

**THE CONTRIBUTION OF PERFORMANCE MANAGEMENT SYSTEM ON
EMPLOYEE BEHAVIOUR AND PRODUCTIVITY IN LIMPOPO ECONOMIC
DEVELOPMENT AGENCY**

by

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DECLARATION

I Dikeledi Linchean Mahomole, hereby declares that this mini-dissertation to the University of Limpopo for the Master of Development degree is the result of my own investigation and research. And this has not been submitted in part or full for any other degree to any other University. I further declare that all the sources that I have used or quoted have been indicated and acknowledged by way of a comprehensive list of references.

D.L. Mahomole

Date

DEDICATION

This thesis is dedicated to my family. Special thank you to my son, Confidence Mahomole, young as you are your patience, understanding and support allowed me to pursue my studies. You allowed me to set a good academic example for you and in turn to pave a brighter future for you.

My heartfelt thank you goes to my mother, Pelewe Mahomole for your spiritual and moral support and for always encouraging me to succeed.

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ABSTRACT

Recent changes in Limpopo Economic Development Agency have placed new external pressure on managers to change their ways of managing Performance Management Systems. The above challenge necessitated the researcher to investigate the contribution of Performance Management System on employees' behaviour and productivity at Limpopo Economic Development Agency.

The study is concerned with the development of effective strategies that will enhance the contribution of Performance management system on employee behaviour and productivity at Limpopo Economic Development Agency. This study used the context of Limpopo Economic Development Agency as its spring board in engaging in the daunting subject of performance management system. Surely with all changes that are involved towards the implementation of performance management system, there is a need to review the way performance management system should be implemented, hence this study.

In this study, a mixed research design approach was used in the investigation of the contribution of performance management system on employees' behaviour and productivity. Questionnaires and semi-structured interviews were employed to collect data from the target population. Due to the nature of the study the researcher has also utilised both purposive sampling and stratified random sampling to select different participants in the study.

The main findings of the study, confirmed that there are challenges associated with the implementation of performance management system in Limpopo Economic Development Agency. Apart from these challenges, the study also revealed the factors that contribute towards the management of performance management system in the area of the study. Furthermore, the study also led to suggestions of strategies and recommendations that may assist Limpopo Economic Development Agency to accelerate positive contribution of performance management system in the organisation.

ABBREVIATIONS AND ACRONYMS

AA	-	Affirmative action
BARS	-	Behavioural Anchored Rating Scales
LADC	-	Limpopo Agricultural Development Corporation
LEDET	-	Limpopo Department of Economic Development and Tourism Environment
LIBSA	-	Limpopo Business Support Agency
Limdev	-	Limpopo Enterprise Development
MBO	-	Management by Objective
PDP	-	Performance Development Plan
PMDS	-	Performance Management and Development System
PMS	-	Performance Management System
PROMES	-	Productivity Measured and Evaluation Systems
PSCBC	-	Public Service Co-ordinating Bargaining Council
SALGA	-	South African Local Government Association
TIL	-	Trade Investment Limpopo
TUATA	-	Transvaal United African Teachers' Association

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CHAPTER 1

INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 Introduction

Recent changes in the new Democratic South Africa have exerted a lot of pressure on employees to change their behaviour towards their work ethics. These employees were expected to perform better in their day to day operation. In order to achieve this process the Public Sector has introduced the Performance Management and Development System (PMDS) to monitor and evaluate the performance of employees.

Limpopo Economic Development Agency (LEDA) as a government Agency was not excluded from the above transformation. In order to achieve its productivity, competitive advantage, efficiency and other related success drivers, LEDA has reinforced the implementation of Performance Management System (PMS). To support this statement, Colli (2013:14) argues that the success of the Public Service in delivering its operational and developmental goals depends primarily on the efficiency and efficacy with which public servants carry out their duties.

This chapter seeks to unravel the contribution of PMS at LEDA. In this chapter the research background, the statement of the problem, the aim, the research objectives, the research questions and the significance of the study will be discussed in details.

1.2 Background

After 1994 when Limpopo Economic Development, Environment and Tourism department has amalgamated the four entities namely, Limpopo Enterprise Development (Limdev), Limpopo Business Support Agency (LIBSA), Limpopo Agricultural Development Corporation (LADC) and Trade Investment Limpopo (TIL) to form Limpopo Economic Development Agency (LEDA). The new Agency has forged a system in order to motivate its employees to perform. Due to the nature of the problem, LEDA has developed a strategic plan which has resulted into the implementation of Performance Management System. This system was linked with different strategic plans that were meant to encourage, motivate, compete, perform and to attain intended objectives of the Agency. To support the above mentioned

process LEDA introduced and implemented PMS in 2013 for all employees. The introduction of the PMS was translated into the LEDA Strategic Annual Performance Plan of 2013 / 2014. This study focused on the benefits of having a performance management system and to establish the link between the strategic objectives of LEDA and the key performance areas and indicators of the individual employees as contained in their specific job descriptions by comparing various models and measures of performance management.

1.3 Statement of the problem

The introduction of PMS in the Public Sector was fraught with many challenges. LEDA was not excluded from these challenges / problems such as: inaccurate information, biasness, dispute, lack of accountability, competitiveness, participation, human development, alternative strategies and other related issues have haunted the Agency in its implementation of the system. Van der Walt (2006:133) states that the PMS can assist with the process of organisational performance in both private and public sectors. There is a need for local authorities to determine the effectiveness of performance management in local government as part of the broader modernisation agenda in terms of service efficiency and effectiveness beyond that of compliance with statutory requirements (McAdam, Walker and Hazlett, 2011:303).

McGilloway (2005:2) attests that, Performance Management can be seen as a process for establishing a shared understanding about what is to be achieved, how it is to be achieved, and an approach to managing and developing people that increases the probability of achieving success.

This is purported by Cao and McHugh (2005:475), the ability of organizations to manage and survive change is becoming increasingly important in an environment where competition and globalization of markets are ever intensifying. From the above challenges, it is clear that the execution of PMS needs managers who are fair, trustworthy, transparent, accountable, honest and other related traits of leadership. LEDA was not immune from the above problems. This problem was left unattended for a long time, hence the study on the contribution of PMS on employee behaviour and productivity at LEDA. The effectiveness of the implementation of PMS also

depends on delegation, motivation, empowerment, resources, good supervision and other related issues.

1.4 The Aim of the study

The aim of the study was to investigate the contribution of PMS on employee behaviour and productivity at Limpopo Economic Development Agency.

1.5 Objectives of the study

In order to achieve the above aim, the following objectives were pursued:

- a) To determine the effectiveness of the implementation of PMS on employee's performance and productivity in LEDA.
- b) To identify factors that hampers the implementation of PMS in LEDA.
- c) To suggest strategies that can be used by LEDA to reinforce PMS.

1.6 Research questions

With the above mentioned challenges, the following questions arise:

1. How effective has the implementation of PMS being in LEDA?
2. Which factors hampers the implementation of PMS in LEDA?
3. Which strategies were used during the implementation of PMS?
4. How has PMS contributed to employee's performance and productivity in LEDA?

1.7 Significance of the study

The study on the contribution of Performance Management System on employee performance and productivity will assist the stakeholders in Limpopo Economic Development Agency in the following:-

- i) The study will assist the stakeholders in checking the effectiveness of the implementation of PMS
- ii) Assist the stakeholders to identify factors that hamper the implementation of PMS in LEDA
- iii) It will assist Senior Managers to develop relevant strategies that will reinforce PMS in LEDA
- iv) The study will also narrow the knowledge gap in Performance Management in particular and human resource management as a whole.

1.8 Plan of the study

This research will be divided into five (5) chapters. Chapter 1 is the introduction and background.

Chapter 1

An orientation of the background of the problem, aim and objectives of the study, significance and the plan of the study were presented.

Chapter 2

The literature review on the contribution of PMS and its implications on employees' performance has been discussed in full.

Chapter 3

Research design and methodology were described and presented.

Chapter 4

Data collection, analysis and discussion of results were also presented.

Chapter 5

This chapter gave an overview of the study, findings, recommendations and conclusion.

1.9 Conclusion

In this study the researcher has presented an orientation to the problem of the study. The purpose, statement of the problem, significance and the plan of the study were also presented. In the next chapter the review of relevant literature on Performance Management will be discussed.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This Chapter presents a literature review of the concept of performance management systems. Recent changes such as service delivery protests in South Africa require the employees to perform according to prescribed standards. These changes have exerted more pressure on employees to change their way of doing things. For employees to accelerate their performance it requires managers to be aware of management systems and measuring instruments. This chapter will be organised as follows:

- ❖ A brief background and rationale of performance management system (PMS).
- ❖ A review of the theoretical conceptual framework regarding PMS.
- ❖ The management and implementation of PMS will be outlined.
- ❖ Lastly, at the end of this chapter the conclusion will be given.

2.1.1 A brief background and rationale of performance management system

According to Armstrong and Baron (2006:43), the first recorded use of the term 'Performance Management' is in Beer and Ruh (1976). Armstrong (2002:373) describes performance management as a means of getting better results from the organisation, teams and individuals. It is about the agreement of objectives, knowledge, skills and competence requirements, work and personal development. Armstrong and Baron (2006:44) highlight the features of a Performance Management System, which distinguished it from other appraisal schemes as follows:

- emphasis on both development and evaluation.
- use of a profile defining the individual's strengths and development needs.
- integration of the results achieved with the means by which they have been achieved.
- separation of development review from salary review.

Performance management is based on the simple proposition that when people know and understand what is expected of them and have been able to take part in

forming those expectations, they can and will perform to meet them (Armstrong, 2005:24).

2.1.2 A theoretical framework of performance management system

Performance management involves building processes, systems, culture and relationship that facilitate the achievement of organisational goal (Simeka Management Consulting, 2010:5). Performance management emphasises organisational control within an established set of objectives; it can thus be characterised as an integrated set of planning and reviewing procedures which cascade down through the organisation to provide a link between individual and the overall strategy of the organisation (Smith and Goddard, 2002:212).

Houldsworth and Jirasinghe (2006:70) refer to performance management as a shared process for establishing a shared understanding of what is to be achieved, and how it is to be achieved: an approach to managing people which increases the probability of achieving job-related success.

2.2 Performance Management as a concept

This concept has been defined by various authors from different perspectives. According to Noe, Hollenbeck and Gerhart (2004:215) performance management is defined as “the process through which managers ensure that employees’ activities and outputs are congruent with the organisation’s goals”. To support this definition Mavundza (2009:12) referred to performance management as a “process of harnessing all available resources within an organisation and ensuring that these perform to the maximum, in order to achieve the desired results”.

Performance refers to an individual’s actual efforts that are undertaken in order to carry out the work and relate to the person’s ability to perform tasks and duties expected for a specific job. Therefore performance is linked to the organisational output and becomes the measure of attainment of organisational objectives (Bohlander and Snell, 2013:332). Performance management forms an integral part of human resources and without it, organisations will find it difficult to determine if employees are performing or not (Masoga, 2013:11).

Performance management can be used interchangeably with performance appraisal. Noe et al (2004:328) emphasise that performance appraisal is only a component of

performance management as it involves the administrative and relatively is dated duty of measuring aspects of an employee's performance. Performance appraisal means evaluating an employee's current and / or past performance relative to his or her performance standard. Performance appraisal always involves:

- setting work standards
- assessing the employee's actual performance relative to those standards, and
- providing feedback to the employee with the aim of motivating him or her eliminate performance deficiencies or to continue to perform above par (Dessler, 2013:306).

2.3 Performance Management as a process

The previous section discussed performance management as a concept. This section explores performance management process. Esu (2009:99) defines performance management as a tool, which focuses on managing the individual and the work environment in order for the individual to achieve the organisational goals. Performance management refers to "all organisational processes that find out and control how well employees and teams perform in their work" (Ahmed, Rasheed and Jehanzeb, 2012:102). To support the above statement, Simeka Management Consulting (2010:5) defines performance management as a continuous and circular process with no beginning and end. The performance management process is essentially initiated with the formulation of the organisation's mission and strategy (Masoga, 2013:11). Schultz, Bagraim, Potgieter, Viedge, and Werner (2003:74) are of the view that performance management is a process that directs the energy of the people in the organisation towards achieving strategic goals. Performance management frameworks are diverse, even though there may be many common elements.

Mavundza (2009:12) emphasises that performance management is not a once-off activity, but a continuous process. These process needs an individual outputs to be in line with the output and strategic goals of the organisation. From the above information it is clear that performance management system focuses on equal participation in performance management by the supervisors, managers and the employees. To support this view Armstrong and Baron (2005:53) allude that performance management needs to be seen first and foremost as a management

process. This process involves performance planning, on-going communication, data gathering, observation and documentation, performance reviews and appraisals and performance diagnosis and coaching.

2.3.1 Performance planning

Planning is a prerequisite for effective execution of performance management in any organisation (Meyer and Kirsten, 2005:62). Performance planning is jointly done by the appraiser and also the reviewer in the beginning of a performance session (Coetzee and Schreuder, 2010:55). Kgantlapane (2009:11) emphasises that performance planning comprises of setting a mission, performance goals and plans, work related competencies and supportive behaviours. Performance planning is the first crucial component of any performance management process which forms the basis of performance appraisal (Colli, 2013:55). Castello (2008:29) argues that performance planning gives managers the opportunity to discuss the following issues with each employee:

- The manager's expectations of the employee's performance.
- How the employee's specific performance objectives tie into the organisation's business plans and organisational goals.

Performance planning is done once a year but the performance plan can be reviewed during the course of the year, if the need arise (Paile, 2012:22). The main objective of performance planning is to clarify job tasks for individual employees. Bacal (1999:29) attests that the results of performance planning are, firstly, common understanding; secondly, the subordinate's plan for the year which will be used in the performance appraisal meeting at the end of the period being planned; thirdly, the subordinate's development or training needs to do his/her job; and, lastly, a signed performance plan by the supervisor and the subordinate.

2.3.2 Performance Communication

The performance management process provides an opportunity for the employee and performance manager to discuss development goals jointly to create a plan for achieving those goals (Colli, 2013:48). In support of the above statement Du Toit, Knipe, Van Niekerk, Van der Waldt, and Doyle (2002:188) are of the view that performance management should be regarded as an on-going communication process that involves both the performance manager and the employee in:

- identifying and describing essential job functions, and relating them to the mission and goals of the institution
- developing realistic and appropriate performance standards
- giving and receiving feedback about performance
- writing and communicating constructive performance appraisals
- planning education and development opportunities to sustain, improve or build on employee work performance.

According to Boninelli and Meyer (2004:222), on-going communication is a process by which supervisor and subordinate work together to share information about work progress, potential barriers and problems, possible solutions, and how the manager can help the subordinate. During this period, the employee decides upon the targets and key performance areas which can be performed over a year within the performance budget which is finalised after a mutual agreement between the reporting officer and the employee (Chauke, 2009:55). An on-going performance communication allows supervisors to gain an understanding of the subordinate's needs, and barriers they face, and ensure that there is a constant discussion about performance measures (Boninelli and Meyer, 2004:224).

2.3.3 Data gathering, Observation and documentation

Data gathering is a process of getting information relevant to improvement (Paile, 2012:24). Observation is a method of gathering data, while documentation is the process of recording the data gathered so that it is available for use (Bacal, 1999:31). Schneier, Beatty and Baird (2007:34) attest that, the purpose of documenting is, firstly, to indicate management's concern with continued poor or underperformance; secondly, to aid in improving the subordinate's performance; and, thirdly, to provide a record of management's efforts to work with the subordinate should he or she appeals. The emphasis is that, data gathering, observation, and documentation can be done through regularly observing by walking around, collecting data and information from individual subordinates at status review meetings, reviewing work produced by employees, collecting actual data, and asking information at staff meetings.

2.3.4 Performance Review

This is the more formal evaluation stage where performance review over the specified period takes place in which achievements, performance agreements and development plans are analysed and can lead to performance ratings (Sarwar and Awan, 2013:7). Kirkpatrick (2006:166) states that, performance reviews are the cornerstone of the performance management process and are vital in the on-going development of employee. They provide an opportunity for two-way discussions.

Van der Waldt (2004:347) defines performance review as a process during which the organisation, after measuring its own performance, assesses whether it is doing the right thing, doing it right and better or not. Performance reviews has a critical role to play in performance management because they can be utilised to determine whether or not the PMS is succeeding or failing (Nzimakwe, 2012:148).Whereas performance reviews provide a bigger picture of past performance and enable to make plans for the future, these reviews not only consider that what has happened in past performance year but also emphasise on why it happened, which make future planning more effective (Mavundza, 2009:13). Monitoring is necessary to keep performance on track, to facilitate progress reviews and other communication during the performance period, and to accumulate information for the appraisal.

If both planning and follow-up monitoring are done well, then appraisal can be relatively straightforward (Ghebreegziabher, 2003:26). According to Bacal (1999:32), the performance appraisal process provides the following:

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

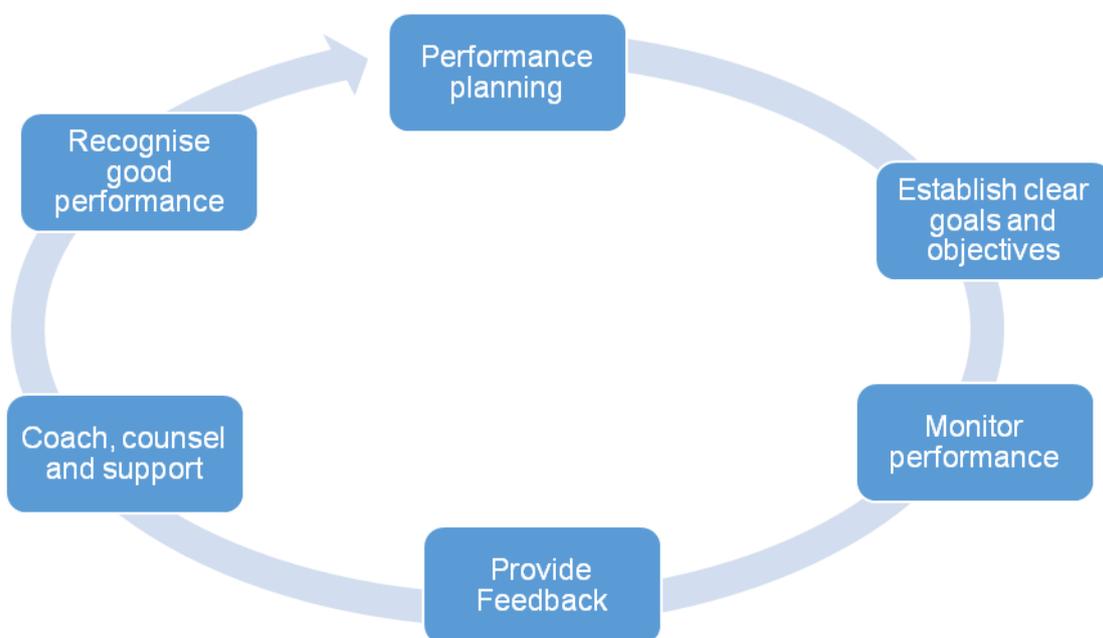
- ❖ an opportunity to identify processes and procedures that are ineffective and costly

Kgantlapan (2009:13) concurs, stating that the year-end performance appraisal represents the end of the annual performance management cycle. This review serves two main purposes, namely: counselling and development; and discussion of administrative decisions, for example, salary increases and promotions.

2.3.5 Rewarding

Mavundza (2009:18) emphasised that, performance management requires reward and remuneration to be flexible so that performance can be recognized. Both financial (bonuses, performance-related pay, etc.) and non-financial rewards or recognition have motivational impact. The latter is more common in bureaucracies, but ideally, the system is flexible enough to match organisational demands and needs. To reinforce the above process, performance management cycle is discussed in figure 2.1 below:

Figure: 2.1 Performance management cycle



Source: Colli (2013:55)

The performance management cycle is a process, not an event, and it operates as a continuous cycle (Paile, 2012:19). Zhang (2012:35) attests that performance management is a natural process of management.

As defined by the total quality expert Deming (2000:1) it consists of these basic activities:

- Plan – decide what to do and how to do it.
- Act – carry out the work needed to implement the plan.
- Monitor – carry out continuous checks on what is being done and measure outcomes in order to assess progress in implementing the plan.
- Review – consider what has been achieved and, in the light of this, establish what more needs to be done and any corrective action required if performance is not in line with the plan.

a) Planning phase

Planning is the first stage in performance management system process cycle and offers the foundation of an effective process (Zhang, 2012:11). Armstrong and Baron (2005:24) agree that performance planning is concerned with setting the direction, concluding performance agreements and agreeing on personal development plans.

Hendrickse (2009:181) refers to the planning phase “as the most important phase on which all the other phases depend on to succeed”. In the planning phase, the supervisors and subordinates are involved in a joint participative process and set organisational goals, as well as specific goals for the individual employee (Mawila, 2006:21). Mavundza (2009:19) asserts that performance elements and standards should be measurable, understandable, verifiable, equitable and achievable. Through critical elements, employees are held accountable as individuals for work assignments or responsibilities.

Employee performance plans should be flexible so that they can be adjusted for changing programme objectives and work requirements. Nel et al (2008:516) state that in order for Performance Management to be effective, it must be line-driven rather than personnel (or human resources) department-driven. Costello (1994:3) adds that an effective Performance Management System should serve as the

cornerstone and driving force behind all organisational decisions, work efforts and resource allocation.

b) Establish clear goals and objectives

Minaar (2010:22) are of the view that desired results or performance expectations are limited only by the imagination of the people involved and the environment in which they work. Set standards on the quantity and quality of the work to be done.

c) Monitor and Evaluate Performance

Monitoring means to keep track of and check all project activities systematically (Ireland, 2007:322). In other words it is the systematic collection and analysis of information as a performance management process (Bonnelli and Meyer, 2004:15). Thus performance monitoring is about collecting sufficient data to be able to make sure that the line managers implement the performance plans correctly in as far as deliverable outcomes are concerned. From time to time project data is collected to compare data with the physical structure. Monitoring should be in line with other management principles such as organising, directing and motivating.

Evaluation is the comparison of actual project impacts against the agreed strategic plans (Minnaar, 2010:157). It is an integral phase of control measures and is conducted after performance monitoring. Performance management is an integrated and continuous monitoring and control process that can be used to gauge and communicate progress in accomplishing mission, goals, and objectives (Reynecke and Fourie, 2001:114). To support the above view, Makamu (2013:14) asserts that monitoring is necessary to keep performance on track, to facilitate progress reviews and other communication during the performance period, and to accumulate information for the appraisal. If both planning and follow-up monitoring are done well, then appraisal can be relatively straightforward (Ghebreegziabher, 2008:26).

Performance appraisal is the phase during which the observation or evaluation of the performance takes place and feedback to the employee is crucial (Colli, 2013:59).

d) Provide feedback

Colli (2013:60) asserts that feedback is the primary means of recognising good performance and for redirecting behaviour that needs to be improved. To support this statement, Van der Merwe (2007:7) echoed that periodic performance feedback

is required to enable employees to evaluate how well they are performing, and make any necessary adjustments to their behaviour.

Performance management as a continuing process, as well as when carried out by means of formal or semi-formal reviews, is about recognition (Chauke, 2009:61). Individuals can be informed through feedback of how well they are performing by reference to achievements and behaviours. Performance feedback should be given to employees promptly in order to improve their performance. Performance feedback ensures that employees know what their performance shortcomings are, and therefore they can pay attention to those areas in which they need to improve their performance (Mlambo, 2010:29). An effective appraisal process requires employee feedback. In order for an appraisal system to be maximally effective, there must be on-going formal and informal performance feedback. Whereas effective performance feedback is timely, specific, behavioural in nature, and presented by a credible source (Robbins, 2003:337). Tosi, Rizzo, and Carroll (1994:14) state that both formal and informal performance feedback provides individuals or groups with information about how their performance compares with some previous developed standard. In managing performance of employees, coaching, counsel and support to individuals or groups is essential.

e) Coaching, counsel and support

Coaching is a continuous process in which a manager and an employee engage in a constructive dialogue about past and future performance (Paile, 2012:35). To support the above statement Robbins (2003:331) alludes that “coaching and counselling should be provided or organised by managers whenever appropriate during the year”. A comprehensive performance management system includes competency models, leadership development, performance plans, goal setting, performance appraisals, recognition and coaching (Rollo, 2009:1). It is an on-going learning process, not a lecture that takes place at designated time throughout the year. The employee is clearly appraised of the areas in which he/she is expected to improve and a stipulated deadline is also assigned within which the employee must show performance improvement. This plan is jointly developed by the appraisee and the appraiser and is mutually approved. The idea is not to get rid of an employee who is under-performing but rather to train and develop such an employee to be able

to reach the set goals, objectives and standards in the future (Hendrickse, 2009:181).

The final phase in the performance management cycle is to recognise and reward performance.

f) Recognition and reward of good performance

Performance management requires reward and remuneration to be flexible so that performance can be recognized (Makamu, 2013:14). Recognition comes in many forms, including oral and written praise, awards and rewards plaques, pins, T-shirts, public acknowledgement in front of co-workers, or a simple thank-you (Gerson & Gerson, 2006:107). The recognition aspect of performance management can create a workplace that encourages employees to excel (Coetzee and Schreuder, 2010:63). Schneier et al (2007:119) view job performance as the culmination of three elements working together: skill, effort and the nature of external conditions. Managers often assume that a performance problem stems from some characteristic of the employee, when in fact it is frequently due to conditions that are beyond the employee's control.

Managing performance is therefore a key human resource tool to ensure that:

- employees know what is expected of them;
- managers know whether the employee's performance is delivering the required objectives;
- poor performance is identified and improved; and
- good performance is recognised and rewarded (Coetzee and Schreuder, 2010:159).

Good performance management means that each person will have goals and measures that are linked directly to the organisation's strategy. The goal of a performance management system is to help boost employee performance and, ultimately, the productivity of the organisation (Chauke, 2009:38).

Performance appraisal is one of the most important management functions and tools used by management to evaluate individual staff member's performance to determine whether they have achieved their individuals or organizational goals (Grobler et al., 2002:299).

Kanyane and Mabalane (2009:59) indicate that good performance consists of three parts, namely performance planning (which involves goal setting), day-to-day coaching (to assist staff members to accomplish their goals), and performance evaluation (which examines each individual's performance goals during a specific period). In order to implement the above cycle the manager needs to understand the evaluation system, approaches and challenges involved in the performance management.

2.4 Performance Evaluation System

According to Loock, Grobler and Mestry (2006:62) state that, when designing systems to evaluate human performance, there are certain standards or criteria that need to be considered whether or not the system meets the criteria can best be ascertained by first clarifying some issues.

To support this statement Stockley (2014:38), describes evaluation as an integral part of the control process. This process should follow the following steps so as to achieve its objectives:

- setting performance standards, criteria or norms.
- observation of the work performance and obtaining information or data about it.
- evaluation of the work performance using a process of decision making and judgment.
- providing feedback about the work performance with the application of corrective steps if necessary. (Stockley, 2014:38).

To accomplish the above process, the manager must know the reasons why employees' performance should be appraised. Dessler (2013:307) outlined four (4) reasons why a subordinates' performance should be appraised, namely:

- first a practical point of view, most employers still base pay and promotional decisions on the employees' appraisal.
- second, appraisals play an integral role in the employer's performance management process. It does little good to translate the employer's strategic goals into specific employees' goals, if you don't periodically review performance.

- thirdly, the appraisal lets the boss and subordinates develop a plan for correcting any deficiencies, and to reinforce the things the subordinates does right.
- fourth, appraisals should serve as a useful career planning purpose. They provide an opportunity to review the employee's career plans in light of his or her exhibited strengths and weaknesses.

The success of performance evaluation system depends on various factors and requirements that the organisation put in place.

2.5 Requirements for successful performance evaluation systems

There are various factors that influence the success of performance evaluation systems in the organisation. Coetzee and Schreuder (2010:146) outline the following factors as critical for successful performance evaluation systems:

- the system should be directly linked to the organisation's vision, mission and strategic plan.
- the goals of the systems must be agreed upon by all involved beforehand.
- it must be simple, practical and use little paper.

Factors regarding the implementation, administration and management of the systems:

- ❖ all line managers should take ownership of the total system.
- ❖ all stakeholders should be involved in its development, implementation and management,
- ❖ top management must also be involved,
- ❖ it must be 'the management system', and should be the integrating mechanism for other management systems in the organisation,
- ❖ the system must be managed actively and continuously.

Apart from the above factors there are also characteristics and climate of organisation that needs to be taken into consideration when performance evaluation is conducted.

Characteristics of the culture and climate of the organisation:

- a performance –orientated culture must exist or be developed.
- the system must be in-line with management philosophy and value system of the organisation and must support it.
- it must be based on the management philosophy: “you are only successful as team members are successful”.

For managers to enhance the characteristics of performance management systems they need to take the elements of effective performance into considerations. Stiffler (2006:41) introduced the concept of unified approach to performance management under the unified approach, the five core components of performance management are to:

- align the objectives, resources, and budgets of different parts of the organisation and the goals, opportunities, and quotas of individuals,
- measure organisational and individual performance,
- reward individuals for performance,
- report organisational and individual performance, and
- Analyse organisational individual strategy execution using models and analytics.

Coetzee and Schreuder (2010:329) explain that performance management has emerged over the past two decades to adopt a future-orientated strategic focus aiming to maximise current performance and the future potential of employees. Managers plan, direct and improve the performance of employees to achieve the strategic goals of the organisation (Amos, Ristow, Ristow and Pearse, 2012:286).In the next section the researcher discussed the performance management process which can assist managers to improve PMS in the area of the study.

2.6 The purpose of Performance Management

Kgantlapane (2009:14) proposes that performance management can serve at least three major purposes: as a vehicle for implementing organisational goals, a strategy and as a driving force for creating a participative culture to provide useful information for the decisions. Armstrong and Baron (2005:53) believe that performance management should focus on two objectives: ensuring that people are motivated to

perform effectively to the boundaries of their ability, and stretching these boundaries through an effective programme of personal development. Performance management involves ensuring that managers and supervisors are aware of the effects of their own behaviour on the people they manage and are encouraged to identify and exhibit positive behaviours. Costello (1994:27) states that, the purpose of performance and development planning as follows: make performance expectations explicit, tie individual performance to organisation and department business plans, identify measurement or evaluation criteria for performance, identify gaps in knowledge or skills required to achieve expectations, describe specific development activities, and foster communication between manager and employee.

Van Rooyen (2006:44) states that performance management is a “process of tracking, recognising and correcting behaviour to ensure effectiveness within a specific social system”. Successful performance management systems usually include aspects of individual recognition, development or training and correction or discipline.

Performance management has at least three purposes:

- aligning individual, team and departmental “outcomes” to organisational objectives/goals;
- ensuring that staff know what they are expected to do; have the knowledge, skills, experience, attitudes and behaviour to do it; do what is expected of them on time, meeting the required standard(s) in a given environment which places limitations on what can be achieved;
- directing training and giving rewards to drive organisational performance. This requires the consistent application of performance management in which the line manager plays a crucial role (Van Rooyen, 2006:48).

The Chartered Institute of Personnel Development (2012:18), advises that performance management should incorporate the following aspects:

- Performance improvement - throughout the organisation, for individual, team and organisational effectiveness.
- Development - unless there is continuous development of individuals and teams, performance will not improve.

- Managing behaviour - ensuring that individuals are encouraged to behave in a way that allows and fosters better working relationships.

The overall purpose of performance management according to Armstrong and Baron (2005:2) is to contribute to the achievement of high performance by the organisation and its people. Messah (2011:18) asserts that, the purpose of performance management is to appraise relevance, fulfilment of objectives, efficiency, effectiveness, impact and sustainability in a more continuous, dynamic and transparent way. Performance management as a management-intensive process and successful implementation calls for careful managerial attention of all managers at all levels (Cho and Lee, 2012:240). Senior management has to support this process, while line managers are part of daily performance management which should be undertaken as a specific strategy to engage employees (Risher, 2013:65). To gear the above strategy towards the performance of employees, an organisation needs the correct analysis before performance management is implemented.

2.7 Approaches to Performance management

Many governmental bodies use different performance management approaches without losing sight of the basics (Mavuso, 2005:12). These various approaches to performance management have their own respective strengths and weakness that must be considered in case of need. Aguinis (2009:34) asserts that performance management systems can be based on a consideration of behaviours (i.e., how work is completed), results (i.e., outcomes produced), or both. For example, management by objectives (MBO) can be part of a performance management system that is based on measuring results. Byars and Rue (2004:225) state that whatever performance rating method any organisation chooses to use it should be work related. Nel, Werner, Haasbroek, Poisat, Sono and Schultz (2008:340), outline different methods and techniques used to evaluate employee's performance management namely: the comparative approach, the attribute approach, the results approach and the quality approach.

2.7.1 The comparative approach

The comparative approach measures an individual's performance by comparing one's performance to that of others. Nel et al (2004:341) outlines different methods

and techniques that are used to evaluate employee's performance and these include;

➤ **Ranking**

The supervisor ranks his or her subordinates from the best performer to the worst performer.

❖ **Advantages of ranking method**

The ranking method is the quickest, easiest and least costly method to use (Mdluli, 2015:24). It can be used in smaller forms with limited number of staff and different jobs. The evaluators need to be familiar with all the jobs in order to make reliable comparison between jobs for purposes of evaluation (Nel et al., 2008:415).

❖ **Disadvantages of ranking rating method**

- Ranking data does not allow for a determination of the relative distance among the rate.
- Ranking cannot be compared across different groups of raters (Mdluli, 2015: 25).

➤ **Forced distribution rating method**

Employees are ranked in groups. Here the ranks are forced to distribution (DeCenzo and Robbins, 2010:17).

❖ **Advantages of forced distribution rating method**

- The method of forced distribution contributes to rater's deficiencies as leniency and central tendency errors.
- The ratings require relatively simple comparative judgments by the rater without considering the actual performance of employees.
- Performance raters know in advance the actual outcome of the ratings (DeCenzo and Robbins, 2010:23).

❖ **The disadvantages of forced distribution rating method alluded by Mdluli (2015:26) are as follows:**

- Rating method is not really applicable to small groups of employees.
- Resistance by managers to placing individuals in the lowest or highest groups.

- Assumes a normal distribution of employees' performance in a curve.
- Forced distribution does not provide specific information for the purpose of appraisal feedback and performance coaching.
- Ratings cannot be compared across groups.
- There is no limited evaluation in terms of the real performance appraisal.
- Providing explanation for placement in a higher or lower grouping can be difficult.

➤ **Paired comparison**

This procedure requires the evaluator to compare each worker separately with the other (Mlambo, 2010:36). The eventual ranking of an individual is then determined by the number of times he/she was judged to be better than the other worker. The supervisor compares every employee with every other employee in the group (Mavundza, 2009:17).

❖ **Advantages of paired comparison**

- The supervisor can compare performance of every employee to the performance of other employees in the group (Noel et al., 2004:346).

❖ **Disadvantage of paired comparison**

- The eventual ranking of an individual is determined by the number of times he/she was judged to be better than other worker (Swanepoel, Erasmus and Schenk, 2008:385).

2.7.2 The attribute approach

This approach focuses on the identification of the employee attributes necessary for organisation's success (Masoga, 2013:17). The employee is measured against these identified attributes. The approach includes the following techniques:

- **Graphic Rating Scales:** the supervisor rates the subordinate on particular traits and characteristics; and
- **Mixed Standard Scales:** the supervisor rates the subordinate against relevant performance dimensions.

2.7.3 The Behavioural Anchored Rating Scales (BARS)

According to Mullins (2010: 513), BARS is a common rating method and easy to use by completing the template. A BARS is an appraisal tool used by the supervisor to

anchor numerical rating scale for examples, good or poor performance etc. The method uses a combination of rating scales hence preferred most by many organisations and researchers.

❖ **Advantages of BARS**

According to Mullins (2010:513) the advantages of BARS provides clear standards as follows:

- ✓ It is a more accurate rating scale than others.
- ✓ It provides effective feedback of the employees performance
- ✓ It is consistent in measuring performance.

❖ **Disadvantages of BARS**

Masoga (2013:28) attests that the disadvantage of BARS is that:

- ✓ it is difficult to develop it.
- ✓ it builds on critical incidents approach.

2.7.4 The results approach

This approach is based on the premise that results are the best indicator of how a subordinate's performance has contributed to success of the organisation (Chauke, 2009:40). The focus of this approach is on the "product" of one's efforts not on the "person". In other words, what has the individual accomplished? The result approach is based on techniques such as:

- **Productivity Measured and Evaluation Systems (PROMES) and**
- **Management By Objectives (MBO)**

The results approach minimizes subjectivity as objectivity and quantifiable indicators of performance used (Masoga, 2013:19). An employee's performances are linked to organisational strategy and this approach is highly acceptable to both supervisor and subordinates. PROMES is a system which involves a process of motivating employees to higher productivity (Noe et al., 2004:353). Organisational performance

is measured based on a number of results that are available to evaluate performance (Mdluli, 2015:27).

2.7.5 The quality approach

The focus of this approach is on improving customer satisfaction through customer orientation and the prevention of errors. Masoga (2013:22) states that, the design of a quality-based performance management system should focus on:

- The assessment of employee and system factors;
- The relationship between managers and employees in solving performance problem;
- Internal and external customers in setting standard and measuring performance;
- Using a number of sources to evaluate employee and system factors.

Cascio (2006:309) highlights that rating formats that focus on employee behaviours and others that place emphasis on what the employee produces (so-called results-orientated systems). Management by objectives and work planning and review use this results-orientated approach. These rating formats are regarded as alternative methods of appraising performance. However, Noe et al (2004:358) assert that, there is no best approach to be recommended, however, the most effective ways of measuring performance is to rely on two or more alternatives.

2.8 Analysis of Performance Management and its challenges

Robbins, DeCenzo and Coulter (2013:244) state that, performance management systems and performance evaluation are associated with challenges emanating from the human errors committed by the raters during the assessment or evaluation of staff performance. Mdluli (2015:21) explained errors associated with performance management assessments and evaluation as follows:

2.8.1 Horn effect

The horn effect is the opposite of the halo effect. In this case supervisors or managers have a tendency to downgrade employees performance on all the dimensions due to a poor performance, based on one dimensions that the subordinate might not have performed well (Armstrong, 2006:458).

2.8.2 Strictness and leniency

This is one of the most problematic challenge, supervisors or managers tend to be so strict towards the subordinates during the assessment, or become too lenient in cases where they feel that employees did not perform well in order to qualify for merit awards or performance bonus and tend to give more scores where subordinates do not qualify or deserve them (Byars and Rue, 2004:222).

2.8.3 Contrast error

Bohlander and Snell (2013:340) assert that contrast error is an interesting deficiency in performance evaluation, as stating that, if an average employee works in a group where the individuals are rated below average performers, the individual may appear to be a better performer than what he or she really is because of the other employee's performance.

2.8.4 Central tendency

Supervisors feel that it is better to give all the scores at the middle points; they are not sure to give more or less than that (Byars and Rue, 2004:223).

2.8.5 The Halo effect

The rater may rate the employees high or low on the basis of one performance that is predetermined because the job performance is high or low in some aspect (Swanepoel et al., 2008:7). Teubes (2002:48) suggests that the halo effect is the main psychometric error affecting multifactor ratings. He further suggests the following solutions to control the halo effect: training raters prior to the rating exercise; supervising the supervisors during the rating; practising simulations before doing the ratings; keeping a diary of information relevant to appraisal and providing supervisors with a short lecture on halo.

The minimisation of challenges in performance management depends on the kind of leadership styles which managers apply in the organisation.

2.9 Performance Management and Management by Objectives

Management by Objectives (MBO) as introduced by Peter Drucker in 1954 and adopted by McGregor (in Mullins, 2010:468), is a means of goal-setting, appraisal of managerial performance and self-assessment. Drucker (1954:25) introduced MBO as a philosophy of management and a principle which gives full scope to individual

strength and responsibility. To support the above statement Colli (2013:41) asserts that, “MBO is a process whereby superior and subordinate managers of an organisation jointly define its common goals, define each individual’s major areas of responsibility in terms of the results expected of him or her, and use these measures as guides for operation of the unit and assessing the contribution of each of its members. Robbins (2003:77) state that, “instead of using goals to control, MBO uses them to motivate”. Before the managers relate performance into management by objectives, they need to understand the concept and its implications in the organisation.

2.9.1 What is MBO?

The literature reveals various definitions of MBO from a multiplicity of writers and researchers with different perspectives. Sah (2012:2) defines MBO as “an appraising technique to value employee performance”. MBO involves employee participation, goal specificity, performance feedback, reward based on performance, job description, participative decision making. Aguinis and Pierce (2008:143) assert that, MBO involves a process where goal setting is cascaded down throughout the organisation, and the goal becomes the standard against which an employee’s performance is measured. Van der Merwe (2007:7) considers MBO to be “a management tool or technique that can be used in the virtual organization. It is a system in which specific goals are jointly determined by the virtual worker and the manager, progress towards goals is periodically reviewed, and rewards are given on the basis of that progress”.

Management by Objectives specifies the performance goals that an individual and manager identify together. Brewster et al (2003:86) are of the view that an MBO approach determines the performance capability of an individual and assessment centres determine the potential. Hollmann (2013: 561) defines MBO “as a process whereby each manager establishes and works toward achieving specific MBO objectives in key areas of his or her job responsibility during a specified time period”. MBO allows subordinates and their supervisors to work together, agree on certain goals that need to be achieved. MBO varies and as a process it consists of a number of elements or stages that form MBO cycle.

2.9.2 The cycle of MBO

Mullins (2010:468) identified six stages that form an MBO cycle as follows:

- **Setting objectives**

The principle of setting goals is another important element. Hahn (2007:45) points out that every manager must be able to clearly define the objectives for his/her function in the organisation. All the objectives of the Organisation are written down. Objectives should be specific, clear, obtainable and measurable. Mullins (2010:469) suggests that managers at every level should be involved in establishing the objectives for the next higher level of management.

In LEDA the setting starts from the top management of the Agency derived from the Provincial Department escalating to the Agency's regions objectives. The role of the effective Managers is to relate and clarify the objectives to the employees who have to incorporate these objectives in their annual plans and be implemented in their daily activities. Management should clearly indicate that the achievement of objectives by each individual employee is ultimately the achievement of the whole Agency's objectives. Instead of using goals to control, MBO uses them to motivate (Robbins, 2003:86).

- **Developing action plans**

Senior Management and managers translate set objectives in the setting objectives stage mentioned above, into action statements in a participative way. Senior managers ensure that managers' plans complement one another and are linked with the overall objectives of the Agency. Mullins (2010:468) indicated that where there is more than one objective: prioritise and rank them in order of importance. The role of senior managers is to help the employees in prioritising these objectives so that all the employees work together to achieve the same organisational objectives.

- **Performance appraisal**

Van der Waldt (2004:240) regards performance appraisal as the process by which an employee's contribution to the organisation during a specified period is assessed. During performance appraisals line managers and employees should be honest and openly discuss if objectives that were set has been achieved. Line managers and supervisors on behalf of the management rate and score objectives according to

evidence of performance. Ratings are agreed upon by both the supervisor and the employee and recommendations for percentages of performance payments are set. After agreeing, evaluation and analysing performance is done. The scores are allocated to each objective, and remedial steps are given for objectives not met. Feedback is given to employees quarterly and the employer's intention on how remuneration will take place and how implementing further coaching is going to take place (Cassidy and Kreitner, 2008:244).

- **Rewarding performance**

Kgantlapanne (2009:20) asserts that when giving rewards and recognition, the focus should be on rewards and forms of recognition which are valuable to the employee, that is giving the kind of rewards and recognition which employees regard as significant. Rewards and recognition must therefore satisfy people's preferences, be realistic and significant expectations to have a high valence or value for them. To support the above statement, Mullins (2010:469) is of the view that employees should be paid according to the rating of objectives and management should ensure that every employee is rewarded before a new cycle is commenced. If payment is not done on time, reasons should be given to employees, so that the employees should not regard this exercise as futile. "Pay for performance" is the popular term for monetary incentives linking at least some portion of a pay cheque directly to results of accomplishment (Kreitner and Kinicki, 2013:337).

Organisational rewards are powerful incentives for improving employee and work performance. Therefore, it is critical to provide employees with an overview of their performance.

- **Overall review** –Robbins (2003:79) regard this stage as the control phase of the performance management cycle.

According to Kreitner and Kinicki (2013:339) outline three organisational reward systems for the distribution of rewards, as follows:

- **Performance results** - tangible outcomes such as individual, group, or organisation performance; quantity and quality of performance.
- **Performance actions and behaviours** - teamwork, cooperation, risk taking and creativity.

A review of the whole performance management cycle is done to assess its fairness in rating, whether there are modifications to make, especially in rating performance. Rewarding people and giving them recognition reinforce effort which leads to performance. **Figure 2.2: MBO cycle**



Source: Adapted from Mullins (2010:468)

Periodic review – When plans are put into action, performance is monitored against action statements, made during the stage of developing action plans. Cassidy and Kreitner (2008:243) recommended face-to-face review meetings between the Agency managers and their employees once in the interval of four months. A shorter period may be recommended where possible. These meetings should be conducted for the purposes of:

- Checking the validity of sets of objectives, in view of unexpected events.
- Amending objectives that have turned obsolete.
- Checking progress towards valid objectives.
- Affording line managers the opportunity to give constructive developmental feedback.

The review meetings are important as is an opportunity for both line managers and supervisors to check if there are any targets missed and to clarify any misunderstanding that may exist. Apart from the MBO cycle, the next section will explore the implication of MBO in an organisation.

2.9.3 Implication of MBO in organisational responses

Table 2.9: Employee needs and organisational responses

Employee needs	Organisational responses
Tell me what you expect from me.	<ul style="list-style-type: none"> • Clarification of departmental objectives. • Establishing priority areas and tasks. • Developing improvement plans. • Job description.
Give me an opportunity to perform.	<ul style="list-style-type: none"> • Organisational planning • Allocate resources • Delegate authority
Evaluate my performance.	<ul style="list-style-type: none"> • Control information • Performance reviews • Employee inspection • Management services
Guide and help where there is a need.	<ul style="list-style-type: none"> • Career development • Performance reviews • Training needs
Reward my performance.	<ul style="list-style-type: none"> • Performance pay bonus • Potential review • Succession planning • Training

Source: Masoga (2013:37)

❖ **What do you expect me to do?**

LEDA leadership is expected to produce results through the assistance of the employees. Both the management and employees should make sure that these expectations are recorded, regularly reviewed and updated where necessary. The expectations should be understood by both the appraiser (the manager or supervisor) and the appraisee (the employee). These expectations should be specific, measurable, achievable, reasonable and time bound. Managers are responsible for delivering results that can be achieved only with the assistance of the LEDA employees.

❖ **Give me an opportunity to perform**

The employees should be given an opportunity in the form of space, necessary resources like time, to perform freely. Interference should be minimised, because it might be viewed as over-control. At this level senior managers might be delegated to help, if there is a need.

❖ **Evaluate my performance and let me know how I am performing**

Effective monitoring tools; regular performance reviews should be used to evaluate performance against the set or agreed upon objectives. The employees should be allowed to give feedback to indicate whether they feel happy about their performance. An objective feedback will reveal whether there is a need for deviation from the set objectives.

❖ **Guide and help me where I need it**

This stage is characterised by leadership direction and control, this stage can be better performed by either the senior management, who are overseers in the organisation in case the problem at hand is related to a specific performance. Regular reviews will help the line managers to decide how best to assist the employees. If specific skills are required, training may be arranged for personal development. The employees may also be used to identify training needs.

❖ **Reward me for my performance**

The Agency management should rate the employees objectively so that performance bonus pay and salary increments are linked to the actual performance. Rewarding of performance in the form of pay and salary increments are motivators and may lead to employees improving their levels of performance. Reward can either be positive or negative. Negative rewards like demotions for poor performance should be avoided because they de-motivate employees and may lead to resignations and perennial leaves of absence from the Agency. It is only when performance is extremely unacceptable where referrals for training may be used instead of tangible rewards.

From the above information, it is clear that the performance of every employee depends on the management by objectives and leadership traits of managers in the organisation.

2.10 Performance Management and Leadership

In this section leadership and performance management was explored. The concept leadership has generated lively interesting debate and confusion as management though evolved (Koech and Namusonge, 2012:4). Nel et al (2008:356) defined leadership as a process whereby one individual influences, not coerces, others to willingly and enthusiastically direct their efforts and abilities towards achieving group or organisational goals. Craythorne (2003:19) points out that without leadership there cannot be development, because leaders influence people to achieve goals in their best interest and they are trusted in facilitating transformation in the minds and heart of people. Shepard (2005: 41) asserts that, leadership is commonly seen as an important variable affecting organisational performance. Leadership as defined by Packard (2012:44) is the process of influencing others to achieve specific objectives in specific situations.

According to Senge (1990:32) asserts that, leadership is associated with stimulants and incentives that motivate people to reach common objectives. Leaders must listen and act on employee opinions (Packard, 2012:45). Managers/supervisors should provide leadership and integrate performance with other aspects of their work by accepting primary responsibility to manage the people entrusted to him/her (Colli, 2013:15). The question raised here is: what causes performance?

❖ **What causes performance?**

The Pygmalion effect (Lussier, 2003:272) provides that managers' attitudes, expectations, and treatment of employees largely determine their performance. What the Pygmalion effect implies is that, managers should understand the importance of the attitudes, expectations and the way they treat their employees. In the organisations this understanding is two-fold, namely if the organisation's leadership has negative attitudes towards its management, expecting that their line managers are incapable of achieving good results, and treating them as such, the organisation's leadership will get negative results from the line managers. Secondly, if line managers have negative attitudes towards employees, regarding them as incapable of achieving good results, and treating them as such, line managers will get what they expect from employees. Alternatively, positive attitudes, expectations and treatment by the organisation's leadership and line managers, lead to better performance and therefore, will yield good results from line managers and employees respectively.

Apart from the above causes, there are also leadership approaches that can also enhance effective leadership.

2.10.1 Contemporary approaches to leadership

Leadership style is the combination of attitude and behaviour of a leader, which leads to certain patterns in dealing with the followers (DuBrin, 2004:13).

2.10.1.1 Transformational theories

Transformational leaders are focused on the performance of group members, and they also want each person to fulfil his or her potentials (Chauke, 2009:12). These theories focus upon the connections formed between leaders and followers. They motivate and inspire people by helping group members see the importance and better part of the task. The following qualities were identified by Koech and Namusonge (2012:5) as essential components of successful leadership:

- ❖ They communicate effectively.
- ❖ They are role models and often have high ethical and moral standards.
- ❖ They recognise the need for a change, create a vision to guide that change and then execute that change successfully.

- ❖ Besides being visionary, they are also strongly committed to organisational goals, highly motivated to organisational performance.
- ❖ They give personal attention to followers.
- ❖ They are life-long learners who inspire their followers to learn.
- ❖ They are proactive.

Transformational leaders motivate and inspire people by helping group members see the importance and better part of the task. Transformational leaders encourage subordinates to put in extra effort and to go beyond what they (subordinates) expected before (Nyathi, 2014:26).

2.10.1.2 Transactional theories

The main focus of these theories is on the role of supervision, organisation and group performance. According to Daft (2012:452), the advantages offered by these theories are:

- The leader's ability to satisfy subordinates through rewards may improve results;
- Transactional managers are hardworking, tolerant and fair minded;
- They take pride in keeping things running smoothly and efficiently;
- They emphasise the importance of aspects of performance such as plans, schedules, and budgets;
- They conform and are committed to organisational norms and values.

Transactional leadership is significant to all organisations, but where leadership change is needed, a new approach is preferred. Therefore, it is evident that this leadership approach should be supplemented with other approaches to be effective, such as Participative Theories.

2.10.1.3 Participative theories

Leaders here suggest that the ideal leadership style is one that takes the inputs of others into account. In Participative leadership the leader does not make more contribution than anyone else of the subordinates, but contributes equally to decisions (Daft, 2012:452).

The implementation of theories depends on leadership style which the manager can apply to enhance performance.

2.10.2 Leadership styles

The leadership style within an organisation has a bearing on encouraging or inhibiting employee's performance (Armstrong and Murlis 2004; Cronje, Du Toit and Motlatla, 2001). Major leadership styles relevant to this study have been identified by Mawila (2006:11) as the following:

- a. Autocratic leadership
- b. Democratic leadership
- c. Free-rein or Laissez-faire leadership

❖ Autocratic leadership

The autocratic leadership style is known to be domineering and task-focused (DuBrin, 2010:114). The autocratic leader is self-centred: that is to say, the leader dominates the scene. The leader's concern is on maximum production and minimum concern for interpersonal relations. They decide for the employees, the group or the team. They formulate policy for their associations or enterprises. Autocratic leadership presupposes followers who are subordinates and a leader who is a ruler and an authoritarian. The leader leads by giving orders, by commanding and by demanding (Milondzo, 2003: 108).

❖ Democratic leadership

The second leadership style is the democratic leadership style that is collaborative in nature, as the leader allows employees to give input in decisions regarding the organisation (DuBrin, 2010:113). The management and implementation of PMS requires a democratic leadership styles whereby managers and subordinates have to work together in the determination of performance plans of the subordinates (Mavuso, 2005:10).The line managers regard employees as co-workers and teammates who should own decisions by participating in every level of decision making. This leadership style is group centred, in the sense that the group is allowed to decide on matters that affect them, formulate and implement the Agency policies instead of implementing what has been decided by the leader alone.

❖ **Free-rein or Laissez-faire leadership**

The free-rein leadership style is also less rightly called the laissez-faire leadership. Leaders in this type always avoid getting involved when important issues arise and avoid making decisions. It is individual-centred, that is, it emphasizes the action and reaction of the individual members of the group (Mone and London, 2010:32). An avoidant leader may either not intervene in the work affairs of subordinates or may completely avoid responsibilities as a superior and is unlikely to put in effort to build a relationship with them. Laissez-faire style is associated with dissatisfaction, unproductiveness and ineffectiveness (Koech and Namusonge, 2012:4). When the line manager delegates the responsibility the employee, the line manager himself or herself disappears completely from the action and allows the employee to take a decision over the matter. The employee given the responsibility will perform a task and conclude on the matter without supervision of the line manager.

The laissez-faire leadership style is not suitable for teams which need a lot of support and supervision from the line manager.

According to Mawila (2006:32) none of these leadership styles is good or bad in its own right. They can however, be misused and the manager (leader) can be unbalanced in regard to his or her preference for any of them. The appropriate use of leadership style depends on the way the managers motivate their subordinates.

2.11 Performance Management and Motivation

This research seeks to explore if and how these theories and human resources management factors assist in providing insight into identifying unique variables which may affect employee performance and productivity in LEDA.

Motivation of the employees is an important factor that may ensure that employees remain focused on the organisation's goals and objectives. People join and work in organisations in order to satisfy their personal needs (Kombo et al., 2014:204).

2.11.1 What is motivation?

Application of the theory of motivation is based on a number of assumptions and generalisations. Robbins and Judge (2013:288) define motivation as the process that accounts for an individual's intensity direction, and persistence of effort towards attaining a goal, while general motivation is concerned with efforts towards any goal.

Motivation is described by Grobler, Wörnich, Carrell, Elbert and Hatfield (2002:237) as the force that energises human beings, to behave in a certain manner and persists to do so even in the face of one or more obstacles, with the ultimate aim of achieving organisational objectives. To support the above definitions, Berg and Theron (2006:156) define motivation as the “process or factors causing people to act in certain ways ... it consists of the identification of a need, establishment of a goal which will satisfy that need, and determination of the required action”.

Motivation is encouraged by job design, high expectations of performance, and sound decisions on compensation and rewards (Nel, 2011:34). Management should be able to get personnel to work together to achieve the objectives of the institution. Motivation is therefore what causes, channels and maintains human behaviour. Management should have a basic understanding of the reasons for human conduct in order to influence people’s actions (Van der Waldt and Du Toit, 2007).

Motivation refers to the combined personal, social, organisational and inherent factors that drive an employee to perform to agreed job standards or exceed these, on a continual basis (Tinoferi, 2011: 24).

There are a number of reasons why human beings may sometimes be hostile to taking action. Motivation can be affected by a number of factors (such as rewards and punishment) but is ultimately an internal decision: it is up to the worker to determine how much effort to exert on any organisational characteristics (Mlambo, 2010:46). Motivation to individual employees is derived from number of factors.

2.11.2 Factors that motivate employees

According to Robbins (2003:425) what triggers motivation is the need that arises, either within or outside the individual. Mone and London (2010:22) identified factors which motivate employees as:

- money and perks;
- authority;
- status;
- reputation;
- responsibility;
- independence;

- professionalism; challenges; and
- personal development.

A motivated employee will put much more effort, time, energy and thought into an activity than an unmotivated employee would normally do. Mavuso (2005:9) says that, “the desire to change, or not to change, is often a matter of feelings rather than a matter of knowing”. Therefore, the role of the effective line manager is to understand what motivates his/her employees in order to perform better.

Motivation at work can take place in two ways (Mwita, 2002:40). First, people can motivate themselves by seeking and carrying out work (or being given work), which satisfies their needs or at the expectation that their goals will be achieved. Secondly, management can motivate people through such methods as pay, promotion, praise, recognition, etc. Respectively, these two types of motivation can be described as intrinsic and extrinsic motivating factors (Akrani, 2010:36). The main difference between these two types of motivation is that extrinsic motivators can have an immediate and powerful effect, but it will not necessarily last long. Intrinsic motivators are concerned with the ‘quality of working life’, and are likely to have a deeper, long-term effect because they are inherent in individuals and not imposed from outside.

This study explored various Motivation theories which evaluate how motivation may affect individual employee’s work style, attitude and performance traits.

2.11.3 Motivation theories

There are two types of motivation theories, namely content and process theories.

❖ Content theories

Content theories as described by Mullins (2010:426) are those theories that are concerned with identifying people’s needs and their relative strengths, and the goals they pursue in order to satisfy these needs. Luthans (2011:260) emphasises that, “content theories highlight the nature of needs and what motivates”. Examples of major content theories are:

- Maslow’s hierarchy of needs;
- McGregor’s theory;
- Alderfer’s need hierarchy;

- Herzberg's two-factor theory; and
- McClelland's achievement motivation.

A brief outlined and application of Maslow's hierarchy of needs in the organisation is given below.

❖ **Maslow hierarchy of needs theory**

Maslow's hierarchy of needs theory is the most commonly known theory of motivation developed by Abraham Maslow during 1943. Steyn and Van Niekerk (2005:144) emphasise that, employees have five hierarchy levels of needs namely, physiological, safety, social, esteem, and self- actualisation. Maslow wanted to understand what motivates people. To support the above statement, (Aldag and Kuzuhara, 2002:18), listed the Maslow's hierarchy of needs as follows:

Physiological needs- These are needs that focus on sustaining human life such as the need for oxygen, food, water and sex. Maslow stated that until these basic needs are satisfied to a large extent, no other motivating factor can operate (Armstrong, 2006:14).

Safety needs–These are the next in hierarchy and focus on being free of physical danger and the fear of losing a job, property, food or shelter as well as protection against emotional disappointment. The rationale is that employees working in an environment free of harm do their jobs without fear of harm. These types of needs include needs such as safety and a secure environment.

Social or belonging needs-These are the needs that deal with the social aspect of man such as the need to belong and be accepted by others. It is the need for love, affection and acceptance as belonging to a group (Steyn and Van Niekerk, 2005:144). To meet these needs organisations encourage employees to participate in social events such as picnics, organisations golfing and team buildings, etcetera.

Esteem needs– These include the internal factors such as self-respect, autonomy and achievement, the external factors like the personal status and recognition one receives from others (Steyn and Van Niekerk, 2005, 2011:86) . It includes the need for self-respect and approval of others. Organisations introduce awards banquets to recognise distinguished achievements. Maslow identified that as soon as people

satisfy the need to belong and be accepted by others, the next higher level of need is the need to be held in high esteem by themselves and others.

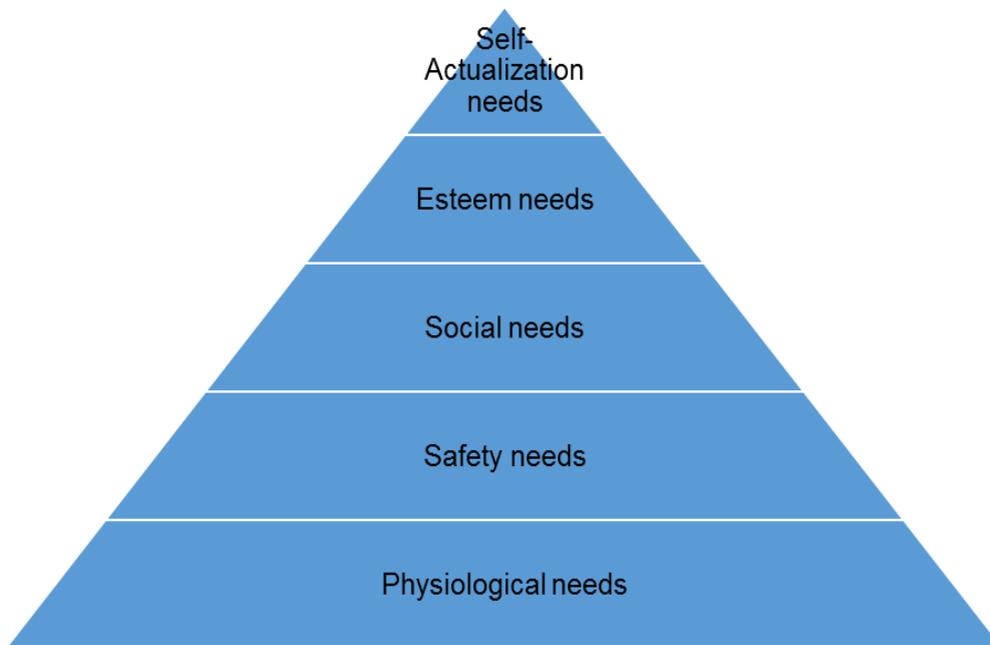
Self- Actualisation needs -this refers to the need to become all that one is capable of being to develop ones fullest potential. Maslow argued that some people appear to be content with lower level needs, but only until these are satisfied; they would then strive for the next level (Robbins, 2003:426). One must satisfy lower level basic needs before progressing on to meet higher level growth needs. Once these needs have been reasonably satisfied, one may be able to reach the highest level called self-actualisation.

Robbins (2003:427) derived two major postulates from Maslow's need hierarchy. They are:

- a satisfied need is not a motivator of behaviour.
- to the extent that lower-order needs become satisfied, the next higher-order level of needs becomes the most prominent determinant of behaviour

For Maslow, as the higher order needs for esteem and self-fulfilment provide the greatest impetus to motivation, they grow in strength when they are satisfied, while the lower needs decline in strength on satisfaction (Aldag and Kuzuhara, 2002:19). This theory can be a useful tool in determining the kinds of rewards that could be effective in motivating employees.

The figure 2.11. Maslow's hierarchy of needs.



Source: Kreitner and Kinicki (2013: 89)

Maslow also states that "Only unsatisfied needs provide the sources of motivation; a satisfied need creates no tension and therefore no motivation" (Burke, 2014:32).

2.11.3.1 Application of Maslow's hierarchy of needs in LEDA

- Physiological needs – senior managers should ensure that the organisation has breaks for food and drinks, and amenities such as rest-rooms available. In this way, senior managers will be able to concentrate on their work and not be distracted by bodily needs.
- Safety needs – senior managers should ensure that the organisations are free from harmful weapons, and employees' salaries and wages are paid on time to allow them to plan for their social needs such buying household goods or houses. This will assist employees to pay more attention on the achievements of the organisation's objectives than to concentrate on the safety needs.
- Social needs –senior managers should ensure that there is a sense of social belonging within the organisation. Employees should feel that their wellbeing is cared for by management, in times of bereavements, celebrations so as to enable them to work as one team and family. This will motivate them to achieve the organisation's objectives as a team.

- Esteem needs – senior managers should acknowledge excellent performance of employees, by rewarding best performers with tokens such as trophies and certificates. Positive awards like trophies and certificates are well-known for motivating employees to perform at highest levels (Amos et al., 2008:179).
- Self-actualisation – senior managers should afford employees the opportunity to fulfil their unique potentials and talents by conducting team building, introduce various sport activities, coaching and counselling, among others.

2.11.3.2 McGregor’s Theory X, Theory Y

McGregor (1966:24) proposes an objective way to measure the performance of employees, by suggesting that a plan of action should be agreed upon by managers and employees, including the goals that could be achieved by the subordinates within a certain time period.

Robbins et al (2013:268) proposed two distinct views of the nature of human beings; namely:

- The first assumption is a negative Theory X, which assumes that employees dislike work, are lazy, inclined to avoid responsibility and must be coerced to work.
- The second assumption is a positive Theory Y, which is based on Maslow’s social and esteem needs. Robbins (2003:268)’s assumption is that employees are creative, enjoy work, need responsibility and exercise self-direction. In this regard McGregor suggested that by allowing employees to participate in decision making, responsible, highly demanding and challenging jobs and constructive group relations would maximise work effort.

McGregor's Theory Y matches much of Maslow's self-actualisation level of motivation. The more traditional view is held in Theory X, where McGregor suggests that employees by nature have to be “coerced, controlled, directed and threatened into working” (Amos et al., (2008:180). Conversely, Theory Y suggests that work is a natural action and a source of satisfaction where individual employees can self-regulate their needs to work in tandem with those of the organisation (Grandy, 2004:1351).

Armstrong and Murlis (2004:67-68) assert that under Theory Y, people do not only accept, but seek responsibility. Motivation is such an important element in improving work productivity, every employee needs to have a firm understanding of how it relates to job satisfaction and reward systems (Pardee, 1990:3). It is based on the assumption that self-direction, self-control, and maturity control motivation.

According Grandy (2004:1352), Theory X managers and Theory Y managers, each have a different set of assumptions about others. The assumptions are:

Theory X Assumptions:

- People have an inherent dislike of work and will try to avoid it at all costs
- People need to be coerced, controlled and threatened in order to work hard
- People aren't ambitious and dislike responsibility, preferring to be directed
- Above all else, people want security

Theory X managers are authoritarian and controlling, using threat and punishment to coerce people into working hard. They tend not to produce high levels of performance from their teams.

Theory Y Assumptions:

- People naturally put as much effort into their work as they do into play or rest
- People will exercise self-direction and self-control if they are committed to a goal
- People will be committed to an organisation if they are satisfied in their job
- People relish and seek responsibility
- People are good at creative problem-solving
- People's talents and skills are normally underused

Theory Y managers are democratic, consultative and empowering, helping people to develop and encouraging them to take the initiative. These enlightened managers tend to achieve the best results from their teams. People will contribute more to their job and organisation if they are treated as emotionally mature, responsible and valued employees and are given challenging work. Employee will give their maximum when they have a feeling or trust that their efforts will be rewarded by the management.

2.11.3.3 The Expectancy Theory

Expectancy theory provides that people are influenced by the expected results of their actions (Vroom, 1964:1).

According to Robbins (2003:432), "Expectancy Theory is a theory that says that the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual". The Expectancy Theory provides that people expect a return (i.e. outputs) for their efforts (i.e. inputs), and they base decisions on their behaviour on three factors:

- a) the perceived performance outcome – will the effort result in the desired performance?
- b) the perceived return on investment for their effort – will there be a reward?
- c) the perceived value of the reward – is it worth it?

This model explains motivation as a subjective reality, based on personal perceptions of worth and value. In other words, when making a decision about their behaviour, people are asking themselves 'what's in it for me?'

2.11.3.4 Herzberg's Motivation Hygiene Theory

Theory Herzberg's motivation hygiene theory is often called the two factor theory and focuses on those sources of motivation which are pertinent to the accomplishment of work (Hall and Williams, 1986:6). Herzberg noted that the motivators are intrinsic factors that permit psychological growth and development on the job such as achievement, recognition, responsibility, advancement, challenges and the work itself (Robbins, 2003:433).

Herzberg (2003:92) concluded that job satisfaction and dissatisfaction were the products of two separate factors: motivating factors (satisfiers) and hygiene factors (dissatisfiers) satisfiers respectively as illustrated in Table 2.11 below:

Table 2.11 Herzberg's motivating factors.

Satisfiers	Dissatisfiers
Achievement	Company Policy
Recognition	Supervision
Work itself	Working conditions ⁴
Responsibility	Interpersonal relations
Advancement	Salary
Growth	Status
	Job security
	Personal life

Source: Herzberg, Mousner, and Snyderman (1959:59-83)

According to Herzberg (2003:91), hygiene cannot motivate, and when used to achieve this goal it can actually produce negative effects over the long run. A "hygienic" environment prevents discontent with a job, but such an environment cannot lead the individual beyond a minimal adjustment consisting of the absence of dissatisfaction.

There are three primary psychological states that significantly affect worker satisfaction:

- experienced meaningfulness of the work itself.
- experienced responsibility for the work and its outcomes.
- knowledge of results, or performance feedback.

The more that work is designed to enhance these states, the more satisfying the work will be (Burke, 2014:35). Kirkpatrick (2006:87) suggests that factors that lead to job satisfaction are primarily intrinsic, whereas factors leading to job dissatisfaction are primarily extrinsic. The main theme of McClelland's theory is that needs are learned through coping with one's environment.

2.11.3.5 McClelland's Need for Achievement Theory

The theory proposes that when a need is strong in a person, its effect is to motivate the person to use behaviour which leads to satisfaction of the need (Pardee, 1990:14). In order to understand how to motivate their subordinates, managers need to know what energizes human behaviour (Hamner and Organ 1978:137).

Burke (2014:34) asserts that, motivation gives direction and intensity to human behaviour it follows that people will be highly motivated when they believe:

- a) that their behaviour will lead to certain rewards,
- b) that these rewards are worthwhile and valuable,
- c) and that they are able to perform at a level that will result in the attainment of the rewards.

Motivation is only likely when a clearly perceived and usable relationship exists between performance and outcome, and the outcome is seen as a means of satisfying needs (Mwita, 2002:42). The needs of the employees can only be ascertained if they are allowed to participate in the decisions that affect them in their performance. Herzberg (2003:88) concludes that employers should be concerned with the job itself and not only with the work conditions.

2.12 Performance Management and Participation in decision making

Participation is described by Owens (2001:289) as an explicit decision making process, where group members in the Agency decide on how they will make decisions. In participation, all employees have the right to be part of the decision making process, to be heard, to have their views considered, to express feelings, offer knowledge, and communicate information. Kim (2002:26) asserts that, “participation is a joint consultation between employees and managers that brings together to address problems and reach decision in working together as a team”.

It is imperative for management to develop explicit and commonly known procedures for making decisions that are acceptable to employees. This is supported by Owens (2001:290) who formulated guide line questions that can enhance participation as:

- ❖ Do we understand how a decision was reached?
- ❖ How do we feel about the way the decision was reached?
- ❖ Should we follow the same procedures of reaching decisions in future?
- ❖ What changes would you like us to make in identifying and defining problems, deciding how and who should deal with them, and how should other employee members be notified?

To support this view Rosidi (1999:47) states that, “participation plays a vital role in the decision-making process, where all the levels in an organisation supply

necessary information". Employees believe they are better off, because of participation in decision-making and the organization also gains through the positive impact on task and performance effectiveness (Irawanto, 2015:163). Workers' participation had been proven as a management solution to increasing workers satisfaction (Ezennaya, 2011:17). Participation should be studied as a multidimensional construct. Davis (1981:14) states that, participation is a mental and emotional involvement of persons in group situations that encourage them to contribute to group goals and share responsibility for them.

Participation per se, is not a programme but rather a dramatic change in the way most companies take decisions and operate on a day-to-day basis, which efficiency and productivity by managers of organizations and on the other hand a way of getting the best out of human resources employed in any business organization (Ezennaya, 2011:17). Performance management, when implemented well, can lead to important benefits for organizations (Aguinis and Pierce, 2008:139).

2.13 Performance Management and Negotiation

Apart from the above- mentioned process of participation in decision making the success of every performance management also depends on stakeholders' negotiation skills. Performance management systems include on-going negotiations regarding the establishment of performance standards, which are the yardsticks to be used to assess success, the distribution of tangible and intangible rewards, and so forth. According to Van der Walt (2004:196), there are seven (7) common skills that can improve Stakeholders negotiation skills, namely:

- a positive approach to negotiate and a positive attitude;
- communication skills;
- commitment to the point of view of the project team;
- ability to analyse the negotiation situation and choose the right time for negotiation;
- ability to ensure that the information is credible (information based on hearsay and supported by facts will seriously damage the credibility of the project team);
- ability to ensure that the management team trusts in them as negotiators, and
- ability to guard against false perception.

Negotiation skills assist line managers at various levels of performance management including, performance appraisal, during planning, designing stage and management change.

The effectiveness of negotiation skills depend on the way managers prepare for the scene for discussion (mutual).

2.13.1 Preparing for negotiations

A good preparation for negotiations needs to involve the following steps:

- establish the scope to be negotiated.
- determine the bottom line.
- justify your scope.
- determine who will negotiate and their level of authority.
- discuss and agree upon scope before negotiating fee.
- determine why the other party is negotiating with you and how to maximise those benefits.
- brainstorming the 'what ifs' and develop creative options.
- practice rehearsals and role playing the negotiations.

Mawila (2006:8) also presented ten (10) steps that can assist the line managers to conduct negotiations in their day - to- day management, namely:

- develop rapport.
- focus on the issue and scope, not on the people.
- offer justification for the scope.
- establish your credibility
- listen to the other party, understand the needs and interest underlying their demand.
- use creativity options to use with deadlock
- keep a tally of the concessions get reciprocal concessions.
- say no without breaking down the negotiations.
- close the negotiations successfully.

2.13.2 Negotiations model and its implications to LEDA Management

Every line manager in LEDA should have negotiation skills. Furthermore the steps involved in conducting negotiations should be clarified and clearly stipulated. One of the key responsibilities of a line manager is to empower supervisors with negotiation skills. This will help them to build confidence as they will be able to negotiate and seal some deals on their behalf rather than they (LEDA Managers) having to employ somebody else to handle negotiations at an extra cost to LEDA.

From the above discussions, it is clear that effective negotiation depends on the preparation and tie mechanism that the managers are using to achieve the intended goals of the organisation. This requires the manager to know all necessary steps that need to be followed when negotiation is done. For line managers in LEDA to achieve the above process they need to involve their supervisors prior to planning of performance appraisal and during the implementation of the performance management system.

For this process to succeed the line managers need to adhere and comply to professional ethics.

2.14 The role of ethics in Performance Management

According to Nkuna (2010:5) ethics refers to a branch of philosophy which seeks to address questions about morality, that is about concept like good and bad, right and wrong, justice and virtue, etcetera. All stakeholders in LEDA should treat one another with respect, honesty, trust and integrity.

Sah (2012:60) regards Performance Management ethics as follows:

- equality, treating others equally.
- truth, always speaking the truth when communicating.
- honesty: be honest, do not mislead others and do not engage in deception, and
- integrity: have good values and respect toward others.

From the above code of ethics, it is clear that when line managers and Stakeholders communicate and negotiate about PMS they must do so responsibly and treat one another with respect. If line managers at LEDA can take responsibility, respect,

fairness and honesty into consideration, this may have a positive impact in the implementation and sustainability of PMS in the area of the study.

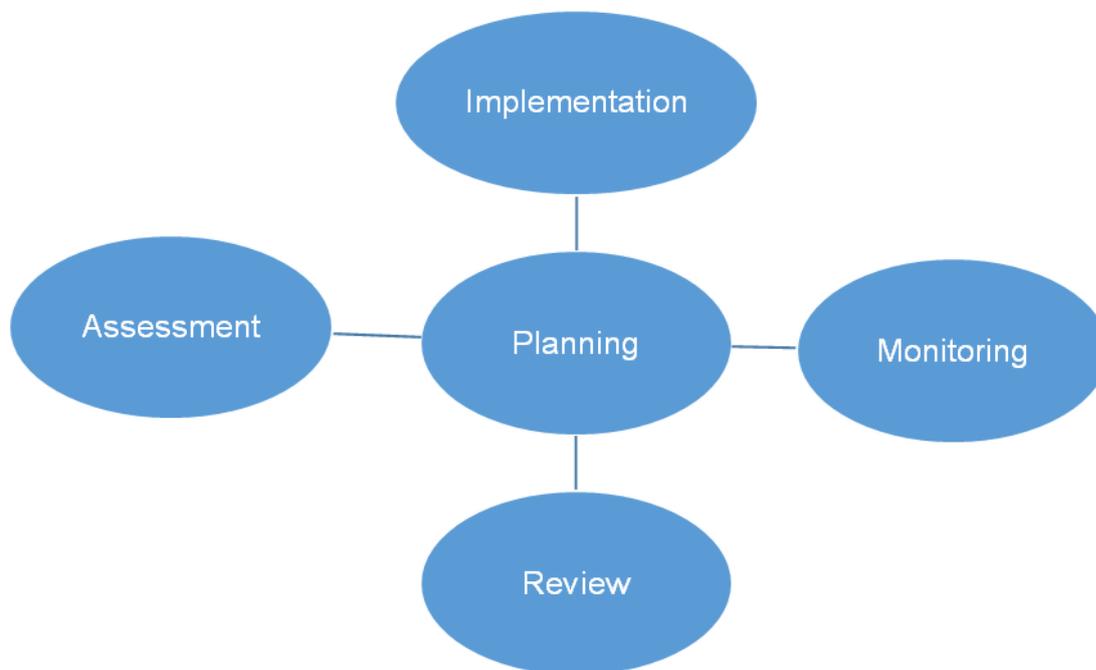
2.15 Performance Management and Development System in LEDA

The Performance Management and Development System (PMDS) was introduced in the Public Sector to replace performance appraisal that used to be done once a year, and was not mandatory for all employees of that institution. The need to increase accountability and customer focus orientation had driven the implementation of performance measurement systems in order to improve efficiency and performance in the public sector.

The implementation of PMDS in LEDA and Limpopo Province as a whole was in line with the requirement of Public Service Regulation (Public Service Regulation, 2001: part vii A) Department of Public Service Administration (DPSA). The heads of departments are charged with these responsibilities in all departments.

To give more information on the understanding of PMDS, the following phases in figure 2.15 will be discussed in the next section.

Figure 2.15: A Schematic overview of Performance Management phases



Source: Nkuna (2010:9)

i) Performance planning

Nkuna (2010:8) asserts that, Performance and Development plan consists of two (2) parts namely: a Performance plan and a personal development plan.

- **Performance plan**

In this phase of the process, the expected results / outputs that the jobholder has to deliver with regard to specific six months are defined. Specific objectives and standards of performance must be defined. Performance measures and indicators that enable supervision to assess the extent to which objectives and standards of performance have been achieved must also be identified.

- **Personal Development Plan (PDP)**

PDP involves training, development and support that the jobholder will need to enable him / her to reach the agreed objectives must be identified and captured in a Personal Development Plan that is attached to the Performance and Development Plan.

ii) Monitoring Performance

Performance and Development management involves the continuous (informal) monitoring of performance by the supervisor and the jobholder, enabling supervisors and jobholders to identify performance barriers and to address development and improvement needs.

iii) Review of performance

Performance reviews should take place on a quarterly basis (formally) and bi-annual basis (formally) for both reviews, an approved Performance and Development Plan must be used.

iv) Performance Evaluation

Evaluation is done at the end of PMDS cycle and based on the information gathered during monitoring and the quarterly and six months reviews. The Evaluation is an evaluation of the year's performance.

2.16 The purpose of PMDS in LEDA

The objective of the policy on performance management is to provide a corporate framework to manage and secure effective and efficient organisational performance in meeting customer needs.

The aim of Performance Management and Development System in LEDA is to optimise every employee's output in terms of quality and quantity, thereby improving the Department's overall performance and service delivery. For LEDA to achieve the above objectives, the following sub-objectives need to be taken into cognisance:

- establish a performance and learning culture in the Public Service.
- improve service delivery.
- ensure that all jobholders know and understand what is expected of them.
- promote interaction on performance between jobholders and their supervisors.
- identify, manage and promote jobholders' development needs.
- evaluate performance fairly and objectively.
- recognise categories of performance that are fully effective and better, and
- manage categories of performance that are fully effective and lower (Mawila, 2006:15).

From the above information, it is clear that PMDS needs to be done in a professional, cost effective and correct way. These process needs understanding of the management phases, purpose and the implementation of achievable objectives. It requires the line managers to adhere to professional (work) ethics that is respect, trust, honesty and integrity. The above objectives can only be achieved if line managers at LEDA can adhere to policies and regulations and delegate PMDS.

2.17 Performance Management and Delegation

This section explored performance management and delegation. There are various journals articles, books and papers written by different researchers and scholars on delegation.

2.17.1 What is delegation?

Delegation is the management function carried out by managers when they entrust duties or tasks, with their attendant responsibilities to subordinates (Makamu, 2013:

28). Ghumro, Mangi and Soomro, 2011:25) define delegation as a “skilled practice of engaging and sharing with others work and decisions the leader or manager would have to otherwise carry out herself or himself. It is a deliberate, planned and organised scanning of responsibility (Hughes, 2012:39). Delegation is a process of as-signing various degrees of decision making authority to lower-level employees (Cassidy and Kreitner, 2008:186). By design, delegation shifts decision-making authority from one organisational level to a lower level (Smith and Goddard, 2002:9).

Delegation involves working with the employee to set goals, grant adequate responsibility and authority to accomplish them, often entails the following:

- significant freedom to decide how the goal will be achieved.

Leaders need to provide subordinates with a degree of autonomy in carrying out their new responsibilities, and this includes the freedom to make certain kinds of mistakes, important sources of development (Hughes, 2012:40).

- available resource to assist in achieving the goals.

It is critical that superior communicates from the beginning that he/she will be available to provide guidance and council if asked. Reverse delegation where the superior takes the back is a situation to be avoided (Akrani, 2010:15).

- assessing quality of the effort and achievement of goals.

Once the delegated responsibility is completed, assessment of the effort and results is to be conducted. Any criticism should be done in private, but any success should be publicly credited (Harbour, 2012:20). Delegation may be a process.

2.17.2 Delegation process

Delegation is used to describe the set of handing off specific tasks or responsibilities (Berkun, 2005:242). Smit et.al (2007:223) describe delegation as “a process of assigning responsibility and authority for attaining goals”. In support of the above definitions, Mdluli (2015:5) defines delegation as “a tool for developing people while also freeing up time for the managers to take new responsibilities and to develop himself / herself”. It is the transfer of authority to make decisions and complete specific tasks. According to Stroh (2012:20), delegation affects three aspects namely, authority, responsibility and accountability.

❖ **Authority**

Mullins (2010:691) describe authority as the legitimate right to instruct, command, give orders, and take action against those delegated with tasks if they do not perform (actions take include: not recommend payment, promotions, among others). Authority, therefore reside in the position, not in the person. It is the position of the senior managers that gives the line managers the authority. Authority is the power to a person or group of people to act and make decisions within designated boundaries. When delegating a task, the authority is shared between manager and person receiving the delegation (Stroh, 2012:21).

❖ **Responsibility**

Responsibility refers to the act of carrying out the task. When delegating a task, the manager and a person receiving the delegation share the responsibility of completing the work (Daft, 2012:308). To support the above statement, Akrani (2010:38) attests that responsibility refers to the obligation and duty to perform a delegated task or function in an organisation. The manager has the responsibility of providing instructions on what work needs to be done, while the person receiving the delegation is responsible for figuring out how the task should be completed (Akrani, 2010:38). The senior manager has the responsibility to manage performance activities and supervisors have the responsibility to perform the tasks delegated to them. Therefore, the responsibility of the senior manager cannot be to another supervisor. According to Mullins (2010:691), delegation increases the senior manager's responsibility for him/her to ensure that the delegated task is completed by the supervisors.

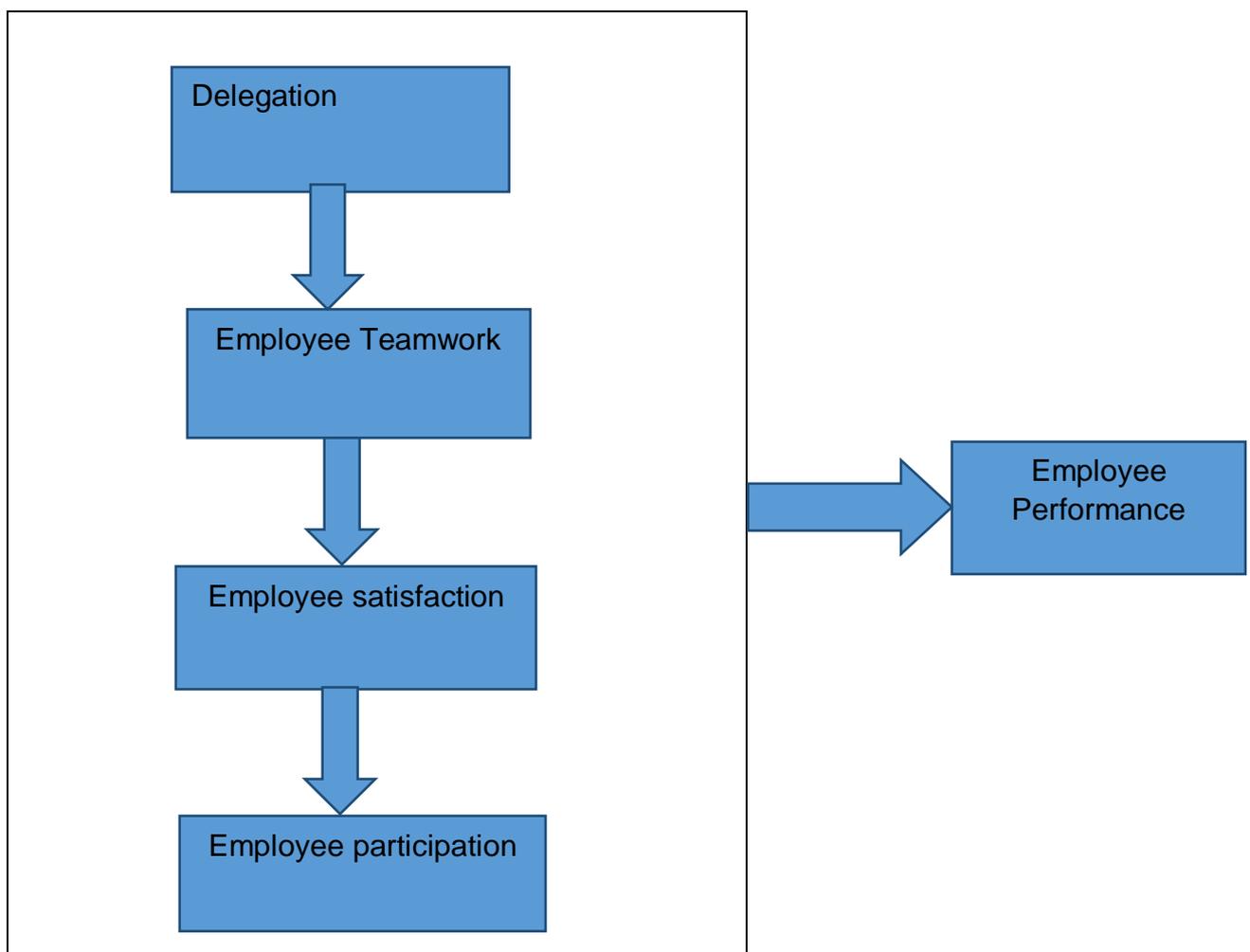
Apart from responsibility, performance management requires accountability from both the line managers and employees.

❖ **Accountability**

Accountability is the act of being liable for the person's actions and decisions. During delegation of the task, the accountability of the task transfers from the manager to the person receiving the delegation and actually completing performance are ultimately their responsibility (Akrani, 2010:44). To support the statement above, Mullins (2010:692), asserts that accountability refers to the employee's obligation to

give an account of progress to the person who delegated him/her with tasks to perform. Stroh (2012:67) indicates that the fact that duties may be assigned and authority granted to subordinates does not imply that accountability to a superior can be transferred or delegated. The superior who has delegated authority and responsibility remains accountable of his/her subordinates. Therefore, every employee has his/her scope of accountability. Thus, accountability cannot be delegated to someone else, instead it is created, and someone delegates authority to another. Delegation model is illustrated in figure 2.17 below.

Figure 2.17 Delegation model



Source: Kombo, Obonyo and Oloko (2014: 206).

Effective delegation gives subordinates the chance to incorporate their values in the work environment and, in many cases, to undertake activities of special interest to them (Kombo et al., 2014:206). Delegation gives subordinates an opportunity to

invest something of themselves in their work giving them a feeling of owning the work as well as its outcomes (Akrani, 2010:86). Therefore, delegation is the sharing of authority, and it should not be confused with the abdication of responsibility.

According to Armstrong and Baron (2005:129), delegation model consists of, delegation, employee teamwork, employee satisfaction, and employee participation.

➤ **Employee Teamwork**

Teamwork creates an environment that facilitates knowledge and information exchange and knowledge sharing (Coetzee and Schreuder, 2010:205). Teamwork has emerged as a critical success factor in respect of many modern management philosophies, especially those concerned with quality improvement (Akrani, 2010:23). The work performance of the team is higher than individual performance when the work requires a broader scope of knowledge, judgment and opinion. To support the above view, Rollo (2009:34), states that teamwork should help both to improve company performance and also to boost employees 'well-being. Furthermore, the advantage of teamwork is a significant productivity growth in the spheres that require creative solving of different tasks, a high degree of adaptability and operational management (Coetzee and Schreuder, 2010:154). Managers must change their emphasis from planning for work to planning for the accomplishment of specific goals (Robbins, 2003:17). Teamwork makes it possible for the work of individuals in a group to achieve more than the sum of individual inputs (Robbins, 2003:12).

➤ **Employee Satisfaction**

Dessler (2013:88) argues that, many people experience satisfaction when they believe that their future prospects are good. Robbins et al (2013:18) emphasise the importance of employee job satisfaction as a factor influencing, amongst others, employee work performance. Carlson, Kacmar, Wayne, and Grzywacz (2006:47) affirm that, teamwork theorists believe that if teams work well, have a common goal, are autonomous in their decision-making, and have responsibility and support, teamwork becomes a valuable experience for the workers involved.

Employees maintain that if people feel they have limited opportunities for career advancement, their job satisfaction may decrease (Robbins, 2008:22). By increasing

subordinates' involvement in the workplace, the manager heightens their enthusiasm and initiative for their work.

➤ **Employee participation**

Johnson (2004:33) describes employee participation as a combination of commitment and organisational citizenship. Sundarapandian (2014:7) asserts that participative decision-making is the extent to which managers encourage employees to share or participate in organisational decision-making. Participation embraces the notion of democracy, and in a democratic workplace, ample scope is given to subordinates to make a greater contribution to the organisational goals (Akrani, 2010:36). Therefore, empowered individuals see themselves as having freedom and discretion, being able to interpret a personal connection to the organisation that they work in. Mitchell (2003:88) asserts that the participative leader retains the responsibility of final compilation of the draft responses from all. Participative decision-making is the extent to which managers encourage employees to share or participate in organizational decision-making (Rollo 2009:37). Armstrong and Baron (2005:41), agree that work performance management for teams is inherently the same as for individuals.

However, the difference between individual employee and team performance management lies in the actual measurement and reward approach. Carlson et al (2006:33) proposed five human resource management practices that affect performance which are setting competitive compensation level, training and development, performance appraisal, recruitment package, and maintaining morale. The primary aim of participative management is for the organisation to benefit from the “perceived motivational effects of increased employee involvement” (Armstrong and Baron, 2006:42).

Apart from this strategy, the line managers must also develop programs (relevant) that will motivate the employees to take part in the performance management process.

2.17.3 Benefits of delegation

The benefits of delegation as illustrated by Stroh (2012:67) are as follows:

- ❖ Delegation develops subordinates
- ❖ Delegation allows managers to achieve more
- ❖ Delegation promotes satisfaction among subordinates
- ❖ Delegation builds mutual trust and confidence
- ❖ Delegation produces faster and more effective decisions

➤ Delegation develops subordinates

The delegation of authority and responsibility is essential if managers are to provide opportunities for the development of their subordinates (Stroh, 2012:68). Subordinates will be convinced that they are improving their competence to perform if they have periodic opportunities to participate in organisational decisions. Through delegation, managers provide subordinates with additional challenges, broaden their experience and assist them in becoming better decision makers. Managers who fail to delegate, deprive subordinates of opportunities to improve their knowledge and skills and to assume greater responsibility.

➤ Delegation allows managers to achieve more

One of the vital criteria for effective managers is how easy, not how difficult, they make a job. Managers should measure themselves by the results achieved rather than by the amount and difficulty of the effort expended. Managers who choose to do everything by themselves will suffer at least three undesirable results: they hamper their own productivity; they limit their potential contribution to their institution; and any contributions they do make are often accompanied by frustration and excessive personal effort (Mitchell, 2003:37).

➤ Delegation promotes satisfaction among subordinates

Effective delegation gives subordinates the chance to incorporate their values in the work environment and in many cases, to undertake activities of special interest to them (Akrani, 2010:37). By increasing subordinates' involvement in the workplace, the manager reinforces their enthusiasm and initiative for their work. Delegation gives subordinates an opportunity to invest something of themselves in their work

giving them a feeling of owning the work as well as its outcomes. Delegation therefore enhances subordinates' sense of accomplishment and self-esteem, as it is much more rewarding to be able to congratulate oneself for a task that is well planned and executed than for another person's plan, which is merely executed.

➤ **Delegation builds mutual trust and confidence**

Trust and confidence are fostered through successful experiences with delegated tasks (Stroh, 2012:69). When trust is demonstrated in someone, most people reciprocate with actions that show that the trust was justified. In this way, trust enhances the prospects for delegation, which in turn enhances the prospects for trust and confidence (Mavuso, 2005:17). Through effective delegation, a work environment can therefore be created where trust among the recipients of delegated tasks in the delegator can be promoted.

➤ **Delegation produces faster and more effective decisions**

The greater the distance between the operational level and the superior to whom it reports, the greater the need for delegation to the person on the spot (Armstrong and Baron, 2006:43). Effective delegation facilitates faster and more effective decisions. An organisation is most responsive to changes in the environment when individuals closest to the problems are making the decisions aimed at resolving those problems (Akrani, 2010:38). As individuals closest to the problem usually have the most relevant information upon which to base an intelligent decision, decision-making responsibility should be delegated downwards in the organisational hierarchy (Armstrong and Baron, 2006:75).

➤ **Delegation maximises output**

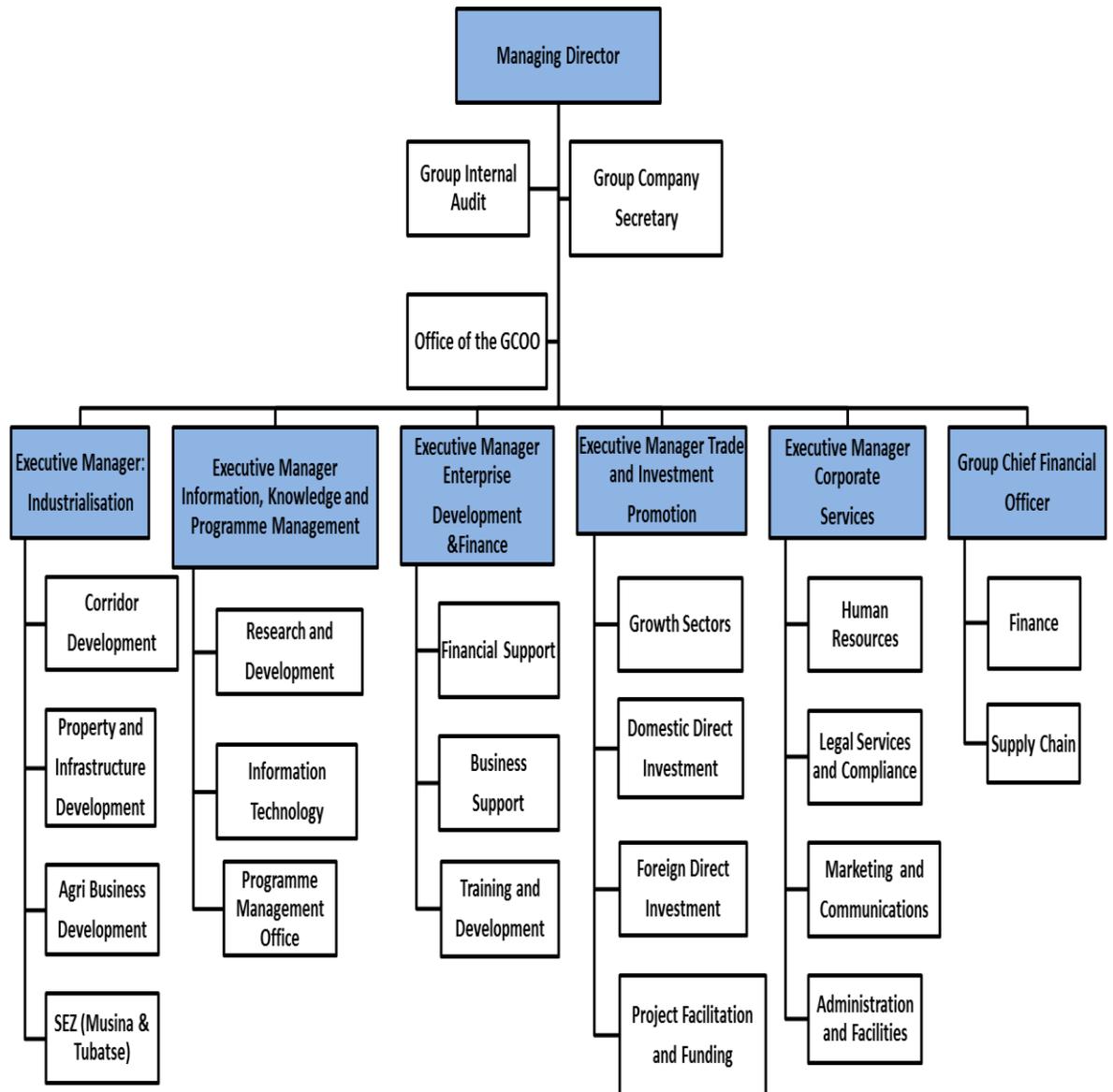
When managers delegate tasks according to the skills and abilities of subordinates, the organisation as a whole is likely to produce a higher level of output than would have been possible otherwise. Delegation can also contribute in this regard as it gives subordinates the opportunity to offer new ideas, viewpoints and suggestions that can improve operations in the institution (Smit et al., 2007:224). Without delegation, the sad and inevitable truth is that the total resources that can be marshalled for any physical task, intellectual, creative, problem-solving, time, and etcetera are limited to those of the manager (Stroh, 2012:40).

To support the above statements, Cassidy and Kreitner (2008:188) outlined the following benefits of delegation:

- Best use of time – it leaves the manager with more time to consult and improve the process of communication, if it is positively done. It frees up managers' time to focus beyond day-to-day activities.
- Training and development – it provides a means of training and development for subordinate for promotion. Develops other people's skills and capabilities and strengthens the overall contribution of the team work. Some line managers use this process when they are about to leave the organisation, to train someone who will take over from them (succession planning).
- Strength of the force – it is a form of participation and can lead to the following: improves morale of line managers; increases levels of motivation and job satisfaction for line managers, reduces possibilities of conflict among employees and creates a healthy organisational climate conducive for subordinates to become involved in planning and decision making processes. It provides space for new ideas to be generated because other people are involved in the work.

Apart from this process, stakeholders need to be aware of various types of delegation.

2.17.4 Types of delegation and implications to performance management system at LEDA. Figure 2:17 Organisational Structure of LEDA.



Source: LEDA Organisational Structure (2015/2016)

From figure 2.17 above, it is clear that the Managing Director can delegate tasks to the Group Company Secretary, Group Internal Audit, to the Group Chief Operating Officer and as well as to the Executive Management. Milondzo (2003:117) reinforces the view that every person who delegates tasks must bear the following in mind in order to be able to delegate effectively:

- Authority and responsibility should be delegated with specific tasks;

- The right line manager should be selected and the delegator must have confidence in the other person's ability to execute the tasks;
- The task must be clearly outlined, sufficient information must be given and guidance and assistance should be provided if necessary.

Delegation is an important quality of a leader or team-manager (Sundarapandian, 2014:3). It does not only saves the time, but also increases the morale, confidence, and productivity of subordinates. The most important value of delegating lies in the facts that managers are freed from most routine tasks.

2.18 Conclusion

The purpose of this chapter was to review relevant literature on the management and implementation of PMS, need analysis, clarification and interpretation of the theoretical framework. These theoretical framework needs to be related to practice and environment in which the management and employees are operating.

Recent changes in South African Public Service need a system which will encourage the employees to perform better and provide quality services. The Public institutions in South Africa are becoming more and more complex which means that public managers must be aware of some of the processes that will assist them to appraise and grade their employees, hence the contribution of PMS on the employees' behaviour and productivity at LEDA.

This chapter discussed the purpose, objectives and some of the sub-managerial functions that can assist the managers to enhance PMS in the area of the study. Managerial tasks such as MBO, leadership traits, delegation, motivation, participation and negotiation were also briefly outlined in this chapter. In chapter 3, some of the research philosophies, approaches, methods and research techniques that were used to collect, assess and analyse data in chapter 4 is discussed in full.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

The previous chapter has presented the review of relevant literature on the contribution of PMS in the organisation. This chapter explains and describes the philosophies, approaches, designs, methods and techniques that have been used to address the research questions stated in chapter 1. Moodley (2001:30) defines research as “systematic process of collecting and logically analysing information for some purpose’. From the above definition, it is clear that the collection and analysis of data are determined by the research methodology, research design and approach the researcher has employed.

3.2 Research methodology

Sah (2012:5) points out that methodology refers to the overall approach evident in the research process from theoretical foundation to the strategies that are used in the collection and analysis of data. According to Leedy and Ormrod (2005:12) research methodology is defined as the general approach the researcher takes in carrying out the research project, to some extent, this approach dictates the particular tools the researcher selects.

The research methodology employed in this study was used to identify and investigate the factors that impact on the strategic management of performance in the area of the study. Chauke (2006:5) maintains that collecting data by more than one method is a prudent procedure. However, due to the nature of this study, the researcher will use survey method, namely, questionnaires and interviews to investigate the impact of the contribution of performance management system on employee behaviour and productivity.

3.2.1 Survey research

Leedy and Ormrod (2005:183), survey research involves acquiring information about one or more groups of people by asking them questions and tabulating their responses. Surveys are a very traditional way of conducting research. It also allows the researcher to evaluate and measure the characteristics of the sample at one point in time systematically. With the survey strategy, the researcher aims to produce

generalizations about (a) population(s) by collecting information from samples. The survey research typically employs the face-to-face interview, a telephone interview, or a written questionnaire (Masoga, 2013:48). In a face-to-face survey, an interviewer is physically present to ask the survey questions and to assist the respondent in answering them.

Face-to-face interviews can take both qualitative and quantitative approaches but surveys tend to take a quantitative approach (Mathers, Fox and Hunn, 2009:8). The researcher considered these instruments for use in this study. In this study, paper-pencil questionnaires and face-to-face interviews were employed to collect data from fifty selected samples. The paper-pencil questionnaires and face-to-face interviews were used because they are cost effective and suitable for the sample at LEDA.

3.2.2 Descriptive statistics

Steyn, Smit, Du Toit and Strasheim (2003:5) define descriptive statistic as “entailing and summarising of data by means of tabulations and graphical representations and the calculations of descriptive measures.

3.3 Research Design

Mathews and Ross (2007:11) describes designing research design as going back to one’s research questions and thinking about what one is hoping to do with the data collected in order to be able to address those research questions. Kumar (2005:94) defines a research design as a procedural plan that is adopted by the researcher to answer the questions objectively, accurately and economically. That is, a research design is the arrangement of conditions of collection and analysis of data in a manner that aims to combine relevance of research to the research purpose with economy in procedure. Maree (2010:70) defines research design as “a plan or strategy which moves from underlining philosophical assumptions to specifying the selection of participants”. In this study both qualitative and quantitative research designs were used.

Due to the nature of the study, the researcher has used both descriptive and survey research designs to achieve the intended goal of the study. The researcher has employed descriptive research design because it caters both empirical research and interviews. This process has been used in order to address the problems stated in

chapter one. In order to achieve the above objectives the researcher has used different philosophies and strategies to collect and assess data from the area of the study.

3.3.1 Qualitative research approach

Bryman (2001:4) defines qualitative research as a 'strategy that usually emphasizes words, feelings, perception rather than quantification in the collection and analysis of data'. Holliday (2002:4) adds that qualitative research evokes the need to discover as much about how the research subject, feelings about the respondents and information they provide. The qualitative approach is appropriate for investigating the research topic within the view point of phenomenological, naturalistic and interpretative paradigms that enable the researcher to seek an understanding of the research focus a social phenomenon (Schumacher and Mc Millan, 2000:37). This method gives the researcher an in-depth understanding of first-hand information and phenomena.

3.3.2 Quantitative research approach

This approach is largely empirical or experimental as it is based on the measurement of quantity or amount. The quantitative approach involves the collection of numerical data in order to explain, predict and control phenomena of interest (Hadebe, 2008: 45). Qhosola (2011:45) argues that the qualitative research method places heavy emphasis on using formalized standardised questions and predetermined response option in questionnaires and surveys administered to large number of participants. In this study the researcher, has employed both qualitative and quantitative method to collect, assess and interpret data. The distinction between qualitative and quantitative research is illustrated in table 3.1 below.

Table 3.1: Distinction of Qualitative research and Quantitative research

Criteria	Qualitative Research	Quantitative Research
Purpose	To understand and interpret social interactions	To test hypotheses, look at cause and effect, and make predictions.
Group studied	Smaller and not randomly selected	Larger and randomly selected.
Variables	Study of the whole, not variables.	Specific variables studied.
Type of data collected	Words, images or objects.	Numbers and statistics.
Form of data collected	Qualitative data such as open-ended responses, interviews, participant observations, field notes and reflections.	Quantitative data based on precise measurements using structured and validated data collection instruments.
Type of data analysis	Identify patterns, features, themes.	Identify statistical relationships.
Objectivity and subjectivity	Subjectivity is expected.	Objectivity is critical.
Role of researcher	Researcher and their biases may be known to participants in the study, and participant characteristics may be known to the researcher.	Researcher and their biases are not known to participants in the study and participant characteristics are deliberately hidden from the researcher (double blind studies).
Results	Particular or specialized findings that is less generalizable.	Generalizable findings that can't be applied to other populations
Scientific method	Exploratory or bottom-up: the researcher generates a new hypothesis and theory from data collected.	Confirmatory or top-down: the researcher tests the hypothesis and theory with the data.
View of human behaviour	Dynamic, situation, social and personal.	Regular and predictable.
Most common research objectives	Explore, discover and construct.	Describe, explain and predict.

Focus	Wide-angle lens, examines the breadth and depth of phenomena.	Study behaviour under controlled conditions, isolate causal effects.
Nature of observation	Multiple realities, subjective.	Single reality, objective
Final report	Narrative report with contextual description and direct quotations from research participants	Statistical report with correlations, comparisons of means, and statistical significance of findings

Source: Johnson and Christensen (2008:34)

The benefit of using a qualitative method is that, the inquiry is broad and open-ended, allowing the participants to raise issues that matter most to them (Dudwick, Kuehnast, Jones and Woolcock, 2003:6). Quantitative research is often highly preoccupied with the causal relationships between concepts (Makamu, 2015:55).

The validity and reliability of data depend on targeted population and sample collected by the researcher.

3.4 Research Paradigms

The three research paradigms which are stated below are positivism, phenomenological and hermeneutics described.

3.4.1 Positivist Research paradigm

Collins (2010:38) states that positivism stems from human experience and comprises of discrete, observable elements and events that interact in an observable, determined and regular manner. It has a view of only “factual” knowledge gained through observation which includes measurement and the role of researcher is limited to data collection and interpretation. The research findings are usually observable and quantifiable. To support this view Nyathi (2014:21) states that positivist researcher formulates same general findings, which are used to predict outcomes from known causes. In this study the researcher has used positivism when collecting quantitative data through empirical study.

3.4.2 Phenomenological paradigm

Locke, Silverman and Spirduso (2010:187) define phenomenology as a perspective that underlines all qualitative research traditions especially when used to examine

the meaning of something (an event, a role, a process, a status or a context) from vantage point of someone who actually experiences that phenomenon. A phenomenological research design attempts to understand the phenomenon through which the feelings and experiences of those involved with the phenomenon (Welman, Kruger, Mitchell, 2005:191). Fox, Bayat and Ferreira (2006:70) argue that, the view in phenomenology is from what the researcher observed, which is not a reality is as such, but an interpreted one. To achieve this process, the researcher has interpreted the data collected through interviews. The qualitative data has been collected and analysed so as to understand the in-depth feelings of the participants.

3.4.3 Combined Research approach

Often researchers may develop research designs that combine strategies from those two paradigms, that is positivist and phenomenological in a single research. To achieve this process, the researcher has used both quantitative and qualitative research design. This is called mixed research designs. To support this statement Leedy and Ormrod (2005:97) define mixed method research design as a process where the researcher uses elements of both qualitative and quantitative research to conduct a research study.

3.5 Population

Steyn, Smit, du Toit and Strasheim (2003:16) define population as “as the total group of persons or universal collection of items or elements to which the study relate”. To support this definition, Hair, Bush and Ortinau (2007:327) refers to population as the identifiable total set of elements of interests being investigated by a researcher.

The target population under consideration for this study is hundred and fifty (150) employees. This includes officials working in various offices, supervisors and line managers in LEDA.

3.6 Sampling

Levine, Stephan, Krehbiel and Benson (2005:2) attest that, a sample is a portion of population that is selected for analysis. To support this definition, Nkatini (2012:50) defines, sample as “any subset of population that will justify generalization of the entire population from findings of the study”. The research focused on all permanent and fixed-term contract employees at LEDA. The intention was to represent the whole population in which the research was conducted (Welman et al., 2005:52).

Coetzee and Schreuder (2010:231) indicate that the challenges that are encountered when sampling is not feasible to survey the entire population is the fact that sample surveys are alternatively valid under the following circumstances:

- When it is not practical to survey the whole population
- When the researcher budget constraints to survey the entire population, and
- When the time constraints prohibit successful survey of the entire population, and
- When the researcher has collected all data but needs results quickly.

Due to the large number of participants, the researcher has only used hundred (100) selected participants as a sample. All hundred employees across all departments at LEDA were invited to participate on an anonymous basis in this survey. Simple random sampling technique was adopted to administer the structured questionnaire. And a 4-point Likert Scale of 'strongly agree, agree, disagree and strongly disagree' was used to rank the responses of the participants.

A total of 100 employees that is line managers, supervisors and employees, from all sections, responded to this invitation. The participants represented the different departments within LEDA almost respectively.

There are two types of sampling that are taken into consideration by the researcher namely; probability and non- probability sampling.

3.6.1 Probability sampling

Cooper and Schindler (2006:166) maintain that probability is a sampling based on the concept of random selection in which each sampling unit in the defined target population has a known, non-zero probability of being selected for the sample. To support the above statement, Saunders, Lewis, Phillip and Thornhill (2007:152) indicate that every element in probability sampling has at least some chance of being part of the sample. Probability sampling allows the researcher to estimate approximately what they will find if they had considered the total population.

There are various techniques for drawing probability samples as outlined below:

❖ **Simple random sampling**

Masoga (2013:51) refers to simple random sampling as a sample drawn from a population in such a way that each element of that population has the same chance of being drawn during the first and each successive draw.

❖ **Stratified random sampling**

Cooper and Schindler (2006:416) refer to this method as a process by which the sample is contained to include elements from each segments within the population. The population is first divided into sub-groups called strata. After dividing the sampling frame the researcher draws a random sample from each sub-population. The researcher can sample randomly within each strata using simple random or systematic random sampling.

❖ **Systematic sampling**

Systematic sampling is this approach, every zth element in the population is sampled in the range of 1 to z. the zth element is determined by dividing the population by the same size to obtain a sip pattern applied to the sampling frame (Cooper and Schindler, 2006:415).

❖ **Cluster sampling**

Leedy and Ormrod (2005:203) define cluster sample by explaining how it is conducted when the population of interest is spread out over a large area, where it may not be feasible to make up a list of every person living within the area from the list, a sample of the study is selected through normal randomisation procedures.

3.6.2 Non- probability sampling

In non- probability sampling selection of the sample is not made at random, Partington (2003:58) argues that “in non-probability sampling, each element of the analysis in the population has an equal chance of being included in the sample. The subtypes of non- probability sampling are outlined below:

- **Haphard sampling**

Masoga (2013:52) states that, haphard samplings are cheap, quick and include things such as interviews with people on the street.

- **Accidental sampling**

This is the most convenient collection of members of the population that are near and readily available for research purposes to become participants (Masoga, 2013:53).

- **Snowball sampling**

Mahlakoane (2012:18) states that, snowball sampling is the method that is used at the analogy that starts small but becomes large as it rolls and picks up additional snow. This happen when individuals from the relevant population are approached, then individuals act as informants and identify people from the same population for inclusion in the sample

- **Purposive sampling**

This sampling method is used when the researcher relies on his or her experience or previous research findings to deliberately obtain units of analysis in such a manner that the sample they obtain may be regarded as being representative of the population (Bestwell, 2005:69).

The nature of the study required the researcher to use combined research approach, hence both purposive and stratified random sampling were used to collect the data in the study. The employees of LEDA both male and female were given an equal chance to avoid gender biasness and justify inclusively in the presentation of data. Stratified random sampling was applied since the researcher has grouped the participants in a particular strata that is employees (i.e. clerks, general assistants and officers), supervisors (i.e. professional officers and managers) and line managers (i.e. Executive managers and head of departments).

To augment the above sample, fifty (50) participants were interviewed and derived from the remaining members of the target population to satisfy requirements of the study.

3.7 Data collection methods

The information discussed in the literature review was applied to the area of the study. In order to achieve this process, the researcher assessed and analysed the data collected. The accuracy of the data depends on the research instrument that is used.

To achieve this process the researcher, has used both questionnaires and semi-structured interviews. In this study, data was collected from fifty (50) participants through structured questionnaires. Fifty (50) questionnaires were distributed amongst the employees that is, twenty five (25) male and twenty five (25) female amongst the ranks from executive managers, senior managers, line managers, supervisors, clerks, professional officers and general assistants. This was done to avoid gender biasness in the study. To supplement the above data, the researcher has also used semi-structured interviews to collect data from Fifty (50) line managers and supervisors. The total number of the participants was hundred (100). The researcher has received hundred percent response rates from the participants.

In the preceding sections above, the researcher described different types of sampling and its functions, however, some of these samples were not appropriate to the study.

3.7.1 Research Instruments for data collection

For the purpose of this study a qualitative and quantitative methodology were followed. A questionnaire and survey interviews were used as the measuring instruments. A questionnaire is a form containing a set of questions, especially addressed to a statistically significant number of subjects, and is a way of gathering information for a survey (Oppenheim, 2000:39). The questionnaires were used to collect quantitative data that provided statistical descriptions, relationships and analysis. The one-on-one interviews with the fifty line managers and supervisors provided qualitative and exploratory data. De Vos et al (2001:180) indicates that when working from a qualitative perspective, the researcher attempts a first-hand, holistic understanding of a phenomenon and data collection is shaped as the investigation proceeds.

3.7.1.1 Questionnaire

According to Nyathi (2014:6), the questionnaire is a popular method for collecting data because it is cheaper and less time consuming than other data collection methods. To support the above statement, Oates (2006:219) defined the questionnaire as: "... a pre-defined set of questions assembled in a pre-determined order", and Sekaran (2003:17) as "a pre-formulated written set of questions to which participants record their answers". Sekaran (2003:62) suggests that the advantage of the questionnaire method is that administering questionnaires to large numbers of individuals simultaneously is less expensive and less time consuming than other methods. It also does not require as much skill to administer a questionnaire. A questionnaire differs from an interview, as it is a more impersonal probe which participants answer anonymously without the influence of the researcher (Sekaran, 2003; Frazer and Lawley, 2000). Therefore, questionnaires are data collection tools used by the researcher to collate data. There are two different types of questionnaires used in research, namely: open and closed ended questionnaires.

❖ Open - ended questionnaire

Oppenheim (2000:40) argues that all questions are either "open" or "closed". Open-ended questionnaires make room for a respondent to express themselves without having to choose an answer from the one the researcher requests (Makamu, 2015:56). According Reja, Manfreda, Hlebec and Vehovar (2003:3) open-ended questions allow respondent to express an opinion without being influenced by the researcher. The advantages of using open-ended questions include the possibility of discovering the responses that individuals give spontaneously, and thus avoiding the bias that may result from suggesting responses to individuals (Reja et al., 2003:3). The disadvantage of open-ended questions is the need for extensive coding and larger item non-response (Chauke, 2009:27).

❖ Closed - ended questionnaire

According to Oppenheim (2000:41-43), closed- ended questions can be attitudinal as well as factual. Makamu (2013:58) asserts that, a closed-ended questionnaire enables a participant or interviewee a choice of an alternative response.

The advantage of closed questions is comparatively easy and quick to answer. They require no writing and the quantification is straightforward. The disadvantage of the closed questions is the loss of spontaneity and expressiveness. Chauke (2009:28) suggests that using both open and closed ended questions is useful if the researcher seeks insight into the topic under investigation.

Oppenheim (2000:45) provides five advantages of closed ended questions.

- Requires little time.
- No extended writing.
- Easy to process.
- Useful for testing a specific hypothesis.
- Less interviewer training

Mello (2012:4) states that there are at least four disadvantages of closed ended questionnaires namely:

- ❖ questionnaires are expensive (postage and printing).
- ❖ there is no guarantee that the questionnaires will be returned.
- ❖ the researcher is often not at hand to explain the questionnaires to the participants.
- ❖ loss of spontaneous responses.

The researcher adopted both the closed and open ended questionnaires in this study. The closed ended questionnaire was adopted to narrow the participant's responses. The questionnaire was chosen as the instrument to collect data as it is the reliable instrument for data collection and that it validates responses provided by the participants (Parahoo, 2007:46).

Distribution and collection of the questionnaires

As indicated in the sample and sampling procedures described above, my target sample was 100 employees at LEDA. The purpose of the questionnaire was to investigate and document the independent variables which characterize contribution of the performance management system and its effect on the dependent variables, employee performance and productivity. The questionnaire was administered to fifty employees across different departments at LEDA.

3.7.2 Interview

Kvale (2010:70-72) defines an interview as “a conversation between two or more people where one or more of the participants takes the responsibility for reporting the substance of what is said.” According to Brynard and Hanekom (1997:32) there are various kinds of interviews that can be used depending on the envisaged results. Depending on the need and design, interviews can be unstructured, structured, and semi-structured with individuals, or may be focus-group interviews. The structured interview is an interview in which an interviewer has prepared a series of questions which cannot be deviated from. The unstructured interview or open-ended interview is designed to allow the participants freedom in answering questions. Semi-structured interviews are a combination of structured and unstructured interviews (Repko, 2008:202).

Welman et al (2005:159) state that, in semi-structured interviews, unclear questions can be explained and vague or incomplete responses can be followed up and clarified.

According to Chauke (2009:20), the advantages of interviews are that:

- interview procedures are appropriate for eliciting cooperation from participants;
- the interviewer is afforded the opportunity to answer participants’ questions, probing for adequate answers;
- the interviewer is able to establish rapport with the interviewee.

Fowler (2009:80) highlighted the disadvantage of interviews as:

- it is an uneconomical method of data collection.
- the researcher needs to be adept at the interviewing technique, which is normally not the case.
- some samples (those in “high-rise buildings or high crime areas, elites, employees, students”) may be less accessible, thus making it difficult to interview research participants.

A semi-structured interview schedule with open-ended questions was used in conducting the interviews. The collection of the structured interview data involved interaction between the researcher and the participants which needed to be

documented. For the purpose of this study, the interviews were tape recorded, and notes were taken at the same time.

3.8 Data Analysis

The data collected by the researcher was subjected for analysis. Mlambo (2010:46) states that a key characteristic during data analysis in interpretation research is the population of high quality, meaningful and relevant data that makes it possible for valuable insights to emerge within a social context. Mawila (2006:7) describes data analysis as “a process of unpacking an object, phenomenon, entity, process, or event that the researcher is investigating”. For quantitative data the researcher has used Social Statistical Software Package (SPSS) to analyse and interpret data. Data has been analysed by means of statistics, frequencies, percentages and total frequency.

Data collected through interview was classified according to themes and codes. Notes were translated and transcribed. In order to get accurate information, data was retrieved from audio-tapes recordings which were used during the interview. A research statistician was requested to assist the researcher, using appropriate statistical tools. Data collected by means of interviews was also analysed by coding the responses derived from the audio tape. In the final analysis the participants did not have a problem with the questionnaires as most of them have a formal qualification above matriculation.

3.9 Validity

Welman et al (2005:142) assert that an effect or test is valid if it demonstrates or measures what the researcher thinks or claims it does. Maree (2010:27) points out that validity refers to how well a test measures what it purported to measure. Mawila (2006:55) states that, validity refers broadly to the “goodness” or “soundness” of a study. She further alluded that validity is often broadly described as being dependent on the degree to which a study actually measures what it purports to measure, whether the truth is accurately identified and described.

The validity of a measuring instrument is the extent to which the research findings accurately represent what is really happening in the situation. To support this Motsiri (2008:3) states that, the instrument used in the collection of data was constructed in such a way that they collected valid data that were required in order to

answer the research questions as closely as possible. For the researcher to get valid data depends on the reliability of information given by the participants.

3.10 Reliability

Kumar (2005:396) defines reliability as the ability of a research instrument to provide similar results when repeatedly under similar conditions. Reliability indicates accuracy, suitability and predictability of a research instrument, the higher the reliability, the higher the accuracy, or the higher the accuracy of an instrument, the higher its reliability (Kumar, 2005:396).

Welman et al (2005:145) confirm the above observation and say that reliability is concerned with the findings of the research and relates to the credibility of the findings. Reliability in the field of research is broadly described as the dependability, consistency and / or repeatability of a project's data collection, interpretation, and / or analysis (Nyathi, 2014:53).

The researcher has also relied on "trustworthiness" of the participants since their responses could not be based on being reliable or valid only.

3.11 Trustworthiness

Baruth (2013:201) attest that the notion 'trustworthiness' has replaced more conventional view of reliability and validity in qualitative research. Trustworthiness of data is linked to authenticity, neutrality, conformability, consistency, applicability, credibility, transferability and dependability and is equated to external validity, internal validity, reliability and objectivity in quantitative research design. To support this view De Vos (2001:182) believes that trustworthiness (validity) of this research study, each interview session was digitally recorded and described. This has done to represent an accurate account of what the participants actually spoke during the interviews and information given on empirical investigation.

3.12 Elimination of Biasness

Research tried to eliminate biasness by not permitting the personal biasness of participants to influence how they respond to, and analyse data or information.

3.13 Ethical considerations

Mdluli (2015:31) referred to ethics in research as “a code of conduct or expected societal norm of behaviour while conducting research. To support this definition Phillips and Gully (2012:428) define ethics as a demonstration of normatively appropriate conduct through personal actions and interpersonal relationships and the promotion of such a conduct.

The following ethical considerations were discussed by the researcher:

3.13.1 Right to privacy and voluntary participation

The information received from the participants was treated with absolute confidentiality. All participants were treated with respect and data was gathered anonymously by the researcher. Participation in the study was voluntary and participants were not coerced to divulge information about themselves.

The right to privacy demands that, the direct consent for participation should be obtained from adults, and in the case of children, consent should be from their parents / Guardian (s).

3.13.2 Ensuring no harm to participants

The researcher avoided emotional harm to the participants during the interviews. This was achieved by applying the necessary professional techniques for conducting interviews.

3.13.3 Ensuring permission is obtained

Permission was requested and granted from the Group Chief Operations Officer to conduct the research in LEDA where the study was conducted.

3.13.4 Professional code of ethics

The researcher obtained approval from the Agency to conduct the study. The ethical code of the professionals involved in the study was taken into consideration by the researcher. There were no physical tests and experiments conducted during the research. Therefore the study did not pose any potential physical or psychological harm, risk or danger to the participants.

3.14 Conclusion.

In this chapter different research philosophy, approaches, methods and techniques that were used to collect data were discussed in details. The population of the study,

as well as the sampling method were identified and outlined. Research instruments which were used to collect data in Chapter 4 were also described in this chapter.

The next chapter present data analysis and discuss the result obtained through empirical investigation and interviewing process with the participants.

CHAPTER 4

DATA COLLECTION, ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter deals with empirical investigation method and techniques employed in the collection of data related to the contribution of PMS on employees' behaviour and productivity at LEDA. Due to the number of employees in LEDA, the decision was taken to use stratified random sampling method to select the participants that will be investigated in the area of the study.

The objectives of the analysis were to identify and examine the factors that hinder the contribution of PMS in the area of the study. The factors that enhance the contribution of PMS towards the performance and productivity of employees have also been analysed in this chapter.

Data analysis and discussion of the results enabled the researcher to arrive at the suitable conclusion and recommendations that answered the research questions stated in Chapter 1. One hundred employees were identified to participate in this study. There was a hundred percent response rate from the target population.

4.2 Data collection

The structured questions and interview questions were distributed to collect relevant data from selected line managers and employees in LEDA. Sanders et al (2003:278) argue that the greatest use of the questionnaire is made by the survey strategy. However both experimental and phenomenological study research strategist can make use of these techniques. Nsimbini (2014:88) points out that:

“If you want to know how people feel, what they experience and what they remember, what their emotions and motives are like, and the reasons for acting as they do....why not ask them”.

Fifty (50) questionnaires were distributed to the selected employees in LEDA. The reason for selecting a questionnaire technique is to gather a wide range of views from participants relating to the area of the study. These questionnaires were filled by twenty five (25) males and twenty five (25) females employees who were randomly selected according to their job ranks and experience. Furthermore, the

researcher interviewed fifty (50) line managers and supervisors from different departments at LEDA, to collect relevant data that would assist in the assessment of the situation in the area of the study. Gender equity and equality were also taken into consideration during the interview.

4.3 Data analysis and interpretation

In this section, data collected through empirical investigation from fifty (50) participants, that is twenty five (25) male and twenty five (25) female employees were analysed. The responses from the participants have been analysed and tabulated giving the researcher a clear picture about the situation and factors affecting the contribution of PMS at LEDA. The researcher used a computer program Statistical Package for Social Sciences (SPSS) for data analysis and interpretation. The following analysis could be made from the fore-going tables below:

Table 4.3.1 Performance Management System and Distribution of gender

Item	Frequency (F)	Percentage (%)
Q.1 What is your gender?		
Female	25	50
Male	25	50
Total Frequency	FX=50	100

Question 1 illustrates that there were twenty five (25) male and twenty five (25) female participants who participated in the study.

The equal distribution of the participants was done in order to avoid gender biasness in the study. This was done in line with the gender, equity and equality policy in South Africa.

Table 4.3.2 Performance Management System and Challenges

Item	F	%
Q.2 There are challenges that hamper the contribution of PMS in the area of the study.		
Agree	5	10
Strongly Agree	40	80
Disagree	2	4
Strongly Disagree	1	2
Uncertain	2	4
Total	FX =50	100

Question 2 revealed that forty five (90%) of the participants agreed with the statement. Three (6%) of the participants disagreed with the statement, while two (4%) of the respondent were recorded uncertain.

From the above information, it is evident that the majority of the participants confirmed that there were lot of challenges that hamper the contribution of PMS on employees' performance and productivity at LEDA. Due to various challenges employees are not performing the way they are expected (Mawila, 2006:5).These challenges impact negatively on employees' performance and productivity.

Table 4.3.3 Performance Management System and Managerial skills

Item	F	%
Q.3 Line managers do not have managerial skills to enhance PMS in the area of the study.		
Agree	30	60
Strongly Agree	10	20
Disagree	3	6
Strongly Disagree	4	8
Uncertain	3	6
Total	FX =50	100

Question 3 indicates that forty (80%) of the participants agreed with the statement. Seven (14%) of the participants disagreed with the statement, while three (6%) of the participants were recorded to be uncertain.

From the above findings, it is evident that most of the participants believed that most of their line managers do not have relevant managerial skills to enhance PMS in the area of the study. To reinforce this idea Nyathi (2014:26) attests that lack of managerial skills can always hinder the implementation of PMS in the organisation. Lack of managerial skills can always impact negatively on the contribution of PMS on employees' performance and productivity at LEDA.

Table 4.3.4 Performance Management System, Training and Development

Item	F	%
Q.4 Do line managers have enough training towards the implementation of PMS?		
Agree	2	4
Strongly Agree	5	10
Disagree	20	40
Strongly Disagree	21	42
Uncertain	2	4
Total	FX =50	100

Question 4 indicates that forty one (82%) of the participants disagreed with the statement. Seven (14%) of them agreed with the statement, while two (4%) of the participants were recorded uncertain.

From the above information, it is clear that most of the participants believed that their line managers did not have enough training on the implementation of PMS. According to Mavundza (2009:18) argues that lack of management training prevent managers not to implement PMS successfully. Inadequate training on management impacts negatively towards the contribution of PMS on employees' performance and productivity.

Table 4.3.5 Performance Management System and Compliance

Item	F	%
Q.5 Most of supervisors do not comply with the principles of PMS.		
Agree	30	60
Strongly Agree	10	20
Disagree	4	8
Strongly Disagree	2	8
Uncertain	4	8
Total	FX =50	100

Question 5 reveals that forty (80%) of the participants agreed with the statement. Six (12%) of the participants disagreed, whereas four (8%) of the participants were recorded uncertain.

From the above analysis, it is evident that the majority of the participants believed that most of their supervisors did not comply with the principles of PMS. Mavuso (2005:44) states that non-compliance with the principles of PMS always impedes the objectives of the system. The non-compliance by supervisors may also hamper the contribution of PMS towards employees' performance and productivity.

Table 4.3.6 Performance Management System and Participation in decision-making

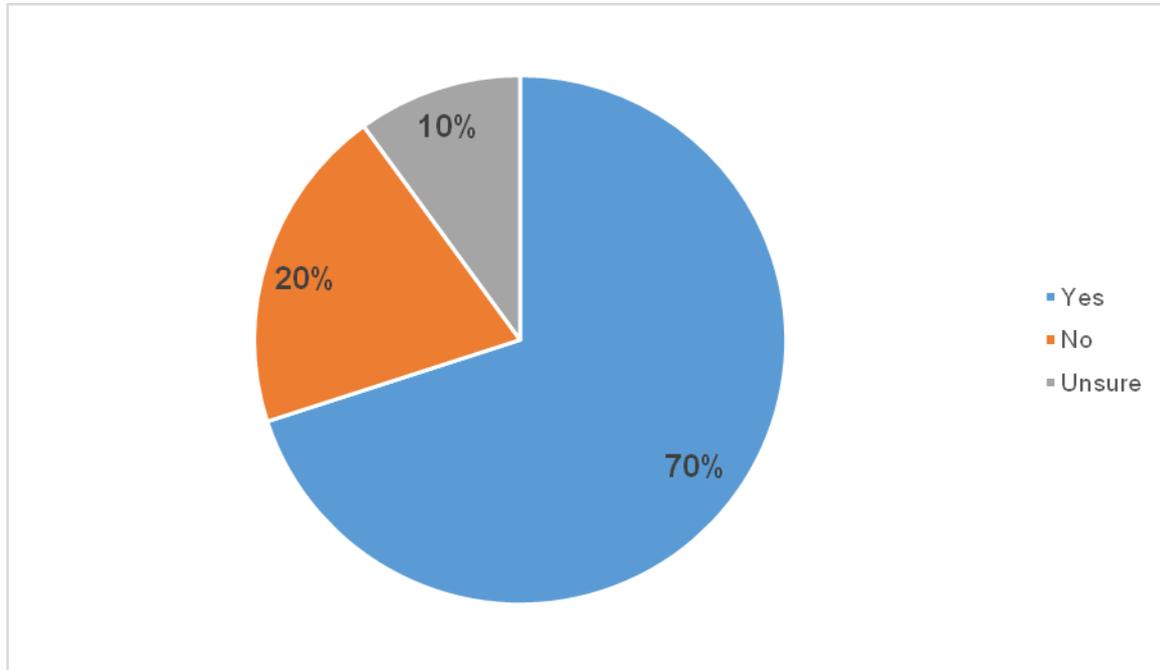
Item	F	%
Q.6 Were employees allowed to participate in decision making at the initial stage of PMS?		
Agree	4	8
Strongly Agree	2	4
Disagree	20	40
Strongly Disagree	22	44
Uncertain	2	4
Total	FX =50	100

Question 6 indicates that forty two (84%) of the participants disagreed with the statement. Whereas six (12%) of the participants agreed with the statement. Only two (4%) of the participants were recorded uncertain.

From the above findings, it is evident that the employees were not allowed to participate in decision making when PMS was initiated. The success of the implementation of PMS depends on the participation of employees in the system (Mavundza, 2009:17). These results suggest that lack of participation can impact negatively on the contribution of PMS on employees' performance and productivity in the workplace.

Figure 4.3.7 Performance Management System and Delegation

Q.7 There is no clear demarcation of responsibilities between the line managers and the supervisors?



Question 7 indicates that thirty five (70%) of the participants agreed with the statement. Only ten (20%) of the participants disagreed with the statement. Five (10%) of the participants were recorded unsure.

From the above findings, it is clear that most of the participants believed there is no clear demarcation of responsibilities between the line managers and supervisors. According to Chauke (2009:24), lack of clear demarcation of responsibilities can always hamper the implementation of PMS. Lack of clear responsibilities always cause clutch of interest towards the outcome of the PMS and its contribution at LEDA.

Table 4.3.8 Performance Management System and Accountability

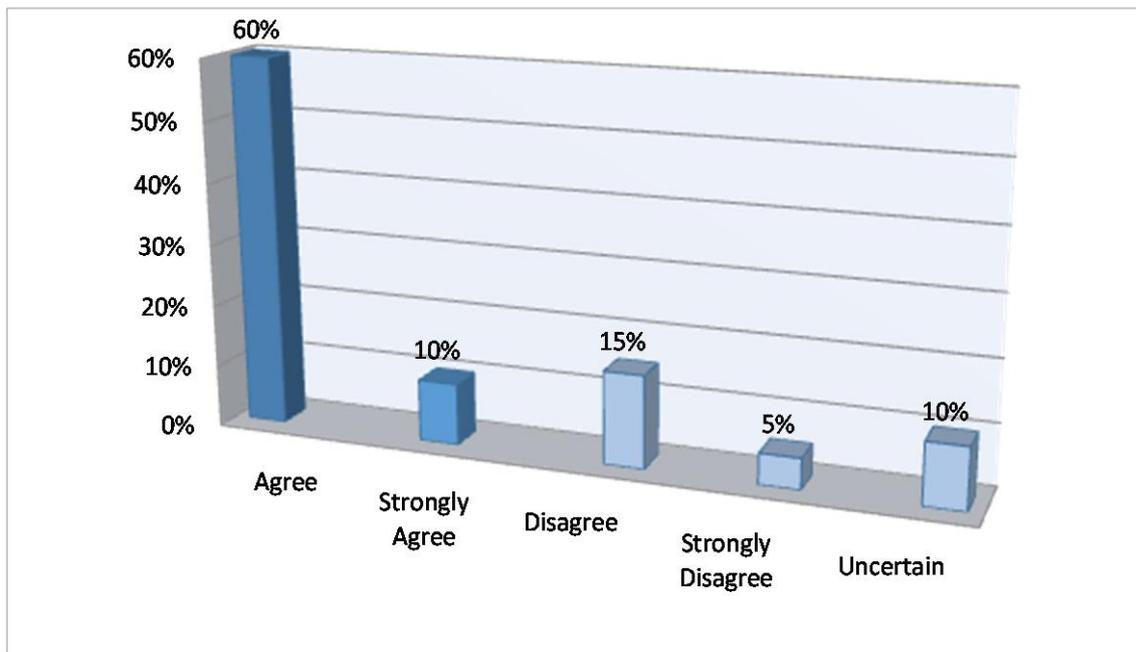
Item	F	%
Q.8 Was there any accountability in the implementation and the outcome of PMS in your sphere of operations?		
Agree	3	6
Strongly Agree	2	4
Disagree	22	44
Strongly Disagree	20	40
Uncertain	3	6
Total	FX =50	100

Question 8 indicates that forty four (84%) of the participants disagreed with the statement. Only five (10%) of the participants agreed with the statement, while three (6%) of the participants were recorded uncertain.

From the above analysis, it is clear that lack of accountability impacts negatively on the contribution of PMS. This in turn hampered the performance and the productivity of employees in the area of the study.

Figure 4.3.9 Performance Management System, Monitoring and Evaluation

Q. 9 Does lack of monitoring and evaluation hinders the implementation of PMS in the area of the study?



Question 9 reveals that thirty (70%) of the participants agreed with the statement. Ten (20%) of the participants disagreed with the statement. Only five (10%) of the participants were recorded as uncertain.

From the above information, it is clear that there is no monitoring and evaluation of PMS hence low performance and productivity amongst the employees. Nyathi (2014:38) attests that lack of monitoring and evaluation in the State Agencies demotivates the managers to implement PMS. These anomalies prevent the contribution of PMS in the area of the study.

Table 4.3.10 Performance Management System and Alternative Strategies

Item	F	%
Q.10 Do you think an alternative strategy is needed to improve the past experiences at LEDA?		
Agree	22	44
Strongly Agree	20	40
Disagree	3	6
Strongly Disagree	1	2
Uncertain	4	8
Total	FX =50	100

Question 10 reveals that forty two (84%) of the participants agreed with the statement. Four (8%) of the participants disagreed with the statement, four (8%) of the participants were recorded unsure.

From the above analysis, it is clear that the majority of the participants believed that an alternative strategy is needed to change their negative experiences that they had gone through in the past. Most of State Agencies have failed in their mandates because of lack of alternative strategies (Chauke, 2009:27). An alternative strategy is needed to reinforce the contribution of PMS in the area of the study.

4.4 Data obtained through interview

Data collected through interviews with the managers are as presented. The responses from the above participants have given the researcher a clear picture about the situations and the challenges that impact negatively on the contribution of PMS in LEDA.

The following challenges were identified by the researcher as the main factors that hamper the contribution of PMS on employees' performance and productivity in LEDA.

4.4.1 Lack of managerial skills

Out of fifty of the participants interviewed, forty five of them confirmed that there is lack of proper management in PMS in LEDA. One of the supervisors remarked that

'How can you expect me to conduct PMS properly, if I was not trained in managerial skills'.

4.4.2 Lack of clinical supervision

Out of fifty participants, forty of them agreed that there is lack of supervision, hence minimal contribution in the implementation of PMS and less productivity amongst the employees. Some of the supervisors commented that:

'We did not get clarity on how supervision should be done, hence poor clinical supervision'. 'You cannot expect me to do clinical supervision in a professional manner, if I did not get proper training'.

4.4.3 Relevant resources

Out of fifty interviewees, forty four of them confirmed that there were no resources that are relevant to PMS, hence less contribution to employees' performance and productivity. Some of the comments made included:

'I feel very disillusioned to work in an organisation were there is no relevant resources'.

'Lack of resources delay some of the processes in the assessment of PMS'.

4.4.4 Lack of Transparency

Out of fifty participants that were interviewed forty one of them confirmed that lack of transparency has caused an outcry on why PMS has contributed less on employees'

performance and productivity. These were some of the responses of managers on the challenges they face:

'How can you expect me to give fair evaluation, if there is no transparency in the process'.

'Lack of transparency is one of the problems that hinder the effectiveness of PMDS in our organisation'.

4.4.5 Need for clarity of Policy

Out of fifty participants interviewed, forty three of them agreed that lack of clarity of policy impacted negatively on the contribution of PMS towards employees' performance and Productivity. Some of them commented that:

'How can you expect me to implement PMS correctly, if there was no clarity on policy guidelines'.

'The effectiveness of every programme depends on how the policy was interpreted, hence poor implementation of PMS in our organisation.'

4.4.6 PMS and lack of motivation

Out of fifty interviewees, thirty eight of them claimed that PMS did not motivate employees to make production, hence less contribution to their performance. Some of the responses from the interviewees were:

'Lack of motivation is the main cause of low production in our organisation'.

'How can you expect employees to perform productively, if they are demotivated by the outcome of PMS'.

4.4.7 PMS as a Developmental process

Out of fifty participants that were interviewed, forty six of them confirmed that PMS was not geared towards human development, hence less contribution to employees' performance and productivity at LEDA. Some of the responses from the interviewees were:

'I don't think PMS is geared towards human development, hence less contribution to employees performance and productive'.

'Poor implementation of PMS hinders human development, performance and productivity in our organisation'.

4.5 Conclusion

The contribution of PMS at LEDA depends on the managerial skills, training, and compliance, participation in decision making, delegation, accountability, motivation, human development, monitoring, evaluation and alternative strategies. The chapter revealed challenges that hamper the contribution of PMS on employees' performance and productivity.

The above challenges calls for the policy makers and interested parties to provide relevant resources and an environment that is conducive to allow PMS to contribute towards employees' performance and productivity. Data collected was presented, analysed and discussed in full in this chapter.

In the next chapter an overview of the study, findings, recommendations and conclusion will be presented.

CHAPTER 5

OVERVIEW, FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.1 Introduction

The focus of this chapter includes an overview of the study, the findings from literature review, from primary research, recommendations and conclusions. The discussion in this chapter will further deliberate on the following: an overview of all the chapters written in study, the findings and recommendations of further research limitations and conclusions of the study.

5.2 Overview

Current transformation in LEDA compelled employees to adhere to work ethics and the principles of PMS. This process led to many challenges as stated in Chapter 1. In order to resolve these challenges the researcher reviewed literature to locate the current problems within the body of knowledge in chapter 2. The research design and methodology that have assisted the researcher to collect, analyse and interpret data were discussed in chapter 3 and 4. The findings and recommendations outlined in this chapter are discussed against the problems and objectives stated in chapter 1.

5.3 Findings from the study

The findings from Literature review, empirical study and structured interviews have revealed some of the important ideas and strategies that can be used by LEDA to enhance and improve the PMS.

5.3.1 Findings from the Literature Review

- The concepts of Performance Management System is not static but dynamic and situational. These concepts can be defined and interpreted by different scholars or authors from various perspectives.
- The above concepts need clarification and analysis, so as to assist stakeholders in LEDA to manage and implement PMS.
- Performance Management involves evaluation, competitive advantage, delegation, decision making, managerial styles, participation, monitoring and other related issues.

5.3.2 Findings from the Questionnaire

The findings of this research discovered the following about the implementation of PMS:

- **Challenges**

90% of the participants believed that most of their line managers do not have relevant managerial skills to enhance PMS in the area of the study.

- **Managerial skills**

88% of the participants claimed that their line managers had a minimal training on the implementation of PMS.

- **Compliance**

80% of the participants agreed that most of the supervisors do not comply with the principles of PMS.

- **Participation in decision making**

84% of the participants claimed that employees were not allowed to participate in decision making when PMS was initiated for the first time.

- **Delegation**

70% of the participants confirmed that there was no clear delegation between the managers and the supervisors.

- **Accountability**

88% of the participants indicated that there was no accountability related to the implementation and the outcome of the PMS.

- **Monitoring and Evaluation**

70% of the participants confirmed that lack of monitoring and evaluation hinders the implementation of PMS in the area of the study.

- **Alternatives Strategies**

84% of the participants believed that an alternative strategy was needed to change the way PMS was done in the past.

5.3.3 Findings from the structured interviews

The interviews that were conducted amongst the employees were to get the general feelings and the factors that hamper the implementation of PMS in the area of the study. The following were derived from the interviewees' responses in LEDA:

5.3.3.1 Need for change of managerial style

The findings revealed that poor managerial styles impacted negatively towards the evaluation of most of the employees in the area of study.

5.3.3.2 Need for clinical supervision

The findings revealed that lack of clinical supervision by some of the managers resulted into non-compliance with the principles of PMS.

5.3.3.3 Need for relevant resources

The findings of these research revealed that there are no relevant resources for the implementation of PMS.

5.3.3.4 Need for transparency

The findings of this research revealed that lack of transparency have caused an outcry and concerns amongst employees on how PMS has contributed in the area of the study.

5.3.3.5 Need for clarity of policy

The findings of this research revealed that lack of clarity of policy of PMS has caused inaccuracies of results and reporting by line managers, hence less contribution to employees' performance and productivity in the area of study.

5.4 Recommendations

On the basis of the findings from the empirical research and interviews, the following motivated recommendations are made:

- LEDA should be encouraged to minimise challenges that are faced by employees during the implementation of PMS.
- Line managers should be encouraged to attend in-service training courses related to the management of PMS in the area of the study.
- Supervisors should be encouraged to comply with the principles of PMS.

- Employees should be allowed to participate in decision making at the initial stage of PMS.
- Senior Managers should be encouraged to clarify the process of delegation between the managers and the supervisors during the implementation of PMS.
- Managers and supervisors should be encouraged to have accountability related to the management of PMS.
- Both managers and supervisors should be encouraged to present correct outcomes of PMS to the employees, so as to motivate them towards their performance.
- LEDA should be encouraged to design PMS geared to employees' development.
- LEDA should be encouraged to provide relevant resources that will support the implementation of PMS.
- Line managers and supervisors should be encouraged to have transparency during the implementation of PMS.
- Senior Managers should be encouraged to clarify the policies related to the implementation of PMS.
- LEDA should be encouraged to monitor and evaluate the implementation of PMS in the area of the study.
- Senior Managers should be encouraged to develop alternative strategies that will change the way PMS used to be implemented in the past.

5.5 Limitations of the study

The study cannot claim to have revealed all the challenges experienced by employees in LEDA, as these factors are not static but dynamic and situational. In addition the attitude displayed by some of the stakeholders limited the researcher to collect full information about PMS process. However, the findings laid a foundation for further research in the area of the study.

5.6 Recommendations for Further Research

Every research is intended to suggest another research because no research can claim to be complete on its own. The following topics are suggested for further research:

- The perception of employees towards an alternative evaluation mechanism.
- Exploring the factors that can accelerate the implementation of PMS.
- The impact of illiteracy on the implementation of PMS.
- The role of human resource planning towards the management of PMS.
- The impact of resources on the implementation of PMS.

5.7 Conclusion

The purpose of the study was to investigate the contribution of Performance Management System on employees' behaviour and productivity at Limpopo Economic Development Agency. The factors that hinder the contribution of performance management and productivity of employees in LEDA have been discussed in full. Suggestions for solutions of the problems stated in Chapter 1 have been briefly discussed in this chapter.

The study is an eye opener to the policy makers, managers, employees and other stakeholders. It is now their responsibility to look into the researcher's ideas and recommendations for possible ways of enhancing the contribution of PMS in LEDA.

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APPENDICES

APPENDIX A:

QUESTIONNAIRE

SECTION A

Please indicate your gender with a cross (X) in the appropriate box.

Q.1. What is your gender?

Male	Female
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SECTION B

Please indicate the extent to which you agree or to disagree with the following questions and statements by placing a cross (X) in the appropriate box:

Q.2. There are challenges that hamper the contribution of PMS in the area of the study?

Agree	Strongly Agree	Disagree	Strongly Disagree	Uncertain
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Q.3. Line managers do not have managerial skills to enhance PMS in the area of the study.

Agree	Strongly Agree	Disagree	Strongly Disagree	Uncertain
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Q.4. Do line managers have enough training towards the implementation of PMS?

Agree	Strongly Agree	Disagree	Strongly Disagree	Uncertain
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Q.5. Most of supervisors do not comply with the principles of PMS.

Agree	Strongly Agree	Disagree	Strongly Disagree	Uncertain
-------	-------------------	----------	----------------------	-----------

Q.6. Were employees allowed participating in decision making at the initial stage of PMS?

Agree	Strongly Agree	Disagree	Strongly Disagree	Uncertain
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Q.7. There is Performance Management System and Delegation.

Agree	Strongly Agree	Disagree	Strongly Disagree	Uncertain
-------	-------------------	----------	----------------------	-----------

Q.8. Was there any accountability in the implementation and the outcome of PMS in your sphere of operations?

Agree	Strongly Agree	Disagree	Strongly Disagree	Uncertain
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Q. 9. Does lack of monitoring and evaluation hinders the implementation of PMS in the area of the study?

Agree	Strongly Agree	Disagree	Strongly Disagree	Uncertain
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Q.10. Do you think an alternative strategy is needed to improve the past experiences at LEDA?

Agree	Strongly Agree	Disagree	Strongly Disagree	Uncertain
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Thank you for taking your time to complete this questionnaire.

APPENDIX B

STRUCTURED INTERVIEWS

1. Does lack of managerial skills impact on Performance Management? Yes/No how?
 2. How does lack of clinical supervision contribute to Performance Management?
 3. How can the use of relevant resources contribute to the management of performance?
 4. How can lack of transparency contribute to performance management?
 5. Is there a need for clarity of Policy? If yes or no, please elaborate on your answer.
 6. How does PMS and lack of motivation contribute to employee behaviour and productivity?
 7. How can PMS be used as a Developmental process at LEDA?
-

APPENDIX C:

Letter to request permission to conduct research

P.O. Box 15145
Polokwane
0700
15 February 2016

The Managing Director
Limpopo Economic Development Agency
Lebowakgomo
0737

Dear Sir

SUBJECT: REQUEST FOR PERMISSION TO CONDUCT RESEARCH.

I am currently working at the Human Resource department as a Human Resource Officer. In 2015 I registered for Masters in Development studies with the University of Limpopo. I passed all the registered courses of 2015. As part of the requirements for the Master's degree, a mini- dissertation must be done. I am doing research with the University of Limpopo in the Department of Management and Law supervised by Professor Makombe.

The research topic is about the contribution of Performance Management system on employees' behaviour and productivity.

The objectives of the study are:

- (a) To determine how effective has the implementation of performance management system being in LEDA.
- (b) To determine whether the use of PMS in LEDA has influenced the employee behaviour and productivity.

The research instruments which I intend using in this study are questionnaires and interviews. I have attached to this letter:

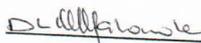
- (a) A copy of my Academic results.

The benefits of the study to LEDA will be, to establish how effective is PMS and what is the return on investment. For more information, please contact my supervisor. Prof Makombe at 015 2684542 or 0735383811, email: godswill.makombe@ul.ac.za.

The information gathered from this study will strictly be kept confidential and will be made available to LEDA upon completion.

Your permission to conduct this study will be greatly appreciated.

Yours sincerely,



D L Mahomole

APPENDIX D:



26 October 2016

Ms Mahomole
Polokwane
0700

Dear Ms Mahomole

PERMISSION TO CONDUCT ACADEMIC RESEARCH

It is our pleasure to inform you that your request to conduct academic research in the company has been approved. Approval is granted with the following ethical principles:

- 1) **Respect for colleagues** - Respect the LEDA colleagues and treat them fairly.
- 2) **Legality** - Know and obey relevant regulations and institutional policies.
- 3) **Honesty** - Strive for honesty in all scientific communications. Honestly methods and procedures, and publication status. Do not fabricate, falsify, or misrepresent data.
- 4) **Integrity** - Keep your promises and agreements; act with sincerity; strive for consistency of thought and action.
- 5) **Respect for Intellectual Property** - Honor patents, copyrights, and other forms of intellectual property. Do not use unpublished data, methods, or results without permission.
- 6) **Confidentiality** - Protect confidential communications and information.
- 7) **Time-off** – You are an employee of LEDA, thus your research processes should not interfere with your job or that of colleagues. Make proper arrangements on time.

Please liaise with Ms. Shibambu for all administrative arrangements and communications. She can be contacted on 015 633 4853/072 642 1355.

Best wishes with your research.

Sincerely,

SN Maponya

Acting Executive Manager Corporate Services

POSTAL ADDRESS: P.O. Box 760, Lebowakgomo
PHYSICAL ADDRESS: Enterprise Development House, Main Road, Lebowakgomo,
T: +27 15 633 4700 | F: +27 15 633 4854 | E: information@leda.co.za

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BOARD OF DIRECTORS:
Mr M Lekota (Chairperson) | Mr D Kourtoumbellides (Deputy Chairperson)
Ms C Mokoma (Company Secretary) | Mr MB Mphahlele (Managing Director)
Mr VS Chepape | Mr SC Nkadmeng | Ms K Maroga | Mr S Lediga
Mr M Maphutha | Ms M A Mphahlele | Mr T Makunyane | Mr T Mokone

APPENDIX E:

LETTER FROM THE LANGUAGE EDITOR

UNIVERSITY OF LIMPOPO



School of Language and Communication Studies

To: Dr K.S Milondzo

Date: 18 November 2016

Subject: Language Editing

This is to confirm that the Research Report for D.L Mahomole, Student No. 9707815 entitled "The contribution of performance management system on employee behaviour and productivity in Limpopo Economic Development Agency" has been thoroughly edited.

Kind regards

A handwritten signature in black ink, appearing to be 'N. Manganye', written over a horizontal line.

Mr N. Manganye

Lecturer- English Studies

Ext. 015 268 3661
