two (r = 0.42; p < 0.01). A study conducted by Podsakoff, MacKenzie and Bommer (1996) also reported significant positive correlation coefficients between specific transformational leadership behaviours and organisational commitment. The reported correlation coefficients are presented in Table 2.8.

Table 2.8
Intercorrelations of transformational leader behaviours and organisational commitment   (N=1200)

Variables	Organisational Commitment
Transformational Leader Behaviours	
Articulating a vision	0.34*
Fostering acceptance of group goals	0.27*
High performance expectations	0.20*
Individualised support	0.25*
Intellectual stimulation	0.26*

* p < 0.01   Podsakoff, MacKenzie and Bommer (1996)

2.2.5.2 Theoretical support

Support for the relationship between performance management practices (context, focus, development, resources, monitoring and feedback, and consequences) and organisational commitment are furthermore provided by theoretical arguments. These are outlined below as they relate to a specific performance management practice.

Providing context and focus: Organisational commitment implies that employees identify with and experience a sense of involvement and loyalty towards the organisation's goals and

objectives (Mowday et al., cited in Chen, 2004). According to Menon (2001) at psychological level, a goal is an important energising element, particularly a valued cause or meaningful project. Just think about the energising power of a mission or a valued cause that has often been associated with religious and sovereign movements. For employees in modern organisation to be similarly enjoined in the organisational cause, they need to internalise the goals of the organisation. Descriptions and perspectives on this task of leaders and managers range from visionary and inspirational leadership (Bass, cited in Menon, 2001), charismatic leadership (Bass; Conger & Kanungo; House, cited in Menon, 2001), transformational leadership in general (Burns, cited in Menon, 2001), and more specifically the transformational leadership components idealised influence and inspirational motivation (Avolio, 1999). By emphasising the higher purpose or worthy cause, these type of leadership styles or practices empower employees to take part and be involved in the process of reforming or transforming the organisation (Yukl; Burke, cited in Menon, 2001).

Providing context and feedback: Social information processing theory suggests that practices of communications that promotes open communication within an organisation and open access to information, and free information sharing, can increase affective organisational commitment (Thornhill et al., cited in Laka-Mathebula, 2004). Information sharing is suggested to have direct influence on the variables associated with affective commitment by enhancing trust and building employee self-worth and perceptions of importance (Meyer & Allen, cited in Laka-Mathebula, 2004). Presumably, according to Mathieu and Zajac (1990) a manager who provides more accurate and timely types of communication enhances the work environment and thereby is likely to increase employees' commitment to the organisation.

Providing focus: According to McElroy (cited in Laka-Mathebula, 2004), organisations that give their employees more responsibility and autonomy indicate trust in their employees. This indication of trust in the employee might create a sense of obligation on the part of the employee. Consequently, this might lead to an increasing level of normative commitment.

Providing development opportunities: Training is likely to increase organisational commitment when employees view an effective training experience as an indication that the company is willing to invest in them (Tannenbaum, Mathieu, Salas, & Cannon-Bowers, cited in Robbins et al., 2002). Morris and Sherman (cited in Mathieu & Zajac, 1990) states that employees will become committed to an organisation to the extent that it provides for growth and achievement needs. Mc Elroy (cited in Laka-Mathebula, 2004) claims that organisations

that extensively train their employees create a reputation for valuing and developing employees. Increased self-worth and importance could be the mechanism through which training is predicted to increase organisational commitment. Mc Elroy argues further that those organisations that invest in training send a clear message to their employees that the organisation is committed to the development of its people. The employees are bound to respond in kind. The response might be in the form of affective commitment because of the psychological attachment to the organisation and its goal that is induced by organisation specific training, or it might be a moral obligation to give the organisation its money's worth if the organisation has funded the training.

Providing consequences: Performance-reward contingencies and pay equity have both been shown to be precursors of organisational commitment (Bateman & Strasser; Florkowski & Schuster; Mottaz, cited in Robbins et al., 2002, p. 431). An important issue for managers, however, is to establish the types of rewards that will gain meaningful commitment. Rewards should acknowledge employees' worth and contributions (Mc Gregor, cited in Robbins et al., 2002). According to McElroy (cited in Laka-Mathebula, 2004), high compensation serves as an indication of how much an organisation values its people, thereby enhancing their self-worth and feelings of importance associated with affective organisational commitment.

Considering the overview of empirical studies and theoretical arguments discussed above, it is expected that the hypotheses below will be confirmed.

Hypothesis 4: Positive linear relationships exist between the performance management practices (context, focus, resources, development, monitoring, and consequences) and organisational commitment.

Hypothesis 10: Performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict organisational commitment.

2.2.6 The relationship between manager/leader behaviour and employee empowerment

The High Performance Practices Survey which was used as measuring instrument in this study defines employee empowerment in terms of the extent to which employees feel they have what it takes to succeed, and the extent to which employees take responsibility (Shirley, 2005). This perspective on employee empowerment encompasses key dimensions of perceived competence and perceived control or self-determination included in definitions

proposed by Robbins et al. (2002); Bennis and Nanus (cited in Menon, 2001); and Menon (2001).

To highlight the role of the leader / manager to instil a sense of employee empowerment as portrayed in the literature, we refer to the integrated framework of the empowerment process by Robbins et al. (2002). In their integrated framework presented in Figure 2.5, Robbins et al. (2002) clarifies the role of important contextual, environmental, cognitive, and behavioural variables in the empowerment process. They propose that the most critical step in the empowerment process is the creation of a local work environment within a broader organizational context that will provide both an opportunity for employees to exercise their full range of authority and power (i.e. empowered behaviours), as well as the intrinsic motivation within employees to engage in that type of behaviour (i.e. psychological empowerment).

According to Robbins et al. (2002); and Thomas and Velthouse (cited in Howard & Foster, 1999) psychological empowerment is manifested in four cognitions specific to an employee's task or work role. These components are viewed as the essential prerequisites for the motivation to engage in empowered behaviours in the work environment, and include: 1) meaning – i.e. the fit between work role requirements and one's beliefs, values, and behaviours; 2) competence – i.e. one's work role efficacy or personal mastery; 3) self-determination – i.e. one's sense of choice or autonomy in initiation and regulation of actions, work behaviours and processes; and 4) impact – i.e. one's perceived degree of influence over outcomes in one's work environment.

The empowerment process as outlined in Figure 2.5 illustrates how the local work environment (i.e. job structure, human resources practices, and local management actions) is proposed to influence important intervening perceptions and attitudes which are key links in the process by which both the organisation context and the local work environment influence psychological empowerment. These intervening employee perceptions and attitudes are employees' perceived 'opportunity' to influence workplace outcomes; perceived level and nature of 'organisational support'; as well as attitudes such as 'trust' and 'commitment'.

Organisation context

Intervening perceptions & attitudes
- Opportunity
- Support
- Commitment & Trust

Psychological empowerment
- Impact
- Competence
- Meaning
- Self-determination

Empowered behaviour
- Willingness to take responsibility and exercise discretion

Local work environment
- Job structure (transference of power & authority; Resources and information-sharing)
- HR practices (training; performance feedback & evaluations; reward and discipline systems)
- Local management actions

Figure 2.5: **The empowerment process (Robbins et al., 2002, p.421)**

It was decided that it is beyond the scope of this research study to include separate literature reviews on the relationship between management practices and each of the intervening perceptions and attitudes, neither the four cognitions manifested as psychological empowerment which have been outlined as key links to employee empowerment behaviour as illustrated in Figure 2.5.

Some of the theoretical arguments on which the integrated framework in Figure 2.5 has been based, are however summarised below as they relate to the performance management practices (context, focus, development, resources, monitoring and feedback, consequences) being investigated in this study.

Providing context: According to Figure 2.5, meaning is a prerequisite for the motivation to engage in empowered behaviour. In order to perceive meaning in the task, employees must perceive that they identify with the organisation based on a desire for affiliation or internalisation (Allen & Meyer, cited in Robbins et al., 2002). The manager's role in establishing a sense of meaning, identification with, and strong belief, acceptance and enthusiasm about the goals and future of the organisation are concepts that have been discussed in the Section 2.2.5 on organisational commitment (Avolio, 1999; Mowday et al., cited in Chen, 2004; Bass; Conger & Kanungo; House, cited in Menon, 2001; Burke, cited in Menon, 2001; Burns, cited in Menon, 2001; Menon, 2001; Yukl, 2002).

Providing focus: According to Figure 2.5, trust is a key attitude in the process of influencing psychological empowerment. When managers delegate responsibility and provide clear expectations associated with increased authority, responsibility and accountability it instils a sense of trust (Allen & Meyer, cited in Robbins et al., 2002).

*Monitoring***:** According to Figure 2.5, trust is a key intervening attitude in the process of influencing psychological empowerment. Carson, Cardy, and Dobbins (cited in Robbins et al., 2002, p. 430) suggest that reduced trust is likely to occur when employees perceive performance evaluations to be unfair for example being held accountable for outcomes which were not agreed on or not job-relevant; or being held accountable for poor outcomes when they are not attributable to the employee. See Section 2.2.4 for more on the fairness of evaluations.

Providing feedback: According to Figure 2.5, competence is a prerequisite to the development of the motivation to engage in empowered behaviour. Constructive feedback is viewed as being fundamental to reinforce a sense of competence (Spreitzer, cited in Robbins et al., 2002). Accurate, informative, constructive feedback also allows the employee the opportunity to correct behaviours in areas where needed and is therefore likely to be an important influence on perceived support, which is viewed as a prerequisite for the motivation to engage in empowered behaviour. Regular, timely, two-way, adequate and constructive feedback and appraisal discussions also leaves employees feeling fairly treated, which influences trust which is a key intervening attitude in the process of influencing psychological empowerment.

Providing development opportunities: According to Spreitzer (cited in Robbins et al., 2002) providing the skills and abilities that individuals need to feel competent are critical for enhancing psychological empowerment. A company's commitment to adequately train employees in skills necessary for effective decision making and other important job behaviours is likely to have a positive effect on an employee's perceived support to exercise authority effectively. As a result of the transfer of decision-making authority, employees may often experience a sense of incompetence. This may occur if the organisation does not provide training which is adequate to the new job requirements (Robbins et al., 2002).

Providing resources: When employees perceive that they have the support of organisational resources, they feel enabled to exercise opportunities for impact and they feel competent. This need for congruence between the level of authority transferred and the support for it is also

highlighted in the empowerment literature by Ford & Fottler; Lawler; and Walton (cited in Robbins et al., 2002).

Apart from the theoretical arguments discussed above, many of the theories of human motivation and motivational approaches to job design propose the existence of links between management behaviour and the components of psychological empowerment mentioned above.

For example, many of the motivators identified by Maslow (cited in Robbins et al., 2002) such as opportunities for self-actualisation (doing meaningful work), autonomy (responsibility), feelings of worth (doing what is worthwhile and that has impact); and those motivators suggested by Herzberg (e.g. work itself being meaningful, achievement and responsibility) are inherent in the cognitions of psychological empowerment. In the same way both competence and impact are encompassed within Vroom's expectancy model – i.e. effort-performance, and performance-outcome (cited in Robbins et al., 2002).

Considering the overview of the theoretical arguments discussed above it is legitimate to expect that the hypotheses below will be corroborated.

Hypothesis 5: Positive linear relationships exist between the performance management practices (context, focus, resources, development, monitoring, and consequences) and employee empowerment.

Hypothesis 11: Performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict employee empowerment.

2.2.7   The relationship between manager/leader behaviour and team cohesion

The measuring instrument used in this study defines team cohesion as the extent to which there exists a shared commitment and sense of cooperation towards common goals and performance objectives, a sense of interpersonal attraction and high morale (Shirley, 2005).

This perspective on team cohesion is in line with the long-held notion that the components of cohesion are task commitment, interpersonal attraction and group pride (Mullen & Copper, cited in Beal, Burke, Cohen & McLendon, 2003). According to these authors interpersonal attraction is a shared liking for or attachment to the members of the group; task commitment is the extent to which shared commitment towards the group's task exists; and group pride is a

liking for the status or the ideologies that the group supports or represents or the shared importance of being a member of the group (Beal et al., 2003).

Support for the hypothesised relationship between performance management practices and team cohesion is provided in a study by Doolen, Hacker and Van Aken (2006). This study reported significant relationships between organisational context variables and team process. Team process referred to both the level of collaboration between team members as well as the type of activities used by teams to achieve their objectives. Organisational context variables measured the extent to which the organization provided the team with resources and support it needed to be successful (i.e. clear goals, resources, feedback and recognition, training, and information availability).

- The linear relationship between resource allocation and team process was significant ($\beta = 0.588$, $p \leq 0.05$). This finding implied that team members who perceived they had sufficient resources also perceived their interactions with each other as more collaborative.

- Significant relationships were found between access to technical and business information systems and team process ($\beta = 0.782$, $p \leq 0.01$). Implicitly, teams who perceived that they received and / or had access to information also perceived their level of collaboration with each other to be higher.

In a qualitative study conducted by Wageman (2001) the ways in which leaders foster self-managing team effectiveness were investigated by means of manager interviews and team surveys. The independent variables gave a reflection of the leaders' effectiveness in providing clear direction, core strategy norms, recognition and reward, information, and training and technical consultation, material resources; as well as the leaders ability to identify the team's problems and facilitate problem-solving discussion. The dependent variables gave a reflection of the quality of group processes, the team's sense of collective responsibility, and the team's ability to solve problems or manage/improve their performance.

- A significant positive linear relation was reported between direction ($r = 0.41$, $p < 0.05$) and managing performance, implicating that if teams were provided with a clear statement of their purpose (in terms of ends and not necessarily the means) the team displayed a better ability to solve their problems and manage/improve their performance.

- Significant positive linear relationships were reported between core strategy norms and quality of the process ($r = 0.70$, $p < 0.05$) and managing performance ($r = 0.57$, $p < 0.05$). This finding implied that when leaders effectively articulated norms representing

expectations of strategic planning, the quality of team processes and interactions were perceived as being better, and the team ability to solve their problems and manage/improve their performance.

- Significant positive linear relationship were reported between group rewards and collective responsibility ($r = 0.55$, $p < 0.05$) and managing performance ($r = 0.57$, $p < 0.57$). These findings implied that if group-level excellence were recognised and rewarded, the teams displayed a greater sense of shared responsibility and more effectively solved their problems or improve their performance.

- The relationship between material resources and collective responsibility were significantly positive ($r = 0.51$, $p < 0.05$). Implicitly where teams were provided with the basic material resources they needed to accomplish their work, the team's sense of shared responsibility were higher.

- In the last instance, it was reported that if leaders applied problem-solving facilitation which was a coaching (i.e. skills development)-type behaviour, the team's ability to manage/improve their performance were better ($r = 0.58$, $p < 0.05$) and the quality of team processes and interactions were perceived as being better ($r = 0.40$, $p < 0.05$).

Although team cohesion factors are defined differently by different researchers, Stashevsky and Koslowsky (2006) note that the social and motivational component plays a critical role in the cohesiveness construct. Subsequently it would be expected that a group led by a transformational leader who stresses motivation and stimulation would also evince greater group cohesion.

In a study reported by Stashevsky and Koslowsky (2006, p.68) it was found that the relationship between leadership style and the team's cohesiveness was small but positive ($r = 0.17$; $p < 0.01$). When the means of team cohesiveness of the two leadership styles were compared, it was concluded that transformational leaders, as compared to transactional ones, can be associated with higher levels of team cohesiveness (Stashevsky & Koslowsky, 2006).

In a study reported by Wang, Chou and Jiang (2005, p.178), a path analysis with structural equation modelling was conducted to test the hypothesis that charismatic leadership style will positively influence the extent of team cohesiveness. The hypothesis was supported with a path coefficient of 0.44. The *t*-statistics for the hypothesis indicated that the relationship between charismatic leadership and cohesiveness holds statistical significance ($t = 4.47$, $p < 0.05$).

In a study conducted by Özaralli (2003, p.338) it was reported that transformational leadership had a high positive (r = 0.619) and significant (p < 0.05) correlation with perceived team effectiveness. The results of this study implied that the employees who worked under transformational leaders evaluated their teams' effectiveness more favourably. They expressed a high level of innovativeness, efficient in-group communication among the members and a high level of performance and goal attainment within the groups they belonged to. House and Shamir (cited in Özaralli, 2003, p.341) argued that transformational leaders arouse the affiliation motive among followers, which derives their followers to become more cohesive, which in turn affects collective efficacy and perceived team effectiveness.

Considering the empirical studies discussed above, it is expected that the following hypotheses will be confirmed.

Hypothesis 6: Positive linear relationships exist between the performance management practices (context, focus, resources, development, monitoring, and consequences) and team cohesion.

Hypothesis 12: Performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict team cohesion.

2.2.8   Conclusion

Several theoretical arguments and empirical studies were considered which distinctively supported the relationships between the performance management practices (context, focus, resources, development, monitoring, and consequences) and the desired employee outcomes (job satisfaction, intention to quit, fairness, organisational commitment, employee empowerment, and team cohesion). In light of these arguments and empirical findings it is expected that all the hypotheses will be confirmed.

Throughout this Section transformational and transactional leadership behaviours were reported to correlate significantly with desired employee outcomes. To fully appreciate the relevance and embed these findings within the context of this study, some apparent links are concluded below.

- Providing employees with *context* is encompassed in Inspirational Motivation and Idealised Influence where the leader articulates a vision, paints an interesting picture of the future for the group, has a clear understanding of where the organisation is going, inspires

others with his/her plans for the future, and is able to get employees committed to his/her dream of the future (Podsakoff et al., 1996, p. 267), thus advocating a cause or mission with which employees can identify with, and providing meaning, challenge, enthusiasm and optimism about the future (Avolio, 1999).

- Providing employees with *focus* and *consequences* are behaviours encompassed in Contingent Reward where the leader assigns or secures agreements on what needs to be done and promises rewards or actually rewards employees in exchange for satisfactorily carrying out the assignment (Avolio, 1999, p.49).

- Providing employees with *development opportunities* and *quality feedback* are actions inherently associated with Individualised Consideration where the leader shows respect for employees' feelings, are sensitive and considerate, behaves in a manner that is thoughtful of employees' personal needs, and pays special attention to employee's needs for achievement and growth by acting as coach, mentor, teacher, facilitator, confidant, and counsellor (Avolio, 1999; Podsakoff et al., 1996).

- Providing employees with *quality feedback* is an action implied by Intellectual Stimulation, where managers provide employees with new ways of looking at things which used to be puzzle them, provide ideas that encourages employees to rethink ideas never questioned before, stimulates employees to think about old problems in new ways (Podsakoff et al., 1996, p. 268), thus assisting and challenging employees to resolve problems and continuously improve the way things are done.

- *Monitoring* performance in an objective manner and providing *frequent feedback* are behaviours encompassed in Management-by-Exception (active and passive), where the leader monitor deviations from standards in the employee's job assignments and take corrective action as necessary. When active, the leader / manager arranges to actively and vigilantly monitor deviations from standards, mistakes and errors in the employee's assignment and take corrective action as necessary. When passive the leader / manager waits for deviations, mistakes and errors to occur and then takes corrective action (Avolio, 1999, p. 50).

It is acknowledged that numerous other leadership / management styles and theories exist (Yukl, 2002) which could have been included in the overview of the literature above.

2.3   ORGANISATIONAL CULTURE AND ITS ASSOCIATION WITH PERFORMANCE MANAGEMENT PRACTICES

2.3.1   Culture defined

In his definition of organisational culture, Schein (cited in Nelson & Quick, 2003, p.539) makes provision for three 'levels' of analysis. According to him organisational culture is defined in terms of three levels. The levels are:

1) Invisible and even preconscious basic assumptions and beliefs shared by organisational members

2) Values – that represent the principles and standards valued by organisational members

3) Overt visible artefacts, which include management behaviour, decisions and processes

Artefacts range from physical aspects such as architecture to forms of language to rituals. Artefacts are thus visible, tangible and audible demonstrations of behaviour supported by the organisational norms, values, assumptions and beliefs (Schein, cited in Petkoon & Roodt, 2004).

To an extent encompassed within this third overt visible layer, is the description of an organisation's climate. The concept of organisational climate refers to the general 'feel' or 'psychological atmosphere' of the organisation as perceived by the employees (Kline & Boyd; Lewin & Prakasam, cited in Cilliers & Kossuth, 2002, p.8). As defined by Litwin and Stringer (cited in Martins & Von der Ohe, 2003, p.44) organisational climate refers to the set of measurable properties or dimensions of the work environment that people who live and work in this environment perceive directly or indirectly and that are assumed to influence their motivation and behaviour. Schneider, Brief & Guzzo (1996, p.10) furthermore observes that climate are studied with regards to the nature of the interpersonal relationships, the nature of the hierarchy, the nature of work, or the focus of supported and rewarded. All of these dimensions of climate refer to tangible and audible demonstrations of behaviour supported by the organisational norms, values, assumptions and beliefs (Schein, cited in Petkoon & Roodt, 2004).

Adding to this, the notion that managers create an organisational climate that reflects their beliefs about people (Mc Gregor, cited in Schneider, Brief & Guzzo, 1996), the supposition is adopted in this study that 'organisational climate' is encompassed in Schein's three-level

definition of 'organisational culture'. This supposition is to some extent supported by the following authors:

- According to Schneider, Brief and Guzzo (1996), values and beliefs (part of culture) influence members' interpretations of organisation policies, practices and procedures (climate), and to assure sustainable organisational change it is necessary to change both the climate – what the organisation's members experience or perceive; and the culture - what members believe the organisation values.

- According to Olivier (cited in Martins & Von der Ohe, 2003) organisational climate and organisational culture is related in that the former is a measure of the perceptions of individuals working the organisation, of the organisation's culture and their reaction to it.

For the purpose of this study the concepts 'organisational climate' is thus encompassed in 'organisational culture' and are therefore not discussed separately. However, in the analysis of dimensions discussed further on in the study, both 'organisational culture' and 'organisational climate' dimensions is included in the analysis (see Section 2.3.4).

2.3.2   The leader / manager's role in shaping and reinforcing culture

Each level of culture has a natural tendency to influence the other. According to Kotter & Heskett (1992, p. 4) the causality can flow in both directions, implicating that behaviour and practices can influence the less visible values, assumptions and attitudes.

This is an important point of reflection and consideration for this research study of which the key aim is to determine the extent to which effective implementation of performance management practises (i.e. management behaviours) can influence employee attitudes.

According to Schein (cited in Nelson & Quick, 2003), leaders / managers do play a crucial role in shaping and reinforcing culture. According to him, the elements, in managing culture are as follows:

1)   What leaders/managers pay attention to

2)   How leaders allocate rewards

3)   How leaders hire and fire individuals

4)   How leaders behave themselves (i.e. role modelling, teaching, coaching, reinforcing)

5)   How leaders/managers react to crisis

Three of these ways in which leaders / managers can influence culture show clear links to and are therefore relevant to the context of this study as they relate to core performance management practices. The links with performance management practices that have been observed in 'what leaders / managers pay attention to', and 'how they allocate rewards' and 'how they hire and fire individuals' will be discussed below.

2.3.2.1 What leaders / managers pay attention to

According to Schein (cited in Nelson & Quick, 2003) leaders / managers play a crucial role in shaping and reinforcing culture through the themes that consistently emerge from what they focus on. These themes can be reflected in what they communicate, give priority to, value, notice, comment on, measure and control.

If leaders are consistent in what they pay attention to, measure, control, develop and so forth, employees receive clear signals about what is important in the organisation. If, however, leaders are inconsistent, employees spend a lot of time trying to decipher and find meaning in the inconsistent signals.

Practically applied within the context of performance management, the following performance management practices could probably then also be included as ways in which managers influence culture:

- *Providing context*: The effectiveness with which leaders / managers articulate and communicate a clear vision, value-system and strategic intent that is understood and provides meaning for everyone in the organisation.

- *Providing focus:* The effectiveness with which leaders / managers translate the strategy into clear, measurable goals and objectives that provides clear accountabilities and performance level expectations.

- *Monitoring and feedback:* The effectiveness with which leaders / managers monitor that goals, norms and standards (that which is believed to be important) are being followed-through; and the effectiveness with which they provide feedback to employees on whether they are on the 'right track' or not.

- *Providing resources*: The effectiveness with which leaders / managers provide the necessary resources in terms of efficient business processes, structures and job aids that are required to achieve those goals, priorities and values which are important.

- *Providing development opportunities*: The effectiveness with which leaders / managers coach, develop, mentor and even role-model the necessary skills and competencies employees need to achieve those priorities and values.

To the extent of the link suggested above, the high performance practices under investigation in the study do show promising possibility to influence culture.

Proposition 1:   Providing context, focus, monitoring and feedback, resources and development opportunities are ways in which leaders / managers can shape and reinforce culture.

2.3.2.2 How leaders / managers allocate rewards, hire and fire

According to Schein (cited in Nelson & Quick, 2003) leaders / managers play a crucial role to ensure values are accepted and the organisation's culture is shaped, by *rewarding* behaviour that is consistent with the values. For example if the organisation values teamwork, team-level contributions should be rewarded. If the organisation values quality service or innovation those kinds of contributions should be rewarded. If, however, there is not consistency between an organisation's values and what it rewards, a confusing signal is sent to employees about the organisation's culture.

Furthermore, the way in which leaders / managers in organisations fire employees, and the rationale behind those firings, also communicate the culture. Some organisations increase perceptions of fairness in that they consult with trade unions, have employee assistance programmes and deal with poor performers by trying to find a place within the organisation where they can perform better and make a contribution. Other organisations seem to operate under the philosophy that those who cannot perform are out quickly or vehemently managed. In the same way in some organisations employees may simply be reprimanded if they behaved unethically, whilst in other organisations they will get no second chance. Labour legislation does however provide guidelines in this regard to generally ensure fair treatment of employees.

In light of these arguments, the following performance management practice could probably then also be included as a way in which leaders / managers influence culture.

- *Providing consequences*: The effectiveness with which leaders / managers create the link between expected performance or behavioural norms and rewards and recognition; and the

effectiveness with which leaders / managers create the link between unexpected performance or behavioural norms and rewards and recognition.

To the extent of the link suggested above, the high performance practices under investigation in the study do show promising possibility to influence culture.

Proposition 2: Providing consequences is a way in which leaders / managers can shape and reinforce culture.

2.3.3 Functions and effects of organisational culture

It has been said that any discussion of performance in organisations is incomplete without reference to the construct 'organisational culture'.

This point has been supported by Kotter and Heskett (1992) who has established that there is a significant relationship between corporate culture and long-term economic performance. Their main findings were reported elsewhere in this research paper (see Section 1.1.5).

In addition to Kotter and Heskett's findings with regards to culture's significant impact on performance, Nelson and Quick (2003) highlights how in an organisation, culture serves four basic functions. All of these are relevant in the context of endeavouring to improve individual employees' performance in organisations.

- First, culture provides employees with a sense of identity which increases their commitment towards the organisation, thus their motivation to perform optimally and helping to take the company forward.

- Secondly, culture is a sense-making device for employees. It provides a way for employees to interpret the meaning of organisational events. Meaning (i.e. the fit between work role requirement and the individual's beliefs, values and behaviours) is a key dimension of psychological empowerment (Robbins, Crino & Fredendall, 2002), which in turn leads to improvement initiatives and performance results.

- Thirdly, culture reinforces the values in the organisation. The values organisations aspire to are usually adopted because they are associated with high- performance results.

- Fourthly, culture serves as a control mechanism for shaping behaviour. Norms that guide behaviour are part of culture. A consistent emphasis on quality or service can become a norm that, if adopted throughout the organisation, leads to several quality or service improvement initiatives.

However organisational behaviourists and researchers may debate how the effects of culture should be quantified, it seems that managers attest to the positive effects a strong culture, that 'fits' the industry or organisation's strategy, has on individual and business performance results (Kotter & Heskett, cited in Nelson & Quick, 2003).

2.3.4   Organisational culture dimensions

2.3.4.1 Introduction

Considering the relevance and impact of organisational culture on an organisation's ability to perform, it seems a necessity that mechanisms exist whereby organisations are able to gain sound insight into their own cultures.

The organisational culture and climate dimensions proposed by Martins and Von der Ohe (2003); Van der Post et al. (1997); Koys and DeCotiis (1991); and Gantz Wiley Research (cited in Ashkansy et al., 2000) resembles such efforts.

In the sections to follow, a summary will be provided of the studies and conclusive dimensions that have been identified by each of these authors.

2.3.4.2 Martins and Von der Ohe' s study

The aim of a study done by Martins and Von der Ohe (2003) was to validate an organisational climate questionnaire (Martins & Martins, cited in Martins and Von der Ohe, 2003) that has been adapted and used during a phase of organisational and environmental change in South Africa.

A   sample group (n = 9438) completed the initial questionnaire which consisted of 223 questions grouped into 14 dimensions. Factor analysis was employed. Reliability of each factor was determined by means of an item analysis. The varimax rotation isolated 13 factors which accounted for 49.5% of the variance and the internal consistency of the 13 dimensions varied from 0.85 to 0.97.

Conceptual naming of the 13 factors after detail inspection of the individual items produced the names and definitions displayed in Table 2.9 below.

Table 2.9
Organisational climate dimensions

Dimension name	Definition
Strategic focus	This dimension focuses on the overall satisfaction with the organisational vision and mission and their alignment with departmental and individual objectives.
Management and leadership style	This dimension includes managerial functions such as coaching, the role of senior management, means to achieve objectives and information sharing. Important concepts that were also grouped under this dimension are trust and leadership style.
Performance management	The items included in this dimension measure satisfaction with all aspects of performance management such as the performance agreement, an understanding of the process of, and training in performance management
Policies and procedures	This dimension focuses on the fairness of a number of policies and procedures such as recruitment, selection, promotions, succession planning, HIV/AIDS and retention. All these policies and procedures can influence the perception of fairness and equality in an organization.
Training and development	This dimension focuses on elements of training and development such as providing training programs, career development and the application of training.
Work environment	This dimension focuses on working conditions and the set-up of the work environment that may influence an employee's job satisfaction or effectiveness.
Recognition and rewards	This dimension focuses on rewards for and recognition of good performance.
Teamwork	The six items included in this dimension focus on aspects that impact on effective teamwork such as team trust, co-operation and motivation.
Attracting and retaining talent	Attracting and retaining talent: This factor grouped all aspects relating to the reasons why people join a company and the reasons why employees stay with a company. Aspects such as equal opportunities, management quality, job security , advancement opportunities and work/life balance are included.
Organisation values	The factor analysis identified 17 values or value-related items that were included in this dimension.
Fairness of organisational practices	The factor analysis identified 27 items that focus on different issues that may be perceived as fair/unfair in an organization. Issues such as equality, gender equity, racism, affirmative action, discipline and grievances were grouped under this dimension.
Employment Equity	The dimension focuses on the expectations and implementation of employment equity and the processes that are needed to support it.
Discrimination regarding promotions	The factor analysis identified seven items that focus on discrimination relating to promotions of the different race, gender, disability and age groups.

Martins and Von der Ohe (2003)

The results obtained in the study supported many of the typical dimensions measured in traditional climate surveys such as training and development, organisational values, recognition and rewards, team work, strategic focus and performance management. However, it appeared that the continuous changes in South Africa and the implementation of new legislation (e.g. employment equity and skills development) have necessitated the introduction of new dimensions such as fairness of organisation practices, employment equity

and discrimination regarding promotions. These aspects are very important for as the constitutional framework for performance management.

2.3.4.3 Van der Post, de Coning and Smit's study

In a study done by Van der Post et al. (1997) literature was reviewed to identify organisational culture dimensions by various American researchers for example Likert, Litwin and Stringer, Gordon, Gordon and Cummings, Peters and Waterman, Robbins and Rossiter. As a result 114 dimensions of organisational culture were identified. Individually these dimensions were found not to be unique due to the fact that many of them, to some extent overlapped. To develop an instrument by means of which organisation culture may be measured, it was necessary to distil from the 114 dimensions a set of unique dimensions.

To synthesise the dimensions identified, a panel of South African human resources experts followed a two-step process, comparing all the dimensions with each other and grouping them into logical categories. As a result fifteen dimensions of culture emerged which are displayed with their definitions in Table 2.10.

Table 2.10
Dimensions of culture

Dimension name	Definition
Culture management	The extent to which the organization actively and deliberately engages in shaping the organization's culture
Identification with the organisation	The degree to which employees are encouraged to identify with the organization.
Organisation focus	The extent to which the organization is perceive to be concentrating on those activities which form part of the fundamentals of the business.
Goal clarity	The degree to which the organization creates clear objectives and performance expectations
Performance orientation	The extent to which emphasis is placed on individual accountability for clearly defined results and a high level of performance.
Human resources orientation	The degree to which the organization is perceived as having a high regard for its human resources
Management style	The degree to which managers provide clear communication, assistance and support to their subordinates.
Task structure	The degree to which rules and regulations and direct supervision are applied to manage employee behaviour.
Reward orientation	The degree to which reward allocations are based on employee performance in contrast to seniority, favouritism or any other non-performance criterion.
Disposition towards change	The degree to which employees are encouraged to be creative and innovative and to constantly search for better ways of getting the job done
Employee participation	The extent to which employees perceive themselves as participating in the decision-making process of the organization.

Dimension name	Definition
Locus of authority	The degree of authority, freedom and independence that individual employees have in their jobs.
Organisation integration	The degree to which various subunits within the organization are actively encouraged to operate in a coordinated way by co-operating effectively towards the achievement of overall organizational objectives.
Customer orientation	The degree to which the organization takes the views of customers seriously and actively responds to such views.
Conflict resolution	The degree to which the organization is perceived to encourage employees to air conflicts and criticisms openly

Van der Post et al. (1997)

An initial item pool was developed and inspected and evaluated by a panel of human resources managers, resulting in preliminary questionnaire consisting of 169 items, measuring 15 dimensions with between 9 and 15 items per dimension. The questionnaires were handed to a group of people in eight different organizations and 408 were returned.

An item analysis was carried out on the scores to select the best items (i.e. shorten the questionnaire) and determine reliability. Ninety-seven items were retained in the final questionnaire. The reliability coefficients for each of the culture dimensions varied between 0.788 and 0.932.

Following the item analysis, the data relating to the retained 97 items were factor analysed. A principal factor analysis with an orthogonal varimax rotation was used. Fifteen factors with eigen values > 1.0 were identified. Factor loading of between 0.8408 and 0.3916 were obtained, suggesting an acceptable level of construct validity. The factors that emerged were identical to the construct initially identified in the list above. The items selected were randomly reordered for inclusion in the final questionnaire.

The cross-cultural equivalence of the same instrument was later on assessed by Erwee, Lynch, Millett, & Smith (2001), in an Australian context. The sample consisted of 326 respondents from a population of managers of the Australian Institute of Management. The study confirmed the instrument's validity and internal consistency within an Australian context. It did however conclude that further research is required into the functional and conceptual equivalence of the survey items and dimensions underpinning the items to conclusively establish its utility.

2.3.4.4 Koys and DeCotiis' study

In a study done by Koys and DeCotiis (1991) the organisational climate dimensions reported in the literature served as starting point in the dimension identification process. Over 80 differently labeled dimensions were reported in the literature. In an effort to reduce this number of named dimensions to a manageable yet comprehensive universe of psychological climate dimensions, decision rules were established in accordance with the meaning of psychological climate. Subsequently only dimensions were included which measured perception rather than objective measures; which measured the descriptive rather than the affective; and which did not measure aspects of organizational structure. Sixty one of the reported climate dimensions survived the process. The numbers were reduced still further by clustering the dimension labels found in the literature into smaller number of categories and eliminating those unique to a particular study. As a result forty five dimensions were retained and categorized into eight concepts viewed as the universe of psychological climate. These eight categories of dimensions are listed and defined in Table 2.11 with linked/corresponding labels as found in the literature opposite to them.

Table 2.11
Dimensions of climate

Dimension name	Definition	Linked labels found in the literature
Autonomy	The perception of self-determination with respect to work procedures, goals and priorities.	Autonomy; closeness of supervision (reversed); individual responsibility; leader's initiation of structure (reversed)
Pressure	The perception of time demands with respect to task completion and performance standards.	Job pressure; role overload; role conflict; role ambiguity; time span orientation; achievement emphasis; job standards; measuring of results; production emphasis.
Support	The perception of the tolerance of member behaviour by superiors, including the willingness to let members learn from their mistakes without fear of reprisal.	Support; leader's consideration; leader work facilitation; leader's psychological distance; hierarchical influence; management awareness.
Recognition	The perception that member contributions to the organization are acknowledged.	Recognition and feedback; opportunities for growth and advancement; reward-punishment relationship; rewards.
Trust	The perception of freedom to communicate openly with members at higher organizational levels about sensitive or personal issues with the expectation that the integrity of such communications will not be violated.	Intimacy vs aloofness; leader trust; management insensitivity (reversed); managerial trust; openness.
Cohesion	The perception of togetherness or sharing within the organization setting including the willingness of members to provide material aid.	Cohesiveness; conflict (reversed); espirit; peer relations; status popularization (reversed); universalism; workgroup cooperation, friendliness and warmth;

Dimension name	Definition	Linked labels found in the literature
		sociability.
Fairness	The perception that organizational practices are equitable and non-arbitrary or capricious.	Fairness and objectivity of the reward system; promotion clarity; policy clarity; policy clarity and efficiency of structure; altruism; egalitarianism.
Innovation	The perception that change and creativity are encouraged, including risk-taking into new areas or areas where the member has little or no prior experience.	Innovation; organisational flexibility; impulsive; security vs. risk; challenge and risk; future orientation.

Koys and DeCotiis (1991)

For each of the eight dimensions listed above, five-item scales were developed and tested in a sample (n = 367) of managerial employees. Coefficients alpha for the scales ranged from 0.80-0.89. When the 40 items were submitted to a factor analysis with an oblique rotation, eight factors were produced, generally corresponding to the eight summary dimensions. These results were validated by using a separate sample (n = 84) of managerial and professional employees.

2.3.4.5 Studies based on Gantz Wiley's linkage research model

As a starting point for a series of studies done by Wiley (cited in Ashkanasy et al., 2000) a summary was made of approximately 20 research studies examining the relationship between how employees describe their work environment and the relative performance success of those work environment. The purpose was to identify those elements of the work environment – as described by employees – that correlate, or link to critically important organisational outcomes. From this summary the linkage research model was developed which suggests that the more present certain organisational or leadership practices are in a given work environment, the more energised and productive the workforce. In turn, the more energised and productive the workforce, the greater the satisfaction of customers and the stronger the long-term business performance of the organisation.

With the linkage research model as foundation, Gantz Wiley Research (cited in Ashkanasy et al., 2000), reported three case studies. These case studies measure employee perceptions, customer perceptions (secret shopper evaluations of customer surveys) and key business performance measures. The settings and the databases that were analysed for all three case studies are described in Table 2.12.

Table 2.12
Summary of case studies based on the linkage research model

	Employee perceptions	**Customer perceptions**	**Business performance**
1ˢᵗ study	Employee survey (n=2422; 79 items; 15 dimensions	Customer survey (n=15 455; 70 items; 8 dimensions)	Productivity ratio Number of teller transaction/ FTE (full time equivalent)
2ⁿᵈ study	Employee survey (n=5945; 128 items; 19 dimensions)	Secret shopper evaluation (56 items)	Sales growth
3ʳᵈ study	Employee survey (n=1476; 66 items; 11 dimensions)	Customer survey (n=3341; 68 items; 8 themes)	Profit as percentage of revenue Responsiveness

Gantz Wiley Research (cited in Ashkanasy et al., 2000)

Based on the integrated results of these case studies a summary was obtained of how employees in successful organizations (i.e. good customer and performance ratings) describe their work environments. The work climate dimensions (i.e. employee perception measures implicit in the linkage research model) which were identified as characteristics of high–performance organizations are presented in Table 2.13.

Table 2.13
Characteristics of high-performance organisations: The employee perspective of work climate dimensions

Leadership practices

Dimension	**Description**
Customer orientation	Employees see a strong emphasis on customer service, and in fact believe their organization does a good job of satisfying customer. Customer needs are attended to quickly, whether in initial delivery of products and services or in the resolution of problems.
Quality emphasis	Senior management is committed to quality and demonstrates this priority in day-to-day decisions. These values are effectively translated and implemented by lower-level managers. Employees can see that quality is a priority versus cost containment, and especially versus meeting deadlines. Employees believe their work groups do quality work, as judged by clear quality standards, and are able to improve continuously.
Involvement / empowerment	Employees have the authority and support they need to serve their customers. Employees are encouraged to participate in decision affecting their work and , perhaps more important, to innovate. Management solicits and uses opinions of employees in such a way that employees can see the connection.
Employee training	Employees have written development plans to take advantage of the formal and informal skill-improvement opportunities that exist within the company. Whether on –the-job or formal, employees see they have the training to perform their current jobs well. This can include specific training on products and services or explicitly on customer service. New employees are oriented and able to come up to speed quickly, without undue burden on existing staff.

Employee results

Dimension	Description
Information / knowledge	Management creates and communicates a compelling vision and direction for the company. Employees understand their role in the organization – how their goals fit into overall company objectives. Employees report having enough information to do their jobs, including company information, advance warning of changes, and information from other departments.
Teamwork / cooperation	Employees both within and across departments cooperate to serve customers and to get the work done. This teamwork is actively supported by management. Workload is managed effectively within a given work group – the load is divided fairly, and short staffing is not a significant barrier.
Overall satisfaction	Employees derive intrinsic satisfaction from their work; see a good match among their jobs, their interests and their skills and abilities. Employees are satisfied with and proud of their organization. There is confidence in the company's ability to succeed, leading to long-term stability for the employee.
Employee retention	Employees value their relationship with the organization and have no short-term interest in leaving. Longer-tenured employees are more efficient and create more value for the organization and its customers.

Gantz Wiley Research (cited in Ashkanasy et al., 2000, p.188)

2.3.5 An integrated framework: performance management in the context of culture

It is at present widely acknowledged that organisational culture has the potential of having a significant effect on organisation performance. This notion has to some extent been empirically supported by the work of Kotter & Heskett (1992).

In light of the impact organisational culture has on individual and organisational performance (Kotter & Heskett, 1992), it is relevant to enquire what the nature of the association is between high performance practices and established organisational culture dimensions. High performance practices (context, focus, development, resources, monitoring and feedback, consequences) present the core of a performance management system in an organisation (Shirley, 2005). Organisational culture and climate dimensions present the core orientations or characteristics that exist at the overt visible level of analysing culture within an organisation (Van der Post, de Coning & Smit, 1997)

Considering the culture and climate dimensions derived from the studies discussed above, and some others not included in the discussion, an analysis is now possible between performance management practices, the resulting desired employee outcomes and organisational culture / climate dimensions.

Table 2.14 presents an integrated framework or taxonomy of the performance management practices, desired employee outcomes (Shirley, 2005) and organisational culture and climate dimensions (Gantz Wiley Research, cited in Ashkanasy et al., 2000; Koys & deCotiis, 1991; Coetzee, cited in Martins & Von der Ohe, 2003; Martins & Martins, cited in Martins & Von der Ohe, 2003; Martins & Von der Ohe, 2003; Tustin, 1993; Van der Post et al., 1997).

Table 2.14
Taxonomy of organisational culture dimensions, as they relate to performance management practices and desired employee outcomes

Performance management practices

Dimension (Shirley, 2005)	Linked labels found in the literature	Authors
Context and purpose	Mission and goals; External environment	Martins and Martins (cited in Martins and Von der Ohe, 2003)
	Internal communication	Tustin (1993)
	Management and leadership style; Strategic focus	Martins and Von der Ohe (2003)
	Organisational focus; Customer orientation	Van der Post et al. (1997)
	Information / knowledge; Customer orientation	Gantz Wiley Research (cited in Ashkanasy et al., 2000)
Focus and responsibility	Management processes	Martins and Martins (cited in Martins and Von der Ohe, 2003)
	Interpersonal communication; Standards; Responsibility	Tustin (1993)
	Supervisory leadership	Coetzee (cited in Martins and Von der Ohe, 2003)
	Management and leadership style; Performance management	Martins and Van der Ohe (2003)
	Pressure	Koys and DeCotiis (1991)
	Quality emphasis; Information / knowledge	Gantz Wiley Research (cited in Ashkanasy et al., 2000)
	Goal clarity; Management style (incl. clear communication); Performance orientation; Organisation focus	Van der Post et al. (1997)
Resources	Technology	Martins and Martins (cited in Martins and Von der Ohe, 2003)
	Work environment ; Policies and procedures	Martins and Von der Ohe (2003)
Skills and development opportunities	Training and development	Tustin (1993)
	Management and leadership style (incl. coaching) ; Training and development	Martins and Von der Ohe (2003)
	Employee training	Gantz Wiley Research (cited in Ashkanasy et al., 2000)
	Human resources orientation	Van der Post et al. (1997)
Monitoring (evaluation)	Management process	Martins and Martins (cited in Martins and Von der Ohe, 2003)

and feedback	Interpersonal communication	Tustin (1993)
	Management and leadership style; Performance management	Martins and Von der Ohe (2003)
	Support	Koys and DeCotiis (1991)
	Supervisory leadership	Coetzee (cited in Martins and Von der Ohe, 2003)
	Conflict resolution; Management style (incl. assistance and support); Task structure (incl. direct supervision)	Van der Post et al. (1997)
Consequences	Interpersonal/social processes (incl. perceptions of rewards)	Martins and Martins (cited in Martins and Von der Ohe, 2003)
	Promotion and remuneration; Recognition and reward	Tustin (1993)
	Supervisory leadership	Coetzee (cited in Martins and Von der Ohe, 2003)
	Recognition and rewards	Martins and Von der Ohe (2003)
	Recognition	Koys and DeCotiis (1991)
	Reward orientation	Van der Post et al. (1997)

Desired employee outcomes

Dimension (Shirley, 2005)	**Linked labels found in the literature**	**Authors**
Job satisfaction	Job satisfaction	Martins and Martins (cited in Martins and Von der Ohe, 2003)
	Satisfaction; Quality of work life	Coetzee (cited in Martins and Von der Ohe, 2003)
	Overall satisfaction	Gantz Wiley Research (cited in Ashkanasy et al., 2000)
Intention to quit	Factors of importance	Martins and Martins (2001)
	Attracting and retaining talent	Martins and Von der Ohe (2003)
	Employee retention	Gantz Wiley Research (cited in Ashkanasy et al., 2000)
Perception of fairness	Policies and procedures; Fairness of organisational practices; Discrimination regarding promotions; Fairness of organisational processes	Martins and Von der Ohe (2003)
	Fairness; Trust	Koys and DeCotiis (1991)
Employee commitment and empowerment	Risk and challenge; Identification; Participation; Responsibility;	Tustin (1993)
	Autonomy; Innovation; Involvement / empowerment; Overall satisfaction (with company's ability to succeed)	Gantz Wiley Research (cited in Ashkanasy et al., 2000)
	Disposition towards change; Locus of authority; Identification with organisation; Performance orientation	Van der Post et al. (1997)

Team cohesion	Interpersonal/social processes	Martins and Martins (cited in Martins and Von der Ohe, 2003)
	Warmth and support	Tustin (1993)
	Work processes (incl. group functioning)	Coetzee (cited in Martins and Von der Ohe, 2003)
	Teamwork	Martins and Von der Ohe (2003)
	Cohesion	Kays and DeCotiis (1991)
	Teamwork / cooperation	Gantz Wiley Research (cited in Ashkanasy et al., 2000)
	Organisation integration	Van der Post et al. (1997)

Table 2.14 provides a useful integrated framework or taxonomy to analyse and further research the association between performance management practices and culture and climate dimensions.

The relative ease, with which almost all the organisational culture and climate dimensions previously discussed in the Section 2.3.4 could be integrated, is worth mentioning. Only one dimension related to the purpose of a specific study could not be easily associated with the core performance management practices, namely the employment equity dimension of Martins & Von der Ohe (2003). This dimension could probably be linked to supporting processes such as providing skills and development, and consequences; as well as to employees' perceptions of fairness.

When reflecting upon Table 2.14 it is important to notice that there is a substantial number of organisational culture and climate dimensions portrayed in the literature which on a conceptual (or constitutive definition) - level are encompassed by the performance management practices and the resulting desired employee outcomes as proposed in the model of Shirley (2005).

Such an integrated framework was needed to prompt further research on the role of performance management in creating a 'performance culture and climate'.

Once supported empirically this framework can shed more light and augment the role of performance management as key change agent, tool and driver in creating and maintaining a performance culture (Theron & Spangenberg, 2000; Amaratunga & Baldry, 2002).

Proposition 3: Providing context is reflected in several organisational culture dimensions specifically mission and goals; external environment; internal communication; management and leadership style; strategic focus; organisational focus; information and knowledge.

Proposition 4: Providing focus is reflected in several organisational culture dimensions specifically management processes, interpersonal communication, standards, responsibility, supervisory leadership, management and leadership style, performance management, pressure (deadlines), quality emphasis (standards), information and knowledge, goal clarity, performance orientation, and organisation focus.

Proposition 5: Providing resources is reflected in several organisational culture dimensions specifically technology, work environment, and policies and procedures.

Proposition 6: Providing development opportunities is reflected in several organisational culture dimensions specifically training and development, management and leadership style (e.g. coaching), and human resources orientation.

Proposition 7: Monitoring and providing feedback is reflected in several organisational culture dimensions specifically management process, interpersonal communication, management and leadership style, performance management, support, supervisory leadership, conflict resolution, management style (e.g. assistance and support), and task structure (incl. direct supervision).

Proposition 8: Providing consequences is reflected in several organisational culture dimensions specifically interpersonal / social processes (incl. perceptions of rewards), promotion and remuneration, recognition and reward, supervisory leadership, and reward orientation.

2.4   Conclusion

The purpose of Chapter 2 has been to provide an overview of the literature regarding 'performance management systems' as it is defined within organisations; the role of performance management in establishing desired employee outcomes or so-called 'attitudes of high performance'; and the conceptual links or association that exist between performance management practices, resulting desired employee outcomes and the dimensions typically associated with 'performance cultures' within organisations.

Based on the postulated relationship between performance management practices and desired employee outcomes as depicted in the High Performance Practices model (see Figure 2.3 and Figure 2.4), the research methodology, variables and measuring instrument being used in this research study will now be outlined, described and discussed.

CHAPTER 3:
RESEARCH METHODOLOGY

3.1   The variables

To examine the relationship between performance management practices and desired employee outcomes the High Performance practices model depicted in Figure 2.3 (Shirley, 2005) was simplified to the model depicted in Figure 2.4 for research study purposes. The hypothesised relationships between dependent and independent variables are examined accordingly.

3.1.1   Dependent variables

The dependent variables in this study are presented in the High Performance Practices model as desired employee outcomes.

The measurements obtained on the dependent variables reflect employees' evaluations and interpretations of the work environment based on attitudes, cognitive states and salient organisational behaviours. The dependent variables have been described in Chapter 2, and are therefore only listed below.

1)   Job satisfaction

2)   Intentions to quit (inverted)

3)   Fairness

4)   Organisational commitment

5)   Employee empowerment

6)   Team cohesion

3.1.2   Independent variables

The independent variables in this study are presented in the High Performance Practices model as the performance management practices. The measurements obtained on the independent variables reflect employees' perceptions of how effectively / ineffectively they are managed. The independent variables have been described in Chapter 2, and are therefore only listed below.

1) Context

2) Focus

3) Development opportunities

4) Resources

5) Monitoring and Feedback

6) Consequences

3.2   Hypotheses

In accordance with the proposed relationships between independent and dependent variables depicted in the High Performance Practices model presented in Figure 2.4 (Shirley, 2005) and listed above, a number of hypotheses are formulated.

Hypothesis 1

Positive linear relationships exist between the performance management practices (context, focus, resources, development, monitoring, and consequences) and employee job satisfaction.

Hypothesis 2

Negative linear relationships exist between the performance management practices (context, focus, resources, development, monitoring, and consequences) and employee's intention to quit.

Hypothesis 3

Positive linear relationships exist between the performance management practices (context, focus, resources, development, monitoring, and consequences) and employee's perception of fairness.

Hypothesis 4

Positive linear relationships exist between the performance management practices (context, focus, resources, development, monitoring, and consequences) and organisational commitment.

Hypothesis 5

Positive linear relationships exist between the performance management practices (context, focus, resources, development, monitoring, and consequences) and employee empowerment.

Hypothesis 6

Positive linear relationships exist between the performance management practices (context, focus, resources, development, monitoring, and consequences) and team cohesion.

Hypothesis 7

Performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict employee's job satisfaction.

Hypothesis 8

Performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict employee's intention to quit.

Hypothesis 9

Performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict employee's perception of fairness.

Hypothesis 10

Performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict organisational commitment.

Hypothesis 11

Performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict employee empowerment.

Hypothesis 12

Performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict team cohesion.

3.3   Research Design

The High Performance Practices model (see Figure 2.4 for the theoretical model) indicates and hypothesises specific relationships between independent and dependent variables.

The term 'independent' variable is used to describe the antecedent condition (Landy & Conte, 2004), which in this study refers to the performance management practices as described in the High Performance Practices model of Shirley (2005). The term 'dependent' variable is used to describe the subsequent behaviour of the research participants (Landy & Conte, 2004), which in this study refers to the desired employee outcome dimensions.

The validity of the hypothesised relationships is to be investigated empirically in this research study.

The function of the research design is to set up the framework that will regulate the manner in which the validity of the hypothesised relations among variables will be examined, thereby trying to ensure empirical evidence that can be interpreted unambiguously for or against the stated hypotheses (Kerlinger & Lee, 2000).

To acquire data a survey design is used where employees are asked to complete a questionnaire describing their perceptions of certain elements of the work context (Spector, cited in Landy & Conte, 2004). In this field study a correlational design, which is one of the *ex post facto* designs, is used. According to Kerlinger and Lee (2000), *ex post facto* research is systematic empirical inquiry in which the researcher does not have direct control of independent variables (as is the case in experimental design) because their manifestations have already occurred or because they are inherently not manipulable.

Ex post facto research is a very valuable research design in the social sciences which does not really lend itself to experimentation. *Ex post facto* research design has however three major interrelated limitations, namely the inability to manipulate the independent variables, the lack of power to randomise and the risk of improper interpretation. When compared to controlled experimental design erroneous interpretations may originate due to the possibility of more than one explanation for the obtained difference or correlation (Kerlinger & Lee, 2000; Landy & Conte, 2004). Kerlinger and Lee (2000) therefore warn that results from *ex post facto* research should be treated with caution.

3.4   Procedure

For the purpose of the study the researcher used survey data that was acquired in 2004 in the context of a performance improvement project aiming to understand how employees perceived the direction and guidance they received from their managers and the entire organisation (Shirley, 2004).

The data was collected from a division of a large financial services organisation in South Africa. The completion of the questionnaire was compulsory and no employee in the division was excluded. The division comprised of:

- 36 Operational entities across 3 regional offices

- 1547 employees

- 6 categories of staff / job levels

The questionnaire included a covering letter explaining the aim of the questionnaire, emphasising the confidentiality and constructive nature in which results were going to be used to the benefit of the organisation and its people. Clear instructions and guidelines were also given for completion of the questionnaire.

Handing out of hard-copies was chosen as method to distribute the questionnaires for logistical reasons.

A total of 1547 employees were employed in the division at the time the survey was conducted, thus receiving the instruction to complete the questionnaire. A total of 1016 correctly completed the questionnaire. This represents a response rate of 66%. The 531 missing questionnaires were due to employees not being available for release, not present at work; or due to questionnaires being answered incompletely, incorrectly or not received in time.
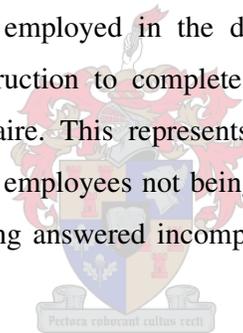
3.5   Description of the sample

3.5.1   Categories / levels of staff

As mentioned, the data was collected from a division of a large financial services organisation in South Africa. The division comprised of 36 operational entities across 3 regional offices and 6 categories of staff / job levels.

Of the six categories of staff, the number of employees who was incorporated into the sample is reflected in Table 3.1. A total of 9 senior managers, 156 managers, 35 team leaders, 751 team members, 65 administrative staff was included in the sample. This yields a total of 1016 employees.

Table 3.1
Description of sample in terms of job category (N = 1016)

Job category	Count	Cumulative Count	Percent	Cumulative Percent
Senior Manager	9	9	1%	1%
Manager	156	165	15%	16%
Team Leader	35	200	3%	20%
Team Member	751	951	74%	94%
Admin role type 1	53	1004	5%	99%
Admin role type 2	12	1016	1%	100%
Missing	0	1016	0%	0%

Table 3.1 also provides the percentage split of the sample in terms of their job category. According to the sample analysis 16% of the respondents was in management positions, 3% was in supervisory positions (i.e. team leaders), and 80% of the respondents was in subordinate (i.e. team member and administrative support) roles.

3.5.2   Operational units

The sample consisted of 36 operational units. Table 3.2 provides an outline of employees from each operational unit whose responses were integrated into the sample.

Table 3.2
Description of sample in terms of operational units (N = 1016)

Unit no:	Count	Cum Count	Percent	Cum Percent	Unit no:	Count	Cum Count	Percent	Cum Percent
1	40	40	4	4	20	11	532	1	52
2	5	45	0	4	21	16	548	2	54
3	16	61	2	6	22	51	599	5	59
4	10	71	1	7	23	66	665	6	65
5	38	109	4	11	24	57	722	6	71
6	45	154	4	15	25	50	772	5	76
7	39	193	4	19	26	60	832	6	82
8	66	259	6	25	27	35	867	3	85
9	19	278	2	27	28	52	919	5	90
10	36	314	4	31	29	34	953	3	94
11	3	317	0	31	30	11	964	1	95
12	15	332	1	33	31	8	972	1	96
13	30	362	3	36	32	18	990	2	97
14	4	366	0	36	33	4	994	0	98
15	14	380	1	37	34	9	1003	1	99

16	10	390	1	38	**35**	9	1012	1	100
17	13	403	1	40	**36**	4	1016	0	100
18	48	451	5	44	**Missing**	0	1016	0	100
19	70	521	7	51					

Table 3.2 indicates that at minimum there were 4, and at most there were 70 employees represented from one operational unit whose responses could be integrated in this study.

On average there were 32 employees representing an operational unit whose responses could be integrated in this study.

3.5.3   Demographic profile of the sample

Biographical data regarding gender, race, age and educational level were not obtained. Although this type of data is very important the aim of this study was not to determine the impact on or effect of demographic variables. Although this study was conducted as part of an 'in-house' organisational intervention, in hindsight, a clearer demographic profile of the sample group could have produced valuable insight.

3.6   Measuring instrument

This research study utilised a questionnaire that was developed by Shirley (2004) called the High Performance Practices Survey. This measuring instrument is underpinned by the key constructs of the High Performance Practices model (see Figure 2.4 for simplified version of the model) and measures employees' perceptions regarding aspects of the work environment.

In the first instance the High Performance Practices Survey measures employees' perceptions of how adequately they are provided with context, focus, resources, development, monitoring and feedback, and consequences within their organisational unit. Thus, measuring the effectiveness with which these performance management practices are applied. In the second instance the High Performance Practices Survey measures the extent to which these same employees experience desired or positive outcomes namely job satisfaction, intention to quit (reversed), perceived fairness, organisational commitment, employee empowerment and team cohesion (Shirley 2005).

The precision with which the test construction process has been executed by Shirley (2004) has, however, presented a weakness in this research study. The process did not exactly meet all the criteria of proper test construction from a statistical point of view. However, in order to

have generated a large item pool, a meticulous process of item writing was applied by Shirley by rationally deriving items from the theoretical model (Murphy & Davidshofer, 2005, p.229). The item pool were refined, modified and rejected by means of a small group of subject matter experts until they arrived to a final set of items that appeared to satisfy their requirements. Several aspects of item writing, reading difficulty, gender and cultural bias were considered before arriving at the final set of test items. The final set of items was grouped together into sub-scales which reflected the variables of the High Performance Practices model. The intention was to provide the test used with multiple responses to the variables (constructs) being measured.

The psychometric properties of the questionnaire have been established for the first time by means of this research study (see Section 3.7.1, Section 3.7.2, Section 4.3 and Section 4.4 for the results of the item analysis and exploratory factor analysis).

Only quantitative data was elicited from the questionnaire and was obtained through the use of a 5-point Likert scale response format. The verbal anchors ranged from "2 = strongly agree with the statement" to "-2 = strongly disagree with the statement".

A total of ninety four items were included in the original questionnaire.

Section 1 of the questionnaire consisted of items to ascertain the demographic profile of the respondents. Only questions relating to the region and operational unit of which the participant was part of, as well as the participant's job title were included. No other biographical data was deemed necessary for the purpose of the study. With the wisdom of hindsight this seems a somewhat regrettable omission.

Section 2 of the questionnaire consisted of three parts. Firstly the aim of the questionnaire was outlined as being an assessment of how effective the management of people is within the organisation from an employee's perspective. Secondly, it was clarified that the answers being provided are anonymous, would not be used against the participant or the manager involved, and are for development and improvement reasons only. Thirdly, instructions for completing the questionnaire were provided specifying the scope or context to which the questionnaire related to, as well as guidelines on how to interpret the strongly agree - strongly disagree scale that was being used.

Section 3 of the questionnaire consisted of five questions relating to the induction process. Only employees whom have joined the division in the past two years were asked to complete this section. For the purposed of this study these five questions were excluded.

Section 4 of the questionnaire consisted of questions to ascertain employees' perceptions of the effectiveness with which the high performance practices were implemented within the division; as well as questions to ascertain the extent to which employees' experienced positive outcomes as proposed by the High Performance Practices model (Shirley, 2005).

For data analysis purposes a series of decision rules were employed for purposes of item selection. Items were eliminated under the following conditions: (1) when the item was added by the organisation for internal use only; (2) when the item referred to organisation-specific initiatives and procedures and could not be used generically in another environment; (3) when the item did not contribute to an internally consistent description of the dimensions presented by the High Performance Practices model, as described in Table 2.1 and Table 2.2. Twenty one items were eliminated under these three conditions.

The remaining seventy two items were used in the analysis of the data. These items were labelled and are reflected in Table 3.3, where each label represents a variable on the High Performance Practices model (Shirley, 2005).

Table 3.3
High Performance Practices Survey: variables with responding number of items

Variable labels		*Number of items*	
Independent variables Performance management practices	Context	7	
	Focus	11	
	Resources	8	
	Development	10	
	Monitoring and Feedback	9	
	Consequences	6	**51**
Dependent variables Desired employee outcomes	Job satisfaction	1	
	Intention to quit (inverted)	1	
	Perceived fairness	1	
	Organisational commitment	8	
	Employee empowerment	4	
	Team cohesion	6	**21**
	TOTAL		**72**

Due to ethical issues intellectual property had to be protected and permission was not granted to publish an example of the questionnaire.

3.7   Statistical analysis of data

The STATISTICA computer / software programme was used in the statistical analysis of the collected data.

The following statistical techniques were utilised to analyse the data collected through the High Performance Practices Survey described in the previous section.

3.7.1   Item analysis

To assess the internal consistency reliability of the measuring instrument, Cronbach's alpha was calculated. Cronbach's α (alpha) is a quantity defined in multivariate statistics to estimate internal consistency reliability based on the average correlation between every pair of test items (Landy & Conte, 2004). It has an important use as a measure of the reliability of psychometric instruments, since it assesses the extent to which a set of test items (variables) can be treated as measuring a single or uni-dimensional latent construct.

Cronbach's alpha coefficient may be used to describe the reliability of factors extracted from dichotomous formatted questionnaire scales, that is questions with two possible answers; and multi-point formatted questionnaire scales, that is a rating scale where 1 = poor, 5 = excellent (Santos & Reynaldo, 1999). A multi-point formatted questionnaire was utilised in this study.

Cronbach's alpha coefficient ranges in value from -1 to 1, and the higher the score, the higher the scale reliability. Nunnaly has indicated that item-total correlations less than 0.20 are generally not acceptable, thus implying they should be rejected; and an α-value of 0.70 and more to be an acceptable reliability coefficient (Nunnaly, cited in Pietersen, 2004).

3.7.2   Exploratory factor analysis

Each measurement scale was subjected to Exploratory Factor Analysis (EFA) to identify a minimal set of variables of factors that accounted for a major portion of the total variance of the original items.

The EFA was conducted by means of the Principal Component extraction method, utilising a Varimax rotation.

As a guide to determine the number of factors the researcher used the scree plot and the Kaiser criterion, which specifies that only factors with eigenvalues of 1.00 or greater than 1.00 should be retained (Kerlinger & Lee, 2000).

3.7.3   Correlation analysis

To measure the extent of the relationship between the various constructs and underlying dimensions as hypothesised in Hypotheses 1 to 6, Pearson's product moment correlation-coefficient (r) was calculated. This calculation is typically used to establish how well a linear equation describes the relationship between the independent variables and the dependent variables, and estimates the correlation of these two given variables.

The Pearson product moment correlation coefficient (r) ranges from -1 to 1. A value of 1 shows that a linear equation describes the relationship perfectly and positively, with all data points lying on the same line and with Y increasing with X. A score of -1 shows that all data points lie on a single line but that Y increases as X decreases. A value of 0 shows that a linear model is inappropriate and that there is no linear relationship between the variables (Steyn, Smit, Du Toit & Strasheim, 1995).

For consistent interpretation of the correlation coefficients, the convention proposed by Guilford (cited in Tredoux & Durrheim, 2002, p.184) was used, as presented in Table 3.4.

Table 3.4
Guildford's interpretation of the magnitude of significant r

Absolute value of r	Interpretation
< 0.19	Slight; almost no relationship
0.20 – 0.39	Low correlation; definite but small relationship
0.40 – 0.69	Moderate correlation; substantial relationship
0.70 – 0.89	High correlation; strong relationship
0.90 – 1.00	Very high correlation; very dependable relationship

Guildford (cited in Tredoux & Durheim, 2002, p.184)

3.7.4   Standard multiple regression analysis

Standard Multiple Regression was used to determine how well the various sets of independent variables were able to predict particular dependant variables. Subsequently the multiple correlation coefficient would represent the overall linear association between severable variables on the one hand - in this case the six high performance practices; and a single variable on the other hand - in this case each of the six desired employee outcomes (Landy & Conte, 2004).

3.8   Conclusion

In this chapter the hypotheses relevant to the study were stated, as well as the research methodology used to test the hypotheses. An overview of the sample and measuring instruments was provided.

In the next chapter the results of the statistical analyses are discussed and presented in detail.
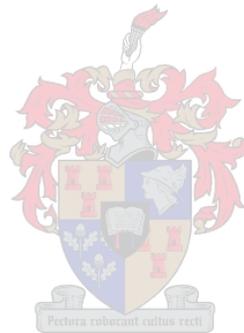
CHAPTER 4:
RESEARCH RESULTS

4.1   Introduction

The theoretical model presented in Figure 2.4 hypothesises specific relationships between independent and dependent variables. In accordance with the proposed relationships, specific statistical hypotheses were formulated. The purpose of this chapter is to report the results of the statistical analyses aimed at testing the stated hypotheses.

The chapter will first discuss the issue of missing values and will subsequently provide detailed results of the item analysis and dimensionality analysis performed to establish the psychometric soundness of the indicator variables used to represent the various latent variables. The results of the correlation and standard multiple regression analyses will then be presented.

4.2   Missing values

Missing values did not present a problem in this study due to the fact that only complete sets of data of respondents were used in the statistical analyses.

4.3   Item analysis

For statistical data analysis purposes twenty one items were eliminated from the original High Performance Practices Survey (HPPS) based on a set of decision rules already discussed. After deletion, the remaining seventy two items were included in the statistical analysis.

An item analysis was conducted on all the remaining scores to eliminate possible items that were not contributing to an internally consistent description of the variables being measured by the sub-scales in question. Cronbach's coefficient alpha was computed to determine the reliability of the sub-scales in question.

The job satisfaction, intention to quit, and perceived fairness sub-scales could however not be subjected to item-analysis, due to the fact that these sub-scales only contained one item.

For the purpose of this study it was however decided to retain these subscales but to adopt a cautious stance with regard to the interpretation and the significance of any finding pertaining to these scales.

The Cronbach's alpha reliability coefficients for the remaining sub-scales varied between $\alpha = 0.68$ and $\alpha = 0.93$.

Except for the employee empowerment sub-scale, the Cronbach alpha values are satisfactorily high, as they lie above the generally accepted value of 0.70 (Nunnaly & Marlowe, 1997). It was however decided to retain the employee empowerment sub-scale even though it could be considered somewhat borderline.

The more detailed results of the item analyses performed on the data set to reflect the reliability of all the High Performance Practices Survey (HPPS) sub-scales are presented in Table 4.1 to Table 4.9.

With regards to the context sub-scale of the HPPS no aberrant items are indicated by the results depicted in Table 4.1. All item-total correlations are above 0.2 on this sub-scale, therefore no items were indicated as candidates for possible elimination. The Cronbach alpha coefficient for the context sub-scale is satisfactorily high ($\alpha = 0.88$).

Table 4.1
Reliability analysis of the context sub-scale

	Mean if deleted	Var. if deleted	StDv. if deleted	Itm-Totl Correl.	Alpha if deleted
Summary for scale: Mean=8.87697 Std.Dv.=4.33563 Valid N:1016 Cronbach alpha: .882892 Standardized alpha: .883567 Average inter-item corr.: .526374					
Contxt1	7.320	15.231	3.903	0.604	0.874
Contxt2	7.538	13.766	3.710	0.736	0.858
Contxt3	7.492	14.500	3.808	0.631	0.871
Contxt4	7.524	14.354	3.789	0.639	0.870
Contxt5	7.731	13.584	3.686	0.721	0.859
Contxt6	7.810	13.605	3.688	0.704	0.862
Contxt7	7.846	13.423	3.664	0.672	0.867

With regards to the focus sub-scale of the HPPS no aberrant items are indicated by the results depicted in Table 4.2. Therefore no items were indicated as candidates for possible elimination. The Cronbach alpha coefficient for the focus sub-scale is satisfactorily high ($\alpha = 0.92$).

Table 4.2
Reliability analysis of the focus sub-scale

	Mean if deleted	Var. if deleted	StDv. if deleted	Itm-Totl Correl.	Alpha if deleted
Summary for scale: Mean=12.3878 Std.Dv.=7.17104 Valid N:1016 Cronbach alpha: .915781 Standardized alpha: .916393 Average inter-item corr.: .505710					
Focus1	11.230	44.579	6.677	0.574	0.913
Focus2	10.969	44.600	6.678	0.644	0.910
Focus3	10.983	44.483	6.670	0.652	0.910
Focus4	11.416	41.778	6.464	0.720	0.906
Focus5	11.436	41.189	6.418	0.739	0.905
Focus6	10.996	44.152	6.645	0.636	0.910
Focus7	11.166	42.446	6.515	0.676	0.908
Focus8	11.371	41.659	6.454	0.712	0.906
Focus9	11.375	41.864	6.470	0.717	0.906
Focus10	11.508	41.468	6.440	0.708	0.906
Focus11	11.426	42.745	6.538	0.635	0.910

With regards to the development sub-scale of the HPPS no aberrant items are indicated by the results depicted in Table 4.3. Therefore no items were indicated as candidates for possible elimination. The Cronbach alpha coefficient for the development sub-scale is satisfactorily high ($\alpha = 0.91$).

Table 4.3
Reliability analysis of the development sub-scale

	Mean if deleted	Var. if deleted	StDv. if deleted	Itm-Totl Correl.	Alpha if deleted
Summary for scale: Mean=8.69882 Std.Dv.=7.49291 Valid N:1016 Cronbach alpha: .908905 Standardized alpha: .910419 Average inter-item corr.: .513023					
Devel1	7.829	47.081	6.862	0.617	0.903
Devel2	7.329	50.282	7.091	0.544	0.907
Devel3	7.403	49.160	7.011	0.609	0.904
Devel4	7.837	45.397	6.738	0.669	0.900
Devel5	7.670	46.178	6.795	0.713	0.898
Devel6	7.945	44.182	6.647	0.778	0.893
Devel7	7.977	44.213	6.649	0.740	0.895
Devel8	8.253	45.242	6.726	0.651	0.901
Devel9	7.973	44.083	6.640	0.707	0.898
Devel10	8.074	43.098	6.565	0.721	0.897

With regards to the resources sub-scale of the HPPS no aberrant items are indicated by the results depicted in Table 4.4. No items were indicated as candidates for possible elimination. The Cronbach alpha coefficient for the resources sub-scale is satisfactorily high (α = 0.85).

Table 4.4
Reliability analysis of the resources sub-scale

Summary for scale: Mean=9.64567 Std.Dv.=5.26392 Valid N:1016 Cronbach alpha: .849895 Standardized alpha: .848597 Average inter-item corr.: .417651					
	Mean if deleted	Var. if deleted	StDv. if deleted	Itm-Totl Correl.	Alpha if deleted
Rsourc1	8.394	22.396	4.732	0.523	0.839
Rsourc2	8.151	23.467	4.844	0.466	0.845
Rsourc3	8.379	20.726	4.553	0.629	0.827
Rsourc4	8.433	21.190	4.603	0.649	0.825
Rsourc5	8.587	20.276	4.503	0.665	0.822
Rsourc6	8.483	21.370	4.623	0.620	0.828
Rsourc7	8.677	21.272	4.612	0.600	0.831
Rsourc8	8.416	22.489	4.742	0.545	0.837

With regards to the monitoring and feedback sub-scale of the HPPS no aberrant items are indicated by the results depicted in Table 4.5. Therefore no items were indicated as candidates for possible elimination. The Cronbach alpha coefficient for the monitoring and feedback sub-scale is satisfactorily high (α = 0.93).

Table 4.5
Reliability analysis of the monitoring and feedback sub-scale

Summary for scale: Mean=8.88091 Std.Dv.=7.19678 Valid N:1016 Cronbach alpha: .927029 Standardized alpha: .928694 Average inter-item corr.: .608939					
	Mean if deleted	Var. if deleted	StDv. if deleted	Itm-Totl Correl.	Alpha if deleted
MntFdb1	8.049	41.748	6.461	0.631	0.926
MntFdb2	8.046	41.379	6.433	0.713	0.920
MntFdb3	7.858	42.584	6.526	0.570	0.930
MntFdb4	7.832	40.670	6.377	0.813	0.914
MntFdb5	7.762	40.991	6.402	0.813	0.914
MntFdb6	7.897	40.297	6.348	0.822	0.913
MntFdb7	7.884	40.707	6.380	0.814	0.914
MntFdb8	7.880	41.320	6.428	0.739	0.918
MntFdb9	7.840	41.609	6.451	0.724	0.919

With regards to the consequences sub-scale of the HPPS no aberrant items are indicated by the results depicted in Table 4.6. Therefore no items were indicated as candidates for possible elimination. The Cronbach alpha coefficient for the consequences is satisfactorily high (α = 0.84).

Table 4.6
Reliability analysis of the consequences sub-scale

Summary for scale: Mean=3.71752 Std.Dv.=4.92325 Valid N:1016 Cronbach alpha: .836110 Standardized alpha: .835574 Average inter-item corr.: .486389					
	Mean if deleted	Var. if deleted	StDv. if deleted	Itm-Totl Correl.	Alpha if deleted
Consq1	2.656	17.826	4.222	0.625	0.807
Consq2	2.581	18.297	4.277	0.617	0.810
Consq3	3.531	16.460	4.057	0.607	0.812
Consq4	3.405	15.688	3.961	0.749	0.779
Consq5	3.461	16.178	4.022	0.703	0.790
Consq6	2.956	19.753	4.444	0.383	0.850

With regards to the organisational commitment sub-scale of the HPPS one aberrant item was found by the results depicted in Table 4.7. Since item 4 did not meet the criteria of a good item (item-total correlation < 0.20) it was decided to delete it. After this deletion the reliability of the scale increased to α = 0.84.

Table 4.7
Reliability analysis of the organisational commitment sub-scale

Summary for scale: Mean=7.68602 Std.Dv.=5.38295 Valid N:1016 Cronbach alpha: .796619 Standardized alpha: .808532 Average inter-item corr.: .359353					
	Mean if deleted	Var. if deleted	StDv. if deleted	Itm-Totl Correl.	Alpha if deleted
Commit1	6.587	23.052	4.801	0.542	0.769
Commit2	7.138	20.883	4.570	0.570	0.764
Commit3	7.215	20.426	4.520	0.626	0.753
Commit4	**6.551**	**26.909**	**5.187**	**0.061**	**0.843**
Commit5	6.684	21.484	4.635	0.651	0.751
Commit6	6.153	25.360	5.036	0.491	0.782
Commit7	6.628	22.299	4.722	0.667	0.752
Commit8	6.847	22.045	4.695	0.595	0.760

With regards to the employee empowerment sub-scale of the HPPS no aberrant items are indicated by the results depicted in Table 4.8. Therefore no items were indicated as candidates for possible elimination. The Cronbach alpha coefficient for the empowerment sub-scale is satisfactorily high ($\alpha = 0.68$).

Table 4.8
Reliability analysis of the employee empowerment sub-scale

Summary for scale: Mean=5.38878 Std.Dv.=2.16361 Valid N:1016 Cronbach alpha: .683935 Standardized alpha: .702474 Average inter-item corr.: .373301					
	Mean if deleted	Var. if deleted	StDv. if deleted	Itm-Totl Correl.	Alpha if deleted
Empr1	3.716	3.479	1.865	0.471	0.637
Empr2	4.270	2.484	1.576	0.541	0.567
Empr3	3.831	3.357	1.832	0.427	0.647
Empr4	4.350	2.310	1.520	0.508	0.606

With regards to the team cohesion sub-scale of the HPPS no aberrant items are indicated by the results depicted in Table 4.9. Therefore no items were indicated as candidates for possible elimination. The Cronbach alpha coefficient for the team cohesion sub-scale is satisfactorily high ($\alpha = 0.84$).

Table 4.9
Reliability analysis of the team cohesion sub-scale

Summary for scale: Mean=6.99311 Std.Dv.=4.12788 Valid N:1016 Cronbach alpha: .844379 Standardized alpha: .844186 Average inter-item corr.: .482395					
	Mean if deleted	Var. if deleted	StDv. if deleted	Itm-Totl Correl.	Alpha if deleted
Cohes1	6.008	11.413	3.378	0.682	0.807
Cohes2	5.739	12.275	3.504	0.644	0.815
Cohes3	5.795	12.100	3.478	0.708	0.804
Cohes4	5.368	14.774	3.844	0.412	0.853
Cohes5	6.212	10.732	3.276	0.669	0.814
Cohes6	5.844	11.841	3.441	0.662	0.811

As a result of the item-analysis, only one item was indicated as a candidate for possible elimination. Seventy one items (99.98% of the number of items included in original data analysis) were retained to measure twelve dimensions.

A summary of the results yielded by the reliability analyses is presented in Table 4.10.

Table 4.10
Reliability of the sub-scale measures (N=1016)

	Number of items	Alpha
Sub-scale		
Performance management practices		
1. Context	7	0.88
2. Focus	11	0.92
3. Development	10	0.91
4. Resources	8	0.85
5. Monitoring and Feedback	9	0.93
6. Consequences	6	0.84
Desired employee outcomes		
7. Job satisfaction	1	n/a
8. Intention to quit	1	n/a
9. Perceived fairness	1	n/a
10. Organisational commitment	7	0.84
11. Employee empowerment	4	0.68
12. Team cohesion	6	0.84

4.4 Results of the Exploratory Factor Analysis

The various sub-scales are designed to reflect an underlying uni-dimensional latent variable. Exploratory Factor Analysis (EFA) was performed on the data to examine this assumption.

It is acknowledged that a series of confirmatory factor analyses utilising LISREL probably would have provided more stringent tests of the dimensionality of each sub-scale. Unrestricted principal component analyses with Varimax rotation were nonetheless performed on each sub-scale of the questionnaire with the objective to confirm the uni-dimensionality of each sub-scale and to remove items with insufficient factor loadings and /or split heterogeneous sub-scales into two or more homogeneous subsets if necessary. The scree plot and the eigenvalue greater than unity rule of thumb was used to determine the number of factors to extract.

Analysis were performed on the original data set collected, using all 1016 responses to the 71 items. The EFA results are presented in Table 4.11 to Table 4.20, indicating the factor structure of each sub-scale of the High Performance Practices Survey individually, except for the sub-scales job satisfaction, intention to quit, and perceived fairness which only contained one item.

4.4.1 Context sub-scale

With regards to the context sub-scale of the HPPS, the results of the exploratory factor analysis yielded one factor with eigenvalue = 4,13; explaining 59% of total variance. The sub-scale therefore passed the uni-dimensionality test.

As depicted in Table 4.11 an acceptable factor structure was obtained for the context sub-scale. All items comprising the scale displayed satisfactory factor loadings on the first principal component (-0.710 to -0.822).

Table 4.11
Factor structure of the context sub-scale

Factor Loadings (Unrotated) Extraction: Principal components (Marked loadings are >.700000)	
	Factor 1
Contxt1	**-0.710024**
Contxt2	**-0.821955**
Contxt3	**-0.731563**
Contxt4	**-0.738927**
Contxt5	**-0.805599**
Contxt6	**-0.794169**
Contxt7	**-0.767760**
Eigenvalue	4.130090
Expl.Var	0.590013

Based on the results depicted in Table 4.11, the assumption of a single latent variable underlying the items comprising the context sub-scale seems reasonable.

4.4.2 Focus sub-scale

With regards to the focus sub-scale of the HPPS, the results of the exploratory factor analysis yielded two factors with eigenvalues exceeding the unity rule, namely Factor 1: eigenvalue = 6.00; explaining 54.61% of total variance and Factor 2: eigenvalue = 1.21; explaining 10.99% of total variance. The two factors together explained 65.6% of the total variance. Accordingly the focus sub-scale has failed the uni-dimensionality test.

The problem could not be solved through the deletion of single wayward items; however, the sub-scale did present a clear, relatively easily interpretable two-factor orthogonal factor structure, indicating that a two-factor solution would be most appropriate. To indicate the

two-factor structure, the principal component factor loadings for the items on the focus sub-scale are presented in Table 4.12.

Table 4.12
Principal component loadings for items on the focus sub-scale

Factor Loadings (Varimax normalized)		
	Factor 1	*Factor 2*
Focus1	0.321369	**0.608839**
Focus2	0.181428	**0.864869**
Focus3	0.251566	**0.796174**
Focus4	**0.631270**	0.460581
Focus5	**0.672132**	0.442107
Focus6	0.258311	**0.766890**
Focus7	0.417169	**0.646970**
Focus8	**0.767462**	0.300414
Focus9	**0.771811**	0.301026
Focus10	**0.825709**	0.228350
Focus11	**0.794537**	0.166131

For the purpose of this study the proposed subdivision was not done, but it is recommended for future research purposes that the sub-scale are subdivided into two orthogonal uni-dimensional scales and defined based on the common theme in the items that load strongly on each factor.

A suggestion for future research is to subdivide the focus sub-scale into two independent scales, namely (a) a role agreement sub-scale, referring to Factor 2 in Table 4.12; and (b) a goal specificity sub-scale, referring to Factor 1 in Table 4.12.

The role agreement sub-scale would refer to the extent to which the organisation's strategic direction or team's purpose is translated into, and communicated as individual roles and broadly defined performance objectives. The goal specificity sub-scale would refer to the extent to which specific performance requirements are clarified and agreed on in terms of measurable and specific objectives which are fair, realistic and achievable.

4.4.3 Development sub-scale

With regards to the development sub-scale of the HPPS, the results of the exploratory factor analysis yielded two factors with eigenvalues exceeding the unity rule, namely Factor 1:

eigenvalue = 5.56; explaining 55,62% of total variance and Factor 2: eigenvalue = 1.16; explaining 11.58% of total variance. The two factors together explained 67,2% of the total variance. Accordingly the development sub-scale has failed the uni-dimensionality test.

Again the problem could not be solved through the deletion of single wayward items; however, the sub-scale did present a clear, relatively easily interpretable two-factor orthogonal factor structure, indicating that a two-factor solution would be most appropriate. The principle component factor loadings for the items on the development sub-scale are presented in Table 4.13, accordingly.

Table 4.13
Principal component loadings for items on the development sub-scale

Factor Loadings (Varimax normalized)		
	Factor 1	*Factor 2*
Devel1	**0.606787**	0.336694
Devel2	0.202222	**0.928997**
Devel3	0.289902	**0.896935**
Devel4	**0.705750**	0.250291
Devel5	**0.668070**	0.405985
Devel6	**0.835989**	0.202430
Devel7	**0.781269**	0.245622
Devel8	**0.757417**	0.119598
Devel9	**0.705154**	0.317142
Devel10	**0.808784**	0.154826

For the purpose of this study the proposed subdivision of the development sub-scale was not done, but it is recommended for future research purposes that the sub-scale are subdivided into two orthogonal uni-dimensional scales and defined based on the common theme in the items that load strongly on each factor.

A suggestion for future research is to subdivide the development sub-scale into two independent scales, namely (a) a competence profiling sub-scale, referring to Factor 2 in Table 4.13; and (b) a learning intervention sub-scale, referring to Factor 1 in Table 4.13.

The competence profiling sub-scale would refer to the extent to which skill / competence requirements for effective performance are specified. The learning intervention sub-scale would measure the extent to which learning and development interventions are planned, implemented and evaluated.

4.4.4   Resources sub-scale

With regards to the resources sub-scale of the HPPS, the results of the exploratory factor analysis yielded two factors with eigenvalues exceeding the unity rule, namely Factor 1: eigenvalue = 3,90; explaining 48.84% of total variance and Factor 2: eigenvalue = 1,06; explaining 13.22% of total variance. The two factors together explained 62.05% of the total variance. Accordingly the resources sub-scale has failed the uni-dimensionality test.

Again the problem could not be solved through the deletion of single wayward items; however, the sub-scale did present a clear, relatively easily interpretable two-factor orthogonal factor structure, indicating that a two-factor solution would be most appropriate. The principle component factor loadings for the items on the resources sub-scale are presented in Table 4.14, accordingly.

Table 4.14
Principal component loadings for items on the resources sub-scale

Factor Loadings (Varimax normalized)		
	Factor 1	*Factor 2*
Rsourc1	0.219988	**0.704756**
Rsourc2	0.094501	**0.755334**
Rsourc3	**0.721204**	0.300664
Rsourc4	0.361946	**0.720616**
Rsourc5	**0.901518**	0.149749
Rsourc6	**0.805256**	0.195857
Rsourc7	**0.604793**	0.392408
Rsourc8	0.271669	**0.680686**

For the purpose of this study the proposed subdivision of the resources sub-scale was not done, but it is recommended for future research purposes that the sub-scale are subdivided into two orthogonal uni-dimensional scales and defined based on the common theme in the items that load strongly on each factor.

A suggestion for future research is to subdivide the resources sub-scale into two independent scales, namely (a) a systems and procedures sub-scale, referring to Factor 1 in Table 4.14; and (b) a work materials sub-scale, referring to Factor 2 in Table 4.14.

The systems and procedures sub-scale would measure the extent to which computer operating systems and work processes effectively facilitate job performance. The work materials sub-

scale would measure the extent to which adequate workspace, tele-communications, office equipment and supplies and job aids are provided.

4.4.5   Monitoring and Feedback sub-scale

With regards to the monitoring and feedback sub-scale of the HPPS, the results of the exploratory factor analysis yielded one factor with eigenvalue = 5.78; explaining 64.26% of total variance. The sub-scale therefore passed the uni-dimensionality test.

As depicted in Table 4.15 an acceptable factor structure was obtained for the monitoring and feedback sub-scale. Seven out of the nine sub-scale items displayed highly satisfactory factor loadings on the first principal component (-0.768 to -0.879).

Table 4.15
Factor structure of the monitoring and feedback sub-scale

Factor Loadings (Unrotated) Extraction: Principal components (Marked loadings are >.700000)	
	Factor 1
MntFdb1	-0.691112
MntFdb2	**-0.768191**
MntFdb3	-0.635110
MntFdb4	**-0.866729**
MntFdb5	**-0.869445**
MntFdb6	**-0.879364**
MntFdb7	**-0.872966**
MntFdb8	**-0.802873**
MntFdb9	**-0.790443**
Eigenvalue	5.783024
Expl.Var	0.642558

Based on the results discussed above the assumption of a single latent variable underlying the items comprising the monitoring and feedback sub-scale seems reasonable.

4.4.6   Consequences sub-scale

With regards to the consequences sub-scale of the HPPS, the results of the exploratory factor analysis yielded two factors with eigenvalues exceeding the unity rule, namely Factor 1: eigenvalue = 3.35; explaining 55.8% of total variance and Factor 2: eigenvalue = 1.05;

explaining 17.56% of total variance. The two factors together explained 73.36% of the total variance. Accordingly the consequences sub-scale has failed the uni-dimensionality test.

Again the problem could not be solved through the deletion of single wayward items; however, the sub-scale did present a clear, relatively easily interpretable two-factor orthogonal factor structure, indicating that a two-factor solution would be most appropriate. The principal component factor loadings for the items on the consequences sub-scale are presented in Table 4.16.

Table 4.16
Principal component loadings for items on the consequences sub-scale

Factor Loadings (Varimax normalized)		
	Factor 1	*Factor 2*
Consq1	0.258295	**0.928347**
Consq2	0.239540	**0.934644**
Consq3	**0.803305**	0.166316
Consq4	**0.831657**	0.307657
Consq5	**0.857423**	0.211966
Consq6	**0.529819**	0.148140

For the purpose of this study the proposed subdivision of the consequences sub-scale was not performed, but it is recommended for future research purposes that the sub-scale are subdivided into two orthogonal uni-dimensional scales and defined based on the common theme in the items that load strongly on each factor.

A suggestion for future research is to subdivide the consequences sub-scale into two independent scales, namely a) a recognition and support sub-scale, referring to Factor 2 in Table 4.16; and (b) a rewards sub-scale, referring to Factor 1 in Table 4.16.

The recognition and support sub-scale would measure the extent to which employees perceive a link between their effort and the recognition and support they receive The rewards sub-scale would measure the extent to which employees perceive a link between their effort and the reward they receive or consequence they have to face.

4.4.7   Employee empowerment sub-scale

With regards to the employee empowerment sub-scale of the HPPS, the results of the exploratory factor analysis yielded one factor with eigenvalue = 2.11; explaining 52.87% of total variance. The sub-scale therefore passed the uni-dimensionality test.

As depicted in Table 4.17 an acceptable factor structure was obtained for the employee empowerment sub-scale. Three out of the four sub-scale items displayed highly satisfactory factor loading on the first principal component (-0.725 to -0.757).

Table 4.17
Factor structure of the employee empowerment sub-scale

Factor Loadings (Unrotated) Extraction: Principal components (Marked loadings are >.700000)	
	Factor 1
Empr1	**-0.724947**
Empr2	**-0.757502**
Empr3	-0.693220
Empr4	**-0.731444**
Eigenvalue	2.114921
Expl.Var	0.528730

Based on the results discussed above the assumption of a single latent variable underlying the items comprising the employee empowerment sub-scale seems reasonable.

4.4.8   Organisational Commitment sub-scale

With regards to the organisational commitment sub-scale of the HPPS, the results of the exploratory factor analysis yielded one factor with eigenvalue = 3.67; explaining 52% of total variance. Subsequently the organisational commitment sub-scale has passed the uni-dimensionality test.

As depicted in Table 4.18 an acceptable factor structure was obtained for the organisational commitment sub-scale. Five out of the seven sub-scale items displayed highly satisfactory factor loadings on the first principal component (-0.709 to -0.790).

Table 4.18
Factor structure of the organisational commitment sub-scale

Factor Loadings (Unrotated) Extraction: Principal components (Marked loadings are >.700000)	
	Factor 1
Commit1	-0.670290
Commit2	**-0.709193**
Commit3	**-0.758672**
Commit5	**-0.790041**

Commit6	-0.599394
Commit7	**-0.783108**
Commit8	**-0.740012**
Eigenvalue	3.672140
Expl.Var	0.524591

Based on the results discussed above the assumption of a single latent variable underlying the items comprising the organisational commitment sub-scale seems reasonable.

4.4.9   Team Cohesion sub-scale

With regards to the team cohesion sub-scale of the HPPS, the results of the exploratory factor analysis yielded one factor with eigenvalue = 3.41; explaining 56.86% of total variance. The sub-scale therefore passed the uni-dimensionality test.

As depicted in Table 4.19 an acceptable factor structure was obtained for the team cohesion sub-scale. Five out of six sub-scale items displayed highly satisfactory factor loading on the first principal component (-0.773 to -0.819).

Table 4.19
Factor structure of the team cohesion sub-scale

Factor Loadings (Unrotated) Extraction: Principal components (Marked loadings are >.700000)	
	Factor 1
Cohes1	**-0.787414**
Cohes2	**-0.773276**
Cohes3	**-0.819225**
Cohes4	-0.546314
Cohes5	**-0.781774**
Cohes6	**-0.782786**
Eigenvalue	3.411490
Expl.Var	0.568582

Based on the results discussed above the assumption of a single latent variable underlying the items comprising the team cohesion sub-scale seems reasonable.

4.5 Results of the correlation analysis

Hypotheses 1 to 6 state that significant positive linear relationships exist between performance management practices (i.e. context, focus, resources, development, feedback, consequences) and desired employee outcomes (i.e. job satisfaction, intention to quit (reversed), perceived fairness, organisational commitment, employee empowerment, team cohesion). This section focuses on the results as they relate to hypotheses 1 to 6.

To establish the nature of the relationships between the different variables, Pearson product – moment correlation coefficients and the corresponding conditional probabilities $P[|r_{ij}| \geq r_c|H_0:\rho_{ij}=0]$ were calculated. Given a 5% significance level and directional alternative hypotheses, $H_0:\rho_{ij}=0$ will be rejected if $P[|r_{ij}| \geq r_c|H_0:\rho_{ij}=0] < 0.05$.

The matrix of the zero-order Pearson correlation coefficients and the corresponding conditional probabilities is presented in Table 4.20. The calculated Pearson product-moment correlation coefficients between the different variables will be referred to in the following paragraphs in this section.

To foster consistency in the interpretations to follow, it was decided to use the convention proposed by Guildford (cited in Tredoux & Durheim, 2002, p.184) as depicted earlier in this study in Table 3.4.

Table 4.20
Correlations between variables

Correlations Marked correlations are significant at $p < 0.001$ N=1016						
	Jsat1	Quit1	Fair1	Empr	Commit	Cohes
Context	**0.43**	**0.29**	**0.42**	**0.60**	**0.53**	**0.57**
Focus	**0.48**	**0.33**	**0.49**	**0.73**	**0.63**	**0.69**
Resources	**0.38**	**0.24**	**0.39**	**0.59**	**0.50**	**0.49**
Development	**0.49**	**0.30**	**0.49**	**0.62**	**0.63**	**0.65**
MntFdback	**0.43**	**0.29**	**0.49**	**0.60**	**0.56**	**0.66**
Consequence	**0.48**	**0.39**	**0.54**	**0.55**	**0.62**	**0.64**

4.5.1 The relationship between the performance management practices and job satisfaction

Hypothesis 1 postulates that performance management practices (i.e. providing employees with context, focus, resources, development, feedback, and consequences) have a significant positive, linear effect on employee job satisfaction.

As seen in Table 4.20, the results indicate that a substantial (moderate correlation coefficient of between 0.40 and 0.69) and significant ($p < 0.05$) relationship exists between five out of six of the performance management practice dimensions and employee job satisfaction (all measured by the HPPS). As indicated in Table 4.20 substantial relationships are reported between employee job satisfaction and context ($r = 0.43$; $p < 0.05$), focus ($r = 0.48$; $p < 0.05$), development opportunities ($r = 0.49$; $p < 0.05$), feedback ($r = 0.43$; $p < 0.05$), and consequences ($r = 0.48$; $p < 0.05$).

With regards to the remaining performance management practice (i.e. resources), the results indicate that although small, a definite ($r = 0.38$) and significant ($p < 0.05$) relationship exists between providing resources and employee job satisfaction.

Hypothesis 1, stating that performance management practices have a positive effect on employee job satisfaction has thus been corroborated.

This finding implies that leaders / managers who effectively provide employees with context and purpose, focus and responsibility, development opportunities, resources, performance monitoring and feedback as well as consequences - as defined by the High Performance Practices model of Shirley (2005), tend to be associated with employees experiencing job satisfaction. This finding is in line with the literature and empirical studies which suggests that employees are generally satisfied in work environments where they are able to see the strategic relevance of their goals in terms of the organisation's plans and objectives, experience high levels of participation in goal-setting, perceive their goals to be clear, receive frequent performance feedback, and are able to see the link between their performance and their rewards (Fletcher & Williams, 1996). Furthermore this finding is in line with the literature which suggests that employees experience job satisfaction in a work environment where leaders/managers articulate a vision, foster acceptance of group goals, set high performance expectations, demonstrate individualised support and intellectual stimulation all which are actions encompassed in transformational leadership behaviours (Chen, 2004; Pillai et al., 1999; Podsakoff et al., 1996); as well as in an environment where leaders / managers

assign or secure agreements on what needs to be done, monitor deviations from standards and take corrective action, and promise rewards or actually reward employees in exchange for satisfactorily carrying out the assignment, all of which are actions encompassed in transactional leadership behaviours (Chen, 2004; Pillai et al., 1999), all of which are at the same time encompassed in the performance management practices proposed by the High Performance Practices model of Shirley (2005).

4.5.2 The relationship between the performance management practices and intention to quit

Hypothesis 2 postulates that performance management practices (i.e. providing employees with context, focus, resources, development, feedback, and consequences) have a significant negative, linear effect on intention to quit.

As seen in Table 4.20, the results however indicate that small (low correlation coefficient of between 0.20 and 0.39) but significant ($p < 0.05$) positive relationships do exist between all six performance management practice dimensions and intention to quit, as measured by the HPPS. Small positive correlations were reported between context and intention to quit ($r = 0.29$, $p < 0.05$); focus and intention to quit ($r = 0.33$, $p < 0.05$); resources and intention to quit ($r = 0.24$, $p < 0.05$); development and intention to quit ($r = 0.30$, $p < 0.05$); feedback and intention to quit ($r = 0.29$, $p < 0.05$); and consequences and intention to quit ($r = 0.39$, $p < 0.05$).

Hypothesis 2, stating that performance management practices have a negative effect on intention to quit has thus been rejected.

This finding implies that managers, who effectively provide context and purpose, focus and responsibility, development opportunities, resources, feedback and consequences as defined by the High Performance Practices model (Shirley, 2005) nevertheless tend to be associated with employees who have intentions to quit their jobs.

This finding is not in line with the literature and empirical studies which suggests that employees would not consider leaving the organisation in a work environment where leaders/managers demonstrate inspirational motivation, individualised consideration and intellectual stimulation all of which are actions encompassed in transformational leadership behaviours (Schlechter, 2005; Bycio et al., cited in Schlechter, 2005; Boshoff et al., cited in

Schlechter, 2005); and in an environment where leaders / managers reduce role ambiguity and role strain.

A possible explanation may be the low scale-reliability of the intention to quit sub-scale (only one item), thus affecting the validity of the construct.

4.5.3 The relationship between the performance management practices and perceptions of fairness

Hypothesis 3 postulates that performance management practices (i.e. providing employees with context, focus, resources, development, feedback, and consequences) have a significant positive, linear effect on employee perception of fairness.

As seen in Table 4.20, the results indicate that a substantial (moderate correlation coefficient of between 0.40 and 0.69) and significant ($p < 0.05$) relationship exists between five out of six of the performance management practice dimensions and employee perception of fairness (all measured by the HPPS). Substantial positive correlations were reported between context and perception of fairness ($r = 0.42$, $p < 0.05$); focus and perception of fairness ($r = 0.49$, $p < 0.05$); development and perception of fairness ($r = 0.49$, $p < 0.05$); feedback and perception of fairness ($r = 0.49$, $p < 0.05$); and consequences and perception of fairness ($r = 0.54$, $p < 0.05$).

With regards to the remaining performance management practice (i.e. providing resources), the results indicate that although small, a definite ($r = 0.39$) and significant ($p < 0.05$) relationship exists between providing resources and employee perception of fairness.

Hypothesis 3, stating that performance management practices have a positive effect on employee perception of fairness has thus been corroborated.

This finding implies that leaders / managers who effectively provide employees with context and purpose, focus and responsibility, development opportunities, resources, performance monitoring and feedback as well as consequences - as defined by the High Performance Practices model of Shirley (2005), tend to be associated with employees perceiving that they are fairly treated by others at work.

This finding is in line with the literature and empirical studies which suggests that employees feel treated fairly where leaders/managers demonstrate idealised influence, intellectual stimulation, inspirational motivation, and especially individualised consideration and contingent reward, all which are actions encompassed in transformational leadership

behaviours (Krafft et al., 2004); and at the same time encompassed in the performance management practices proposed by the High Performance Practices model of Shirley (2005).

4.5.4 The relationship between the performance management practices and organisational commitment

Hypothesis 4 postulates that performance management practices (i.e. providing employees with context, focus, resources, development, feedback, and consequences) have a significant positive, linear effect on organisational commitment.

As seen in Table 4.20, the results indicate that a substantial (moderate correlation coefficient of between 0.40 and 0.69) and significant ($p < 0.05$) relationship exists between all the performance management practices and organisational commitment (all measured by the HPPS). Substantial positive correlations were reported between context and organisational commitment ($r = 0.53$, $p < 0.05$); focus and organisational commitment ($r = 0.62$; $p < 0.05$); resources and organisational commitment ($r = 0.50$; $p < 0.05$); development and organisational commitment ($r = 0.63$, $p < 0.05$); feedback and organisational commitment ($r = 0.56$, $p < 0.05$); and consequences and organisational commitment ($r = 0.63$, $p < 0.05$).

Hypothesis 4, stating that performance management practices have a positive effect on organisational commitment has thus been corroborated.

This finding implies that leaders / managers who effectively provide employees with context and purpose, focus and responsibility, development opportunities, resources, performance monitoring and feedback as well as consequences - as defined by the High Performance Practices model of Shirley (2005), tend to be associated with employees experiencing high levels of organisational commitment.

This finding is in line with the literature and empirical studies which suggests that employees are committed in work environments where they are able to see the strategic relevance of their goals in terms of the organisation's plans and objectives, experience high levels of participation in goal-setting, perceive their goals to be clear, receive frequent performance feedback, and are able to see the link between their performance and their rewards (Fletcher & Williams, 1996). Furthermore this finding is in line with the literature which suggests that employees are committed in a work environment where leaders/managers articulate a vision, foster acceptance of group goals, set high performance expectations, offer individualised support, and challenge employees to think about problems and work challenges in a different

manner all which are actions encompassed in transformational leadership behaviours (Chen, 2004; Pillai et al., 1999; Podsakoff et al., 1996) and at the same time encompassed in the performance management practices proposed by the High Performance Practices model. The results reported also supports the notion in leadership studies that employees are committed in an environment where leaders / managers assign or secure agreements on what needs to be done, monitor deviations from standards and take corrective action, and promise rewards or actually reward employees in exchange for satisfactorily carrying out the assignment, all of which are actions encompassed in transactional leadership behaviours (Chen, 2004; Pillai et al., 1999), all of which are at the same time encompassed in the performance management practices proposed by the High Performance Practices model of Shirley (2005).

4.5.5 The relationship between the performance management practices and employee empowerment

Hypothesis 5 postulates that performance management practices (i.e. providing employees with context, focus, resources, development, feedback, and consequences) have a significant positive, linear effect on employee empowerment.

As seen in Table 4.20, the results indicate that a substantial (moderate correlation coefficient of between 0.40 and 0.69) and significant ($p < 0.05$) relationship exists between five of the performance management practices and employee empowerment (all measured by the HPPS). Substantial positive correlations were reported between context and employee empowerment ($r = 0.60$, $p < 0.05$); resources and employee empowerment ($r = 0.59$; $p < 0.05$); development and employee empowerment ($r = 0.62$, $p < 0.05$); feedback and employee empowerment ($r = 0.60$, $p < 0.05$); and consequences and employee empowerment ($r = 0.55$, $p < 0.05$). With regards to the remaining performance management practice (i.e. providing focus), the results indicate that a strong ($r = 0.73$) and significant ($p < 0.05$) relationship exists between providing focus and employee empowerment.

Hypothesis 5, stating that performance management practices have a positive effect on employee empowerment has thus been corroborated.

This finding implies that leaders / managers who effectively provide employees with context and purpose, focus and responsibility, development opportunities, resources, performance monitoring and feedback as well as consequences - as defined by the High Performance Practices model of Shirley (2005), tend to be associated with employees perceiving that they are empowered.

This finding is in line with the literature which suggests that employees feel empowered where leaders/managers create the opportunities and the motivation for them to exercise their full range of authority through the sharing of key information to establish a sense of meaning; by providing clear focus and transferring authority associated with increased responsibility to establish a sense of self-determination and perceived degree of influence over work place outcomes; and by sharing resources, providing performance evaluation, training, feedback and reward to establish as sense of 'feeling competent' and 'being supported'. The reported strong ($r = 0.73$; $p < 0.05$) relationship between providing focus and employee empowerment supports the view that managers should clarify their expectations and then transfer authority associated with increased responsibilities – a view that is highlighted throughout the literature as a key antecedent for psychological empowerment and empowerment behaviours. (Robbins et al., 2002; Thomas & Velthouse, cited in Howard & Foster, 1999; Allen & Meyer; Spreitzer; Carson et al.; Ford, et al. cited in Robbins et al., 2002; Mol, 2005).

4.5.6 The relationship between the performance management practices and team cohesion

Hypothesis 6 postulates that performance management practices (i.e. providing employees with context, focus, resources, development, feedback, and consequences) have a significant positive, linear effect on team cohesion.

As seen in Table 4.20, the results indicate that a substantial (moderate correlation coefficient of between 0.40 and 0.69) and significant ($p < 0.05$) relationship exists between all the performance management practices and team cohesion (all measured by the HPPS). Substantial positive correlations were reported between context and team cohesion ($r = 0.57$, $p < 0.05$); focus and team cohesion ($r = 0.69$; $p < 0.05$); resources and team cohesion ($r = 0.49$; $p < 0.05$); development and team cohesion ($r = 0.65$, $p < 0.05$); feedback and team cohesion ($r = 0.66$, $p < 0.05$); and consequences and team cohesion ($r = 0.64$, $p < 0.05$).

Hypothesis 6, stating that performance management practices have a positive effect on team cohesion has thus been corroborated.

This finding implies that leaders / managers who effectively provide employees with context and purpose, focus and responsibility, development opportunities, resources, performance monitoring and feedback as well as consequences - as defined by the High Performance Practices model of Shirley (2005), tend to be associated with employees experiencing high levels of team cohesion.

This finding is in line with the literature and empirical studies which suggests that employees experience team cohesiveness in work environments where leaders demonstrate transformational, transactional, and charismatic leader / manager behaviours (Stashevsky & Koslowsky, 2006; Wang et al., 2005), most of which reflects the actions encompassed in the performance management practices.

4.6   Results of the regression analysis

Hypotheses 7 to 12 state that Performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict each of the six desired employee outcomes (i.e. job satisfaction, low intention to quit, perceived fairness, organisational commitment, employee empowerment, team cohesion). This section focuses on the results as they relate to hypotheses 7 to 12.

4.6.1   Regression of job satisfaction on performance management practices

First it was attempted to predict employees' perceptions of job satisfaction using the six performance management practices, as measured by the HPPS.

As indicated in Table 4.21 employee job satisfaction was significantly predicted by consequences (t = 5.71, p < 0.001), development (t = 4.71, p < 0.001), focus (t = 3.04, p < 0.01), context (t = 2.87, p < 0.01), and resources (t = 2.25, p < 0.05). One performance management practice, namely monitoring and feedback (t = -1.54, p > 0.05) could however not predict job satisfaction amongst employees.

Table 4.21
Regression of job satisfaction on performance management practices

Regression Summary for Dependent Variable: Jsat1 R= .56166231 R²= .31546455 Adjusted R²= .31139397 F(6,1009)=77.499 p<0.0000 Std.Error of estimate: .94902						
	Beta	Std.Err. of Beta	B	Std.Err. of B	t(1009)	p-level
Intercept			-0.210913	0.076588	-2.75387	0.005995
Context	0.107900	0.037582	0.028462	0.009913	**2.87107**	0.004176
Focus	0.138950	0.045697	0.022160	0.007288	**3.04072**	0.002421
Resources	0.073641	0.032751	0.015999	0.007116	**2.24852**	0.024758
Development	0.199890	0.042445	0.030509	0.006478	**4.70942**	0.000003
MntFdback	-0.069856	0.045404	-0.011101	0.007215	-1.53854	0.124230
Consequence	0.222725	0.039030	0.051738	0.009066	**5.70655**	0.000000

Together the six performance management practices could account for 31.55% of the variance in job satisfaction scores.

Based on the findings reflected in Table 4.21, Hypothesis 7, stating that performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict job satisfaction has been partly confirmed, with the exclusion of monitoring and feedback.

4.6.2 Regression of intention to quit on performance management practices

Second it was attempted to predict employees' intention to quit using the six performance management practices, as measured by the HPPS.

As indicated in Table 4.22 employee's intentions to quit was significantly predicted by only three performance management practices, namely consequences (t = 7.11, p < 0.001), focus (t = 2.03, p < 0.05), and context (t = 2.29, p < 0.05).

Three performance management practices, namely resources (t = 0.14, p > 0.05), development (t = 0.57, p > 0.05) and monitoring and feedback (t = -1.45, p > 0.05) could not predict intention to quit amongst employees.

Table 4.22
Regression of intention to quit on performance management practices

Regression Summary for Dependent Variable: Quit1 R= .40978212 R²= .16792139 Adjusted R²= .16297345 F(6,1009)=33.938 p<0.0000 Std.Error of estimate: 1.2381						
	Beta	Std.Err. of Beta	B	Std.Err. of B	t(1009)	p-level
Intercept			-0.590936	0.099916	-5.91430	0.000000
Context	0.094802	0.041435	0.029590	0.012933	**2.28799**	0.022344
Focus	0.102477	0.050381	0.019339	0.009508	**2.03405**	0.042208
Resources	0.005020	0.036108	0.001290	0.009283	0.13901	0.889469
Development	0.026768	0.046796	0.004834	0.008452	0.57201	0.567445
MntFdback	-0.072538	0.050059	-0.013640	0.009413	-1.44906	0.147633
Consequence	0.306126	0.043031	0.084146	0.011828	**7.11410**	0.000000

Together the six performance management practices could account for 16.79% of the variance in employee's intention to quit scores.

Based on the findings reflected in Table 4.22, Hypothesis 8, stating that performance management practices (context, focus, resources, development, monitoring and consequences)

can be used to predict employee's intention to quit has been partly confirmed, with the exclusion of resources, development and monitoring and feedback.

4.6.3 Regression of perception of fairness on performance management practices

Third it was attempted to predict employees' perception of fairness using the six performance management practices, as measured by the HPPS.

As indicated in Table 4.23 employee's perception of fairness was significantly predicted by four performance management practices, namely consequences (t = 7.69, p < 0.001), resources (t = 2.38, p < 0.05), focus (t = 2.37, p < 0.05), and development (t = 2.24, p < 0.05).

Two performance management practices, namely context (t = 1.86, p > 0.05) and monitoring and feedback (t = 1.52, p > 0.05) could not predict employees' perception of fairness.

Table 4.23
Regression of employee perceptions of fairness on performance management practices

Regression Summary for Dependent Variable: Fair1 R= .58892518 R²= .34683287 Adjusted R²= .34294882 F(6,1009)=89.297 p<0.0000 Std.Error of estimate: .81225						
	Beta	Std.Err. of Beta	B	Std.Err. of B	t(1009)	p-level
Intercept			0.080803	0.065550	1.232680	0.217982
Context	0.068412	0.036711	0.015811	0.008485	1.863544	0.062676
Focus	0.105918	0.044637	0.014801	0.006237	**2.372871**	0.017837
Resources	0.076108	0.031992	0.014488	0.006090	**2.378984**	0.017546
Development	0.092796	0.041461	0.012410	0.005545	**2.238160**	0.025428
MntFdback	0.067601	0.044352	0.009413	0.006175	1.524211	0.127769
Consequence	0.293234	0.038125	0.059684	0.007760	**7.691385**	0.000000

Together the six performance management practices could account for 34.68% of the variance in employee's perception of fairness scores.

Based on the findings reflected in Table 4.23, Hypothesis 9, stating that performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict employees' perceptions of fairness has been partly confirmed, with the exclusion of context and monitoring and feedback.

4.6.4 Regression of organisational commitment on performance management practices

In the fourth instance, it was attempted to predict organisational commitment using the six performance management practices, as measured by the HPPS.

As indicated in Table 4.24 organisational commitment was significantly predicted by all six performance management practices, namely consequences (t = 8.63, p < 0.001), development (t = 6.71, p < 0.001), focus (t = 5.61, p < 0.001), resources (t = 4.49, p < 0.001), context (t = 2.89, p < 0.01), and monitoring and feedback (t = -2.01; p < 0.05).

Table 4.24
Regression of organisational commitment on performance management practices

Regression Summary for Dependent Variable: Commit R= .72419757 R²= .52446212 Adjusted R²= .52163435 F(6,1009)=185.47 p<0.0000 Std.Error of estimate: 3.5896					
	Beta	Std.Err. of Beta	B	Std.Err. of B	t(1009)	p-level
Intercept			0.462942	0.289684	1.598091	0.110336
Context	0.090636	0.031324	0.108496	0.037496	**2.893544**	0.003891
Focus	0.213850	0.038087	0.154770	0.027565	**5.614759**	0.000000
Resources	0.122648	0.027297	0.120924	0.026914	**4.493047**	0.000008
Development	0.237253	0.035377	0.164332	0.024504	**6.706449**	0.000000
MntFdback	-0.076187	0.037843	-0.054942	0.027291	**-2.013226**	0.044356
Consequence	0.280670	0.032531	0.295873	0.034293	**8.627890**	0.000000

Together the six performance management practices could account for 52.44% of the variance in organisational commitment scores.

Based on the findings reflected in Table 4.24, Hypothesis 10, stating that performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict organisational commitment has been corroborated.

4.6.5 Regression of employee empowerment on performance management practices

In the fifth instance it was attempted to predict employee empowerment using the six performance management practices, as measured by the HPPS.

As depicted in Table 4.25 employee empowerment was significantly predicted by four performance management practices, namely focus (t = 11.93, p < 0.001), resources (t = 8.90, p < 0.001), development (t = 4.38, p < 0.001), and context (t = 3.55, p < 0.001).

Two performance management practices, namely monitoring and feedback (t = -0.21, p > 0.05) and consequences (t = 1.40, p > 0.05) could not predict employee empowerment.

Table 4.25
Regression of employee empowerment on performance management practices

Regression Summary for Dependent Variable: Empr R= .77540075 R²= .60124632 Adjusted R²= .59887514 F(6,1009)=253.56 p<0.0000 Std.Error of estimate: 1.3703						
	Beta	Std.Err. of Beta	B	Std.Err. of B	t(1009)	p-level
Intercept			2.094949	0.110587	18.94395	0.000000
Context	0.101885	0.028684	0.050844	0.014314	**3.55202**	0.000400
Focus	0.416049	0.034877	0.125528	0.010523	**11.92909**	0.000000
Resources	0.222434	0.024996	0.091427	0.010274	**8.89862**	0.000000
Development	0.142010	0.032395	0.041006	0.009354	**4.38368**	0.000013
MntFdback	-0.007265	0.034654	-0.002184	0.010418	-0.20966	0.833976
Consequence	0.041806	0.029789	0.018372	0.013091	1.40342	0.160799

Together the six performance management practices could account for 60.12% of the variance in employee empowerment scores.

Based on the findings reflected in Table 4.24, Hypothesis 11, stating that performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict employee empowerment has partly been confirmed, with the exception of monitoring and feedback, and consequences.

4.6.6   Regression of team cohesion on performance management practices

In the last instance it was attempted to predict team cohesion using the six performance management practices, as measured by the HPPS.

As depicted in Table 4.26 team cohesion was significantly predicted by five performance management practices, namely focus (t = 0.7.32, p < 0.001), consequences (t = 7.06, p < 0.001), development (t = 4.95, p < 0.001), monitoring and feedback (t = 3.31, p < 0.001) and context (t = 3.19, p < 0.01).

One performance management practices, namely resources (t = 1.89, p > 0.05) could not predict team cohesion.

Table 4.26
Regression of team cohesion on performance management practices

	Beta	Std.Err. of Beta	B	Std.Err. of B	t(1009)	p-level
Regression Summary for Dependent Variable: Cohes R= .76128763 R²= .57955886 Adjusted R²= .57705871 F(6,1009)=231.81 p<0.0000 Std.Error of estimate: 2.6845						
Intercept			1.901867	0.216646	8.778690	0.000000
Context	0.094071	0.029453	0.089564	0.028042	**3.193919**	0.001447
Focus	0.262156	0.035813	0.150905	0.020615	**7.320182**	0.000000
Rsources	0.048383	0.025667	0.037941	0.020128	1.885020	0.059714
Development	0.164557	0.033264	0.090655	0.018326	**4.946934**	0.000001
MntFdback	0.117644	0.035584	0.067477	0.020410	**3.306116**	0.000979
Consequence	0.215912	0.030588	0.181031	0.025646	**7.058736**	0.000000

Together the six performance management practices could account for 57.96% of the variance in team cohesion scores.

Based on the findings reflected in Table 4.26, Hypothesis 12, stating that performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict team cohesion has been partly corroborated, with the exception of resources.

4.7   Summary

The purpose of this chapter was to report the results obtained in this study. Even though not all the hypotheses were fully supported by the results, the objectives of the study have nonetheless been met to a satisfactory extent.

The next chapter will discuss the general conclusions drawn from the research, and will offer recommendations for future research on this extensive topic.

CHAPTER 5:
GENERAL CONCLUSIONS AND IMPLICATIONS FOR FUTURE RESEARCH

5.1 Introduction

This chapter will discuss the general conclusions derived from the results obtained in this study. Thereafter the shortcomings and limitations of the study, recommendations for future research, and practical implications of the study will be discussed.

5.2 General conclusions

The main purpose of this research study was to empirically examine the relationship between performance management practices and the achievement of desired employee outcomes, and to investigate the relative importance of the different practices in generating these outcomes.

Given the results of the empirical study as discussed in Chapter 4, the following conclusions are made with respect to the reliability analyses, exploratory factor analyses, and the hypothesised relationships.

5.2.1 Item analysis

When deciding on whether an instrument reaches a satisfactory level of reliability, it must be considered how the measure is being used. Nunnaly and Marlowe (1997) suggests that during the early stages of research on predictor tests or hypothesised measures of a construct, it is adequate to work with instruments having a modest reliability, for which purposes reliability coefficients of 0.70 or higher will be satisfactory.

Using this as a guideline, the item analysis with regard to the High Performance Practices Survey produced satisfactory results as eight out of twelve sub-scales exceed the recommended reliability of 0.70.

The alpha values on these eight sub-scales, namely context, focus, resources, development, monitoring and feedback, consequences, organisational commitment and team cohesion ranged from 0.80 to 0.93. Being just below the recommended cut-off value, the reliability (α = 0.684) of the employee empowerment sub-scale could be considered somewhat border-line, but acceptable.

The sub-scales of job satisfaction, intention to quit and perceived fairness were not subjected to reliability analyses, due to only containing one item. It was however decided to retain these sub-scales in the analyses, but to adopt a cautious stance with regard to the interpretation and the significance of any findings pertaining to these scales.

The item analysis revealed one item that had to be considered for elimination in the organisational commitment sub-scale. The itme (Comit4) was deleted due to not meeting the criteria of item-total correlation of higher than 0.20 (Nunnaly & Marlow, 1997). Thus, 71 of the original 72 items subjected to statistical analysis were retained.

5.2.2 Exploratory factor analysis

The aim of dimensionality analysis was to confirm the uni-dimensionality of each sub-scale of the High Performance Practices Survey and, if necessary, to recommend the removal of items with insufficient factor loadings and/or recommend the split of heterogeneous sub-scales into homogenous subsets of items, for future research purposes.

Three of these sub-scales, namely job satisfaction, intention to quit, and perceived fairness contained only one item. This implied that these sub-scales could not be subjected to exploratory factor analysis. The remaining nine sub-scales were subjected to exploratory factor analysis which were conducted by means of the Principal Component extraction method.

Five out of the nine sub-scales satisfied the uni-dimensionality test. These were the context, monitoring and feedback, organisational commitment, employee empowerment, and team cohesion sub-scales. All items comprising these sub-scales displayed highly satisfactory factor loadings on the first principal component.

For four sub-scales the uni-dimensionality assumption was however not supported, as the results of the exploratory factor analysis yielded two factors exceeding the unity rule in the case of the focus, development, resources, and consequences sub-scales.

In the case of the focus, development, resources, and consequences sub-scales a clear, relatively easy interpretable two-factor orthogonal factor structure was presented. Although it was not performed for the purpose of this study, it is recommended that these four sub-scales (focus, development, resources and consequences sub-scales) be subdivided into two independent, uni-dimensional sub-scales.

5.2.3   Hypothesised relationships

This study was an exploratory attempt to determine whether the implementation of performance management practices (context, focus, resources, development, monitoring and feedback, consequences) are related to, and can predict, the desired employee outcomes (job satisfaction, intention to quit, perceptions of fairness, employee empowerment, organisational commitment, team cohesion). In the sections to follow, the conclusions regarding the nature of the relationships between the six performance management practices and six desired employee outcomes will be discussed in terms of the results obtained from the correlation analyses and regression analyses

The Pearson Correlation analyses provide support for the existence of substantial ($r = 0.40$ to 0.69) and significant ($p < 0.05$) positive relationships between each of the performance management practices (context, focus, resources, development, monitoring and feedback, consequences) and each of the desired employee outcomes.

- In the case of job satisfaction the correlation coefficients of practices ranged from $r = 0.38$ to 0.49.

- In the case of perceptions of fairness the correlation coefficients ranged from $r = 0.39$ to $r = 0.54$.

- In the case of employee empowerment the correlation coefficients ranged from $r = 0.55$ to $r = 0.73$.

- In the case of organisational commitment the correlations ranged from $r = 0.50$ to $r = 0.63$.

- And finally, in the case of team cohesion the correlation coefficients ranged from $r = 0.49$ to $r = 0.69$.

Hypotheses 1, 3, 4, 5 and 6 have thus been corroborated in this study. It can furthermore be concluded that the strongest relationships were reported to exist between the performance management practices and employee empowerment, as well as between the performance management practices and organisational commitment and team cohesion, respectively.

Hypothesis 2, where a significant negative linear relationship between the performance management practices and intention to quit were expected, could not be confirmed. A possible explanation is the low reliability of the one-item intention to quit sub-scale. Response bias can provide another explanation. The question included in the questionnaire stated the

following: "I would leave this organisation if I could". Considering the 5-point Likert type scale response format that was used in the questionnaire the verbal anchors ranged from "-2 = strongly disagree with the statement" to "2 = strongly agree with the statement." For an answer to reflect a low level of intention to quit the question had to be answered in the negative – i.e. "-2 = strongly disagree with the statement". As most of the other questions prompted a positive "agree with the statement" type of answer for a positive 'attitude', this item required a negative "disagree with the statement" type of answer for a positive 'attitude'.

The results reported by the Standard Multiple Regression analysis indicated that the performance management practices combined explained between 52% of the variance in organisational commitment, 60% of the variance in employee empowerment, and 58% of the variance in team cohesion, respectively. In the case of intention to quit, job satisfaction, and perceived fairness respectively only about 17%, 32% and 35% of the variance was explained by the combined effect of the performance management practices.

The findings of regression analysis furthermore support that all the employee outcomes (job satisfaction, intentions to quit, perceptions of fairness, organisational commitment, employee empowerment and team cohesion) can each be significantly predicted by at least three performance management practices.

- Job satisfaction could be best predicted by consequences ($t = 5.71$, $p < 0.001$), followed by development ($t = 4.71$, $p < 0.001$) and focus ($t = 3.04$, $p < 0.01$). Only one performance management practice namely monitoring and feedback could not predict job satisfaction amongst employees at the $p < 0.05$ level.

- Intention to quit could be best predicted by consequences ($t = 7.12$, $p < 0.001$), followed by context ($t = 2.29$, $p < 0.05$) and focus ($t = 2.04$, $p < 0.05$). Three performance management practices namely resources, development, and monitoring and feedback could not predict employees' intention to quit at the $p < 0.05$ level.

- Perception of fairness could be best predicted by consequences ($t = 7.69$, $p < 0.001$), resources ($t = 2.38$, $p < 0.05$) and focus ($t = 2.37$, $p < 0.05$). Only two performance management practices namely context, and monitoring and feedback could not predict employees' perceptions of fairness at the $p < 0.05$ level.

- Organisational commitment could be best predicted by consequences ($t = 8.63$, $p < 0.001$), development ($t = 6.71$, $p < 0.001$), and focus ($t = 5.61$, $p < 0.001$).

- Employee empowerment could be best predicted by focus (t = 11.93, p < 0.001), resources (t = 8.90, p < 0.001), and development (t = 4.38, p < 0.001). Only two performance management practices namely monitoring and feedback, and consequences could not predict employee empowerment at the p < 0.05 level.

- Team cohesion could be best predicted by focus (t = 7.32, p < 0.001), consequences (t = 7.06, p < 0.001) and development (t = 4.95, p < 0.001). Only one performance management practices namely resources could not predict employee empowerment.

Hypotheses 7 to 12 stating that performance management practices (context, focus, resources, development, monitoring and consequences) can be used to predict desired employee outcomes (i.e. job satisfaction, intention to quit, perceived fairness, organisational commitment, employee empowerment, team cohesion) could therefore be partly corroborated.

From the results summarised above, it can be concluded that one performance management practice, namely providing employees with focus, were a significant predictor in the case of all six desired employee outcomes at the p < 0.05 level. Providing consequences and providing development opportunities also came out as significant predictors for almost all the desired employee outcomes at the p < 0.05 level.

5.3   Theoretical propositions

It has been argued that any discussion of performance in organisations is incomplete without reference to the construct 'organisational culture'.

Considering the extensive manner in which the organisational culture concept is utilised to help explain the variance in individual and organisational performance, this study deducted the following propositions on how performance management practices contribute to the overall reinforcement of organisation culture.

Proposition 1:   Providing context, focus, monitoring and feedback, resources and development opportunities are ways in which leaders / managers can shape and reinforce culture.

Proposition 2: Providing consequences is a way in which leaders / managers can shape and reinforce culture.

Proposition 3 to 8 present a useful way to analyse the nature of the relationship that appears to be evident between the performance management practices and organisational culture dimensions. These are based on the integrated framework presented in Table 2.14.

Proposition 3: Providing context is reflected in several organisational culture dimensions specifically mission and goals; external environment; internal communication; management and leadership style; strategic focus; organisational focus; information and knowledge.

Proposition 4: Providing focus is reflected in several organisational culture dimensions specifically management processes, interpersonal communication, standards, responsibility, supervisory leadership, management and leadership style, performance management, pressure (deadlines), quality emphasis (standards), information and knowledge, goal clarity, performance orientation, and organisation focus.

Proposition 5: Providing resources is reflected in several organisational culture dimensions specifically technology, work environment, and policies and procedures.

Proposition 6: Providing development opportunities is reflected in several organisational culture dimensions specifically training and development, management and leadership style (e.g. coaching), and human resources orientation.

Proposition 7: Monitoring and providing feedback is reflected in several organisational culture dimensions specifically management process, interpersonal communication, management and leadership style, performance management, support, supervisory leadership, conflict resolution, management style (e.g. assistance and support), and task structure (incl. direct supervision).

*Proposition 8: Providing consequences is reflected in several organisational culture dimensions specifically interpersonal / social processes (incl. perceptions of rewards), promotion and remuneration, recognition and reward, supervisory leadership, and reward orientation.*

These propositions reflect a useful way to analyse and further research the role of performance management in enhancing organisational culture.

5.4   Limitations of the study

In the discussion about the shortcomings of the study the psychometric properties of the measuring instrument that has been used are the *first* main point of reflection. The shortcomings should however be considered against the background that the questionnaire (the High Performance Practices Survey) was developed for the purpose of solving an organisation's performance problems and the data was collected from the participating organisation in order to provide accurate and constructive feedback. Although the questionnaire was developed in a systematic manner, precise academic test construction procedure was not followed. This shortcoming is reflected in the following:

• Low reliabilities were reported for the job satisfaction, intention to quit and perceived fairness sub-scales. This is mainly due to only one item being contained in these sub-scales. At the most the job satisfaction, intention to quit and perceived fairness sub-scales can be treated as preliminary sub-scales, and as being suggestive of trends which could fruitfully be further investigated

• Poor operationalisation of constructs which resulted in the multi-dimensionality of certain construct not sufficiently being reflected in the items

• Shortcomings with regards to the format of the questionnaire which may have resulted in some degree of response bias
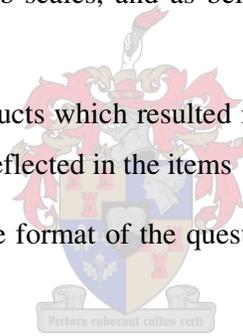
In terms of shortcomings of the study, the *second* point of reflection regards the statistical procedure that has been followed.

• A factor analysis was performed on the entire data set. Ideally a random split of the sample from the start would have made it possible to subject the data to a second factor analysis. Considering that four of the sub-scales (focus, development, resources, and consequences) showed a clear, relatively easy interpretable two-factor orthogonal factor structure, the proposed subdivision of these sub-scales into two independent scales could then have been corroborated or contradicted in the second factor analysis, thus influencing the results of the study considerably.

• More sophisticated statistical techniques such as Structural Equation Modelling (e.g. LISREL) could have been performed on the data to test the construct validity of the proposed model of performance management.

The study is further inhibited by certain limitations, which reduces the generalisability of the results.

The study was unable to compare samples across different organisations - such as organisations across different industries and sectors, types of work, different sizes, types of cultures, different corporate action histories and different sets of organisational performance data.

A comparison of samples across different divisions categorised in terms of team size, team stage, team function and performance results were also not included in this study.

Neither was the study able to compare results in terms of different demographic variables of participants for example gender, age, language, ethnic group, level of qualifications, and nationality.

Also limiting the interpretation of the results is the lack of any information about the participating employees' individual profiles in terms of skill category, skill level, personality profile; and the lack of information about the implicated leader/manager profiles, for example the leader/manager's competence category, leadership style, level of experience, and personality profile.

Valid and convincing interpretations of the results are also limited by the degree to which unexplained variance in the dependant variables still exist. Although the findings reported that performance management practices combined explained a high degree of variance in desired employee outcomes, the unexplained variance is still a limitation to this study. To answer the question of what others variables influence individual and organisation performance, the model does not provide sufficient answers.

The independent variables were restricted to constructs related to the performance management process as they are depicted in the High Performance Practices model of Shirley (2005). In the same way the desired employee outcomes (depicted as the dependent variables in this study) did not include all possible constructs (in terms of employee attitudes, perceptions, cognitive states, orientations, salient behaviours, aspects of motivation and work orientations) which could be associated with high performance cultures.

The *ex post facto* and concurrent nature of this research design, furthermore preclude the drawing of inferences of causality from significant correlation coefficients even though the argument unfolded by the literature suggests causal relationships between the independent and dependent variables.

5.5   Recommendations for future research

The recommendations for future research stem mainly from a drive to address the problems related to the psychometric properties of the measuring instrument used in this study, the limitations on the generalisability of the results of this study across different contexts, the unexplained variance that exists and limitations on inferences of causality of the relationships between the performance management practices and desired employee outcomes as proposed by the High Performance Practices model of Shirley (2005).

First, a further study is recommended using the same data set, but splitting the sample group from the beginning in order to carry out a second factor analysis that will enable the testing of the proposed subdivision of the focus, development, resources and consequences sub-scales each into two independent scales as were suggested in this study when the results of the Exploratory Factor analysis were reported (see Section 4.4.2 - 4.4.4, and Section 4.4.6).

In the second place, it is recommended that the problem related to the psychometric properties of the measuring instrument be addressed in future studies to improve the reliability and validity of the constructs as well as diminishing the response bias of the questionnaire.

- Future studies will need to improve the operational definitions of the constructs. It is recommended that the overview of the literature in this study is considered. Specifically it would be beneficial to consider: 1) definitions pertaining to the constructs; 2) culture and climate dimensions pertaining to the construct (see Table 2.14); and 3) leadership behaviours pertaining to the construct, e.g. transformational and transactional leadership components.

- Future studies will furthermore need to review the questions contained in the measuring instrument on the basis of proper questionnaire development procedures including for example, the development of a proper pool of items, observing standard sets of rules for item writing, adhering to a minimum number of items per dimension, proper inspection and evaluation to avoid the inclusion of overlapping, repetitive and vague questions, random reorganisation of questions, and choosing the most appropriate scale format.

The suggestions made above all relate to improved construct validity, which in turn should improve the proportion of explained variance in desired employee outcomes.

Third, it is recommended that the problem related to unexplained variance be addressed in future studies. A suggestion is to create a more powerful model that will incorporate other

variables acting as antecedents, correlates and mediators in the process of applying performance management practices to create a 'performance culture'.

In the fourth place, it is recommended that the problems related to the concurrent research design of this study will be addressed by undertaking longitudinal studies, for example before and after a learning intervention aiming to improve the effectiveness with which managers apply the high performance practices. Such an in-depth study will establish the nature of causality in the relationships between performance management practices, desired employee outcomes and possibly other variables such as leader/manager's management skills, business performance and organisational culture.

Such a study promises to enable the researcher to do a economic value-add (return on investment) calculation related to the implementation of the high performance practices, and would present a significant theoretical advance if it corroborated the findings and hypotheses in the current study.

In the fifth place it is recommended that the study be replicated across different organisational contexts (e.g. industries, sectors, types of work, sizes, types of cultures, considering different corporate action histories, and sets of organisational performance data).

A comparison of samples across different organisation units within the same organisation could also provide valuable insight when comparisons of team size, team stage, team function and performance results are considered as part of such a study.

Furthermore the study can be replicated to explore how results compare across different demographic variables (example gender, age, language, ethnic group, level of qualifications and nationality) and across different individual characteristics (example skill, personality, experience and leadership style) of participating employees and the leaders/managers who are implicated in the questionnaire.

In the last instance, future research studies is suggested to put propositions 3 to 8 to test and determine the nature of the relationships as suggested by Table 2.14. Such a study would necessitate that data be obtained from one sample, simultaneously using the High Performance Practices Survey and established organisational culture and climate questionnaires.

Such a research study promises to further shed light on the role of performance management as key agent, tool and driver of culture and climate change.

5.6 Managerial implications

Considering that this study reported encouraging results in terms of the relationships observed to prevail between performance management practices and desired employee outcomes, human resource practitioners, leaders and line managers within organisations could derive considerable benefit if they take cognisance of what the results suggests in terms of the management behaviours that matter most, and what should be done first to foster specific desired employee outcomes.

The findings reported in this study with regards to the role of performance management in fostering positive behaviour / mindset changes amongst employees will hopefully empower human resource managers and performance management consultants in their efforts to 'sell' and create endorsement and understanding amongst line managers who have become cynical about the purpose of performance management.

The model and findings reported promise to provide managers with an understanding of the internal logic and psychological principles that underpin positive behaviour change, within the context of performance management.

Furthermore, for line managers who have become overwhelmed and disheartened by the long lists of performance management practices which they have to implement or read about, the model provides a heuristic or 'Rosetta stone' which will assist them to categorise, organise and demystify concepts and practices which otherwise might seem fragmented or out of context. With the model and its proposed 'categories' of performance management practices as an aid, line managers will be able to develop an integrated view of where the long lists of performance interventions they are supposed to action fits into the puzzle of improving performance.

In the last instance human resource managers, line managers, change and organisational development consultants can utilise the taxonomy portrayed in Table 2.14 as a 'strategising tool'. The outline will assist them to strategise about human resource strategies that are associated with the enhancement of specific culture dimensions. Visa versa the outline will assist them to advocate performance management practices in the context of enhancing specific organisational culture dimensions.

5.7   Conclusion

The main purpose of this research study was to empirically examine the relationship between performance management practices and the achievement of desired employee outcomes, and to investigate the relative importance of the different practices in generating these outcomes. For this purpose the hypotheses proposed by a theoretical model have been empirically studied.

Not all the hypothesised relationships were fully corroborated by the empirical results. However, the predominantly positive relationships that were reported between performance management practices and desired employee outcomes emphasise the importance of effectively providing employees with context and purpose, focus and responsibility, resources, development opportunities, performance monitoring and feedback, as well as consequences. Subsequently the notion is supported that, if implemented effectively, performance management practices truly evoke those attitudes and responses that underpins optimal work performance amongst employees. Important insight was gained into the relative importance of the performance management practices to promote job satisfaction, employees' intention to quit, perceptions of fairness, organisational commitment, employee empowerment, and team cohesion.

Secondary to the main purpose of this study, the psychometric properties of the High Performance Practices Survey (Shirley, 2005) was ascertained. Despite shortcomings regarding this measuring instrument which have been highlighted, satisfactory results were obtained for nine out of twelve sub-scales in terms of reliability and construct validity. The usability of the questionnaire, and the High Performance Practices model (Shirley, 2005) on which it is based, has been enhanced for future research and commercial use purposes.

The theoretical propositions that were made provided important insight into conceptual links that exist between performance management practices and the dimensions used to describe organisational culture and climate. If empirically supported, these propositions promise to enhance the view that performance management is an integrative part of the business management and core driver of 'the way things are done' (i.e. culture) and 'the way things feel' (i.e. climate) within an organisation.

It is believed that a valuable contribution has been made by this study to the field of organisation organisational psychology for practitioners and academics alike.

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