

**IMPROVING THE PERFORMANCE MANAGEMENT AND  
DEVELOPMENT SYSTEM IN THE DEPARTMENT OF HEALTH AND  
SOCIAL DEVELOPMENT, LIMPOPO PROVINCE**

Submitted by

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## **DECLARATION**

I declare that the mini dissertation hereby submitted to the University of Limpopo, for the degree of Master in Public Administration - Improving the performance management and development system in the department of health and social development ,Limpopo Province has not previously been submitted by me for a degree at this or any other university; that it is my work in design and in execution, and t at all material contained herein has been duly acknowledged.

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**RAKGOALE E.K (Mrs)**

09 September 2011



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My sincere gratitude goes to my family whose confidence in me has revived my strength for the study.

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## **DEDICATION**

I dedicate this study to my late husband Motatane and my children, Karabo, Matome and Matseleng for enduring this path with me, for their sacrifice and faith.

## **ABSTRACT**

### **IMPROVING THE PERFORMANCE MANAGEMENT SYSTEM DEPARTMENT OF HEALTH AND SOCIAL DEVELOPMENT, LIMPOPO**

The proposed study intends to establish how procedural the reward system is being implemented in the Limpopo Department of Health and Social Development and whether claims of bias are founded.

The study is intended to determine the system's influence on the organization's ability to track poor performance and manage it. Also providing a refreshed view of the current pitfalls in the implementation of the program therefore providing indications of remedial action to recover the purpose of the PMDS.

To assess the impact of Performance Management practices and explore best implementable practices which lead to effective performance management system and best service delivery by the Limpopo Department of Health and Social Development. Qualitative research approach using interview schedule for HR and line managers was utilised. The findings are that the system can not be linked to employee output but an obvious benefit is employee rewards.

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## **Abbreviations**

PMDS	Performance Management and Development System
PMS	Performance Management System
DPSA	Department of Public Service and Administration
LPG	Limpopo Provincial Government.
HR	Human Resource
DHSD	Department of Health and Social Development, Limpopo
EA	Executing Authority
PI	Performance Indicator
PSC	Public Service Commission
MBO	Management by Objectives

## **CHAPTER ONE**

### **1 INTRODUCTION**

#### **1.1 Introduction**

The study is on 'Improving the Performance Management and Development System in the Department of Health And Social Development in Limpopo province. This chapter presents the contextualization of the study in the Limpopo Department of Health and Social Development. It also presents the overall aims and objectives of the study. The preliminary overview of the study is captured in closing the chapter.

#### **1.2 Background**

The Department of Health and Social Development is one of the public service delivery machinery that is tasked with the implementation of the basic and crucial mandates of government, which is to provide Health services and facilitate Social Development. The researcher will focus on the Social Development wing of the department.

The Limpopo Department of Health and Social Development employs 31 676. The population used for the study is the staff component of the Social Development branch, with a total number of 1570 employees. This branch is the least resourced utilizing mainly 'shared services' based in the Health branch. The researcher had an opportunity to work from both the branches. This gave an opportunity to observe the different levels of implementation whilst being one department.

For every organization there are strategic objectives, goals or missions to accomplish. These can be achieved by better planning, implementing strategies and effective management of human resource. One of the important concerns is measurement of staff output. Such ventures are done through the process of performance management and development to achieve effective and efficient systems.

In a South African context, before amalgamation and rationalisation in 1994, there were many PM systems and procedures in public service, with detailed rules and regulations on appraisal for different categories of staff. In 1 July 1999 there was a lot of new management framework i.e. devolution of management of departments to political and administrative heads of departments which was one size fits all approach. Each department had to develop its own human resources policies and systems, within a framework of uniform norms and standards.

From 1 July 1999 the new public service management framework was introduced with all departmental activities informed by legislation such as the Public Service Act of 1994, the Public Service Regulations, 1999 and 2001, various White Papers, and by collective agreements concluded by bargaining councils in the public service. Public Service Regulations serve as primary guide to departments in developing and implementing their departmental PMS.

The Public Service Regulations 2001 require of each executing authority to determine a system for performance management and development for employees in that department. Department of Public Service Administration (DPSA) provided guidance through Performance Management Handbook and learning sessions. Part VIII of Chapter I of the Public Service Regulations, 2001, serves as the primary guide to departments in developing and implementing their departmental performance management systems. Regulation VIII B.1 requires of each executing authority to determine a system for performance management and development for employees in that department. The system had to be in place with effect from 1 April 2001.

The Department of Health and Social Development is one of the public service delivery machinery that is tasked with the implementation of the basic and crucial mandates of government, which is to provide Health services and facilitate Social Development. The researcher focused on the Social Development branch of the department.

One of the hallmarks of transformed and accountable departments is the successful application of its performance management system. Such application allows representatives and communities to gain insight into, and make judgments about the department and the effectiveness and efficiency of

its strategy, processes and people. In this way, policy and legislation imperatives will be translated into service delivery.

Managing employee or system performance facilitates the effective delivery of strategic and operational goals. There is a clear and immediate correlation between using performance management programs and improved business and organizational results. Employee performance management may deliver a significant return on investment through a range of direct and indirect benefits, operational efficiency benefits and unlock the latent potential in every employee.

Other benefits may include motivated workforce, optimized incentive plans to specific goals for over achievement, not just business as usual, and improved employee engagement because everyone understands how they are directly contributing to the organisations high level goals. The system can create transparency in achievement of goals, high confidence in bonus payment process, professional development programs that are better aligned to achieving business level goals improved management control, increased employee responsive to management needs and audit compliance.

BPP Learning Media (2007) explains that performance management aims to establish how well somebody is doing in relation to a plan. It is a vital part of the control process. Measurement needs resources: people, tools and time to collect and analyse information. Measurement must be relevant for the individual in relation to what the employee does in terms of performance plan, how the employee does that so that measurement reflect that which actually occurs. A variety of measures should be used to achieve this. The measures must be fair, they should only include factors which employees can control by their decisions, and for which they can be held responsible. Short and long-term achievements should be measured.

### **1.3 Problem Statement**

The malpractices with the implementation of the performance management policies defeat the purposes for which it was created, which is to improve service delivery. The Performance Management and Development System cycle is reduced to a momentary event at the end of the reporting period and therefore giving rise to false reflection of the true state of affairs. PMDS is not seen as a tool for service delivery but rather 'extra cash' exercise.

There are constant changes of the system tools resulting in abrupt completion, creating loopholes for false reporting of actual performance. The goal of the system is interpreted to be just awarding employees salary increases without the necessary link to the outcome of performance.

There seem to be known poor performers that have not been corrected over a period of time which discourages improvement by fellow employees. This would result in wasteful expenditure from payment of rewards that are in discord with the performance report of the department.

Information on the system and its implementation does not filter through the levels of the organisation at the desired speed and method, resulting in poor comprehension and inconsistent application throughout the post levels.

### **1.4 Motivation for Study**

Limpopo is a developing rural province with a greater 'poverty pocket' capacity. It is therefore required of the department to have well running systems to deliver on these mandates. The value of improving the system and ultimately impacting positively to service delivery may have greater ripple effects.

The Public Service like the rest of the corporate bodies has over time reviewed and refined the Performance Management and Development System. However what has remained contentious is its implementation and impact on individual and organizational performance.

Professor Sangweni in his paper 'Performance Management as a Leadership and Management Tool' (2003) presented that many Commonwealth countries have made determined efforts over the past two decades to introduce reforms in their Public Administration Systems. As measures for administrative re-engineering or re-tooling, these reforms have been aimed at improving the performance of the public sector, especially the civil service, as a means to accelerate good governance and overall national development.

The one particular aspect of this effort has been the attempt to address the issue of improving performance, with a view to enhancing service delivery to the satisfaction of the recipients, the taxpayers. As a result the issue of performance management, encompassing the policies, values, strategies, structures, systems, processes and competencies to be applied in order to maximise the contribution of units, individuals and teams towards the achievement of organisational and national goals, has been pushed to the top of the public sector reform agenda in many countries during this period. South African Public Administration has also followed the same route in effecting reforms to improve government performance and service delivery.

The system should enable the department to root out poor performance and non performance while rewarding those whose productivity ensures the success of the programs for service delivery (Konrad report, 1997). However the Department of Health and Social Development has frequently attracted an assortment of criticism, skeptics and discontented employees. The system was defined "as weak" by Professor Nengwekhulu in the Konrad Report (1997; 18) for putting undue emphasis on the job descriptions and not the goals and objectives, an outstanding element of the very 'new system'.

The need for an effective system to manage the performance of managers within the context of a public service can not be emphasized more. Managers have the most crucial role to play with regard to the achievement of institutional objectives. The effective monitoring of their performance and competency levels should therefore be accorded a very high priority and should also provide

valuable information on institutional successes or failures and draw attention to areas where urgent intervention is required.

## **1.5 Aims of the Study**

The proposed study intends to establish how procedural the reward system is being implemented in the Limpopo Department of Health and Social Development and whether claims of bias are founded. It will focus on the subjective experiences of the department's employee in order to assess the influence of the system on individual performance. This will point out the constrains to the implementation of PMDS what alternatives the Department of Health and Social Development has to better implement the system.

The study is intended to determine the system's influence on the organization's ability to track poor performance and manage it. Also providing a refreshed view of the current pitfalls in the implementation of the program therefore providing indications of remedial action to recover the purpose of the PMDS

## **1.6 Research questions**

- 2 What challenges does the Department of Health and Social Development experience in implementing the PMDS?
- 3 Do the individual employees link their implementation of the system to the total departmental output?
- 4 What effects do the changes of the system tools have on the proper implementation of the system?
- 5 To what extent has the system been used to address poor performance by employees and what records are being kept for such cases?
- 6 Is the current model best suited for the department?
- 7 Is the model well marketed and internalized by the employees?

## **1.7 Objectives of the study:**

- To assess the impact of Performance Management practices and explore best implementable practices which lead to effective performance management system and best service delivery by the Limpopo Department of Health and Social Development.
- To identify the performance management related challenges during PMDS implementation faced by the Limpopo Department of Health and Social Development
- To recommend suggestive solutions that can increase effectiveness of efforts to improve human resource performance in the Limpopo Department of Health and Social Development

## **1.8 Significance of Study**

The findings would be of particular significance to the department being studied:

On publication, the findings would provide a significant reference and elucidation of the status quo in terms of the system. It would give indicators of the relevance of the system to the department, and its capacity to implement. Should the recommendations be implemented by the policy makers it would contribute towards the improvement of the policy and its system applications. The study will provide recommendations to be used in future practical guidelines and tools. Recommendations will also indicate the required interventions for performance improvement.

The study has potential for replication in other public entities or up-scaling the research to a comparative study between government departments within the province and elsewhere.

## 1.9 Operational definitions

Armstrong and Baron (1998) defined Performance Management as a strategic and integrated approach to increasing the effectiveness of organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors.

Performance management is the systematic process by which an agency involves its employees, as individuals and members of a group, in improving organisational effectiveness in the accomplishment of the agency's mission and goals. It is therefore a comprehensive approach to performance that includes planning work and setting expectations, continually monitoring performance, developing the capacity to perform, periodically rating performance in a holistic fashion and rewarding good performance. Performance management involves tools such as reward systems, job design, and leadership training (Sangweni, 2003)

Although it is often used interchangeably, performance management is a broader term than performance appraisal. Performance appraisal is part of performance management. Performance appraisal is the ongoing process of evaluating and managing both the behaviour and outcomes in the workplace. Organisations use various terms to describe this process. Performance review, annual appraisal, performance evaluation, employee evaluation and merit evaluation are some of the terms used. (Grobler cited in Sangweni, 2003)

PM is neither a technique nor a single process, it can be considered as a set of processes, or a concept, a holistic philosophy that includes motivation of employees to perform well, employees knowledge about what their managers expect of them, development of employees, monitoring and measuring performance in order to know what areas are to be improved (Wilson, 2005).

Armstrong and Baron (2005) described the same facts by saying that PM is a strategy which relates to every activity of organization and its implementation depends on organizational context and can vary from organization to organization. A study by Bascal (1999) demonstrated the essence of PM that it is an ongoing partnership between employee and management with regard

to major job functions, employees involvement in goals generation, and discussion how both can work together to accomplish these goals.

Performance review is the more formal evaluation stage where performance review over the specified period takes place in which achievements, performance agreements and development plans are analyzed and can lead to performance ratings. In terms of the LPA (2005) this phase is called the annual evaluation.

Evaluation – Burnham (1995) distinguishes between two forms of evaluation. Formative evaluation guides the implementation and management of an evaluation. It is an internal guidance system providing corrective information towards achievement of the targets. Summative evaluation is often conducted at the end of the program and is used to make judgment about how well the program performed; it sums-up the program results. It provides the total worth of the object of evaluation and can be used for accountability purposes.

Effective performance management involves sharing an understanding of what needs to be achieved and then managing and developing people in a way that enables such shared objectives to be achieved. Effectiveness of a program depends on whether it is communicated well, whether its goals are shared, has cooperation as a norm, has a team approach, has the regard of the employees, use its resources, and have feedback mechanisms in place. (Burnham, 1995)

Aguinis (2007) defines the performance management (PM) as “a continuous process of identifying, measuring and developing the performance of individuals”, further adds that this continuous capacity building requires objectives, observing and measuring performance and regular feedback. PM primarily focuses on its employees to develop their capabilities. It does not only build capacity but “performance management helps managers to detect problems as early as possible and to respond more rapidly to uncertainty challenges” as described by Cokins, 2004.

Performance Measurement is the retrospective collection of information relevant to performance management. The specific representation of a capacity, process, or outcome deemed relevant to the assessment of performance. A performance measure is quantifiable and can be documented (Lichielo n.d).

Performance Standard Work performance in terms of quantity and quality expected from each employee. These standards are the basis for performance reviews.

Employee Recognition Employee recognition can take various forms depending on the perspective from which we approach the work process. Four main forms of recognition can be identified with respect to the key dimensions of work: existential recognition, recognition of work practices, recognition of dedication to work, and recognition of results

Existential recognition focuses on employees as distinct beings with their own identities and expertise. This form of recognition is found in everyday interaction and is expressed for no other reason than because individuals are human. Thanks to this recognition, individuals are free to speak and perhaps influence organizational decisions.

Recognition of work practices looks at how an employee performs a task. It takes into account a worker's behaviors, skills, and professional qualifications. Among other aspects, it focuses on creativity, innovation, and the continued improvement of work methods. In short, this form of recognition underscores the way an employee performs work duties on a daily basis.

Recognition of dedication to work concerns the quality and quantity of efforts an employee makes to contribute to the work process. It highlights the contribution of employees, the risks they take to complete company projects, and the energy they expend, independent of results. In short, it recognizes the employee's contribution to the company's ongoing operation.

Recognition of results bears directly on the end product. It is a judgment and a mark of gratitude based on the efficiency, usefulness, and quality of work performed by an employee or a group of employees. It should be noted that this form of recognition depends on results, and that it is only expressed once a task has been completed.

These four main forms of recognition are complementary and interdependent. All four should be used on a daily basis in order to meet employee needs for recognition as organization members and appreciation as workers able to participate in the work process, dedicate effort and energy, complete

tasks effectively and efficiently, and generate results that reflect their professional know-how. No single form of employee recognition should be used alone or favored over another (Jacob, 2001).

### **1.10 Chapter Outline And Time Frames**

Chapter 2: Presentation of literature relevant to the research problem is allocated here. Literature review will present literature that relates to the problem, causes and implementation of the system elsewhere with an overview of on various models thereof. The chapter will focus on the definitions of the terms performance management, the benefits of performance management, perspectives of performance management, implementation challenges and the steps of performance management process.

Chapter 3: The chapter captures data collection exercise, the research design and methodology. Data will be collected from the Department of Health and Social Development through the use of interview schedule. The chapter captures data collection exercise, research design and methodology. Data will be collected from the Department of Health and Social Development through the use of questionnaires. The chapter outlines area population, sample and limitations of the study

Chapter 4: The chapter captures data presentation, interpretations and analysis of data. The chapter will report on methods used for data analysis, report of analysis and lessons learned.

Chapter 5: Recommendations for improving systems in terms design, implementation, monitoring and evaluation will be recorded here-in. The chapter will indicate a summary of the research and give a brief of the content of the study as well as the conclusions.

## **CHAPTER 2**

### **2. LITERATURE REVIEW**

#### **2.1. Introduction**

The previous chapter outlined the basis and objectives of the study. This chapter deals with literature review pertaining to the Performance Management and Development System. The following themes bind the literature presented herein: planning and contracting, training and development, performance review, and rewarding. The issues of bias, compliance, communication and service deliver weave through the discussions.

Performance management can focus on performance of the organization, a department, processes to build a product or service, or employees. The study zooms in on individual aspect of performance. Performance management includes activities to ensure that goals are consistently being met in an effective and efficient manner.

The key elements of performance management are as follows: performance management as a process means that it is not just a set of forms, the annual appraisal ritual or the bonus scheme it is made out to be. As a tool for shared understanding of what is to be done it requires that parties should have a common understand of what constitutes performance and success in the job. As an approach to managing people the focus is on people. It puts the responsibility on managers to communicate well with employees (Weiss & Hartle cited in Letsoalo, 2004).

#### **2.2 Early Practices of Performance Management**

No clear evidence found in literature when exactly performance reviews methods was introduced. According to Armstrong and Baron (2005) first formal system was work of Fredrick Taylor before World War-I for rating officers in US armed services. However, one of early practice was 'Graphic rating scales' start off in 1920s consisting of leadership skills, communication, dependability, loyalty, creativity and people were assessed on these traits (Stafylarakis and Eldridge, 2002).

They further added that the drawback of this system was ordinary focus on personal characteristics of employees as indicator of job and also traits are difficult to define and lead to different interpretations.

Greer (2001) further criticizes that it does not assess behavior and may not help in “developmental counseling”. Another practice is Annual Confidential Report (ACR) which was introduced in 1940s, and is still in use in public sectors of many developing countries. This is a comprehensive report written once in a year about the employee by his senior or supervisor for his or her responsible duties and performance in these duties.

Audiences of these reports are not the employees but the senior management because on this report decisions are made whether the person should be promoted or not. There are weaknesses in this practice. For the reason that the employee does not participate, there is no feedback about his or her performance which means no learning and development (Stafylarakis and Eldridge, 2002). Communication gap and personal biases could occur in this type of assessment. A person promoted on the basis of ACR is always unaware of the part of year and work which was the most efficient.

### **2.3 Performance Appraisals**

In 1970s more improved form of appraisal was developed which appear to be influenced by Management by Objectives. It consists of manager appraisal judgement and providing feedback to employee on his performance. The major addition is of feedback which was missing in ACR practices where manager doesn't discuss the performance and just write the report according to his own perceptions which may be wrong. This approach offers chance to both supervisor and subordinate to sit together once in a year and discuss strategic and personal issues which are difficult to discuss otherwise.

Most of the writers (Aguinis, 2007) mentioned that the problem with performance appraisal is that it is controlled and implemented by HR department in linking performance with pay which de motivate the managers because they hesitate to give opinions that affects their colleagues pay, this

leads to rating error and bias. Therefore line managers frequently criticized the system as there was nothing interesting and worthwhile for them in this process. The worst feature of performance appraisal in 1970s and 1980s, according to Armstrong & Baron (1998), is that it had not been accepted as necessary part of management process.

## **2.4 Performance Management System (PMS)**

After number of approaches some of which are mentioned above, experts introduced Performance Management Systems. These systems are so far the best available mechanisms for efficient and productive management. Armstrong (2006) explains that PMS aim is to create a high performance culture in which all members, managers or employee, takes responsibility for continuous improvement of business processes and also of their own skill. Significant characteristics of PMS which makes it one of the best practices includes emphasis on front end planning rather than back end review, broader definition of performance, ongoing dialogue, performance appraisal practice, and graphical rating scale.

PMS approach believes that there are many other factors coupled with performance outcome and it is not only based on objective achievement which was main target of MBO practice. In this approach 'sharing expectations' has changed the autocratic style of management into democratic (Wilson, 2004).

Managers also make it understandable to all, what they expect from them in terms of good performance and how mutually they can contribute in organizational goals. On the other end employees can talk about how they should be managed, how they can give their best output. They can discuss the support or resources which they need from managers (Bascal, 1999). Main focus of PMS is on consensus which was lacking in early practices where there was no discussion before writing the annual character report or setting objectives.

Aguinis (2007) points out to the positive relationship between performance management and better business performance. It can communicate shared vision of organization, define expectations and

reach consensus. It also enhances motivation, leads towards personal development plans, allows people to monitor their own performance and of those who are responsible for this and encourage dialogue about various issues.

## **2.5 Performance Management Processes**

Many writers (Greer 2001; Wehrich and Koontz 2005; Aguinis 2007) have put forward number of PM frameworks. However, it appears that Armstrong has written numerous books (1999, 2006) and did remarkable work on PM and HR. Armstrong (1999) articulated performance management process that is discussed below.

### **2.5.1 Role Definition or Role Profile**

Role definition sets road map and provides basis for PM framework. It starts with “**Purpose of role**” that is overall aim. The primary focus is to make the job holder understand what job is expected from her or him. Secondly, it outlines the “**key result areas**” which define in detail, the agreed objectives, main output areas and performance standards. In other words the manger and employee should know what functions will have to be performed by the job holder. Lastly, are the “**key competencies**”? This step deals with organizational or generic competencies about the behavior, required to perform the role effectively. These behavioural competencies include teamwork, communication, customer focus, developing others, problem solving, leadership and many more. These competencies provide the basis for personal development program (Armstrong, 2005).

### **2.5.2 Performance Agreements**

The process of performance management includes clustering of objectives into Key Performance Areas (KPA's) and setting key performance indicators (KPI's) in respect of each of these priorities and objectives. These should cover appropriate key performance indicators, including input indicators, output indicators and outcome indicators. Performance indicators are by definition,

measures that tell us whether progress is being made in achieving our goals. These KPI's must be measurable, relevant, objective and precise. Performance targets are then set for each of its performance indicators. These should capture the efficiency, effectiveness, quality and impact of the performance of the administrative components, structure, body or person for whom a target has been set. (Hathfield, 2000)

Put in another way performance management involves planning where goals and objectives are established; coaching where a manager intervenes to give feedback and adjust performance; appraisal where individual performance is formally documented and feedback delivered

Performance agreements which are also known as performance contracts include: Objectives and standards of performance Objectives should be "SMART". In this abbreviation S=specific, M=measurable, A=achievable, R=relevant and T=time framed. SMART aim is to direct the people objectives towards organizational objectives. Here role of definition plays important role. This integration is achieved when everyone is fully aware of organizational functions and individual as well as team goals. (Armstrong, 2005). Performance standard is in fact, a statement of conditions that are used when time based targets are not possible to set for an employee. It may be possible that their essential nature may not change from one performance period to other regardless of any special circumstances, that's why they are standing or continuing objectives.

### **2.5.2.1 Performance Measures and Indicators**

After defining what is to be achieved the next important step is to define how the achievement will be measured? Performance measure provides the evidence whether intended results have been achieved or not and to which extent the job holder has done his job efficiently? This data will be supplying a good base for feedback to managers and help employee to monitor her/his own strength and weaknesses. Measures can be categorized, in finance, output (units produced), impact (innovation, standard attainment), reaction (judgement of customers, colleagues), or time (speed of response, delivery times) (White, 1995).

### **2.5.2.2 Competency Assessment**

Next is the assessment stage that includes the discussion consisting of competency profile which has been defined in role definition of job holder. Discussion may consist of clarification of expectations of manager how these competencies are perceived by manager and what he actually wants under these competencies details

Core values and operational requirements

An additional step is the discussion about core values of the organization for quality, customer service, team working may also be included in performance agreement, which employee is expected to uphold in carrying out their routine office work.

### **2.5.3 Performance Development Plan**

This plan sets out the actions that people take to improve their skills, knowledge and talent regarding that particular job and increase their levels of competence in order to improve their performance.

### **2.5.4 Competency assessment**

Next is the assessment stage that includes the discussion consisting of competency profile which has been defined in role definition of job holder. Discussion may consist of clarification of expectations of manager how these competencies are perceived by manager and what he actually wants under these competencies details

### **2.5.5 Core values and operational requirements**

An additional step is the discussion about core values of the organization for quality, customer service, team working may also be included in performance agreement, which employee is expected to uphold in carrying out their routine office work.

### **2.5.6 Managing Performance throughout the Year**

The most distinguishing process of performance management is that it emphasize on continuous process of performance management. As compare to early practices where there is only one annual performance review, PM encourages the process of continuous feedback and learning. This is important because managers and individuals should be ready to meet the development and improvement needs of the organization. Employees should be appreciated whenever they do their work according to standards before it get so late till the end of year. These performance reviews are not need to be formal every time and can be held in team meetings so problems should be discussed immediately when they arise. But there should be more formal interim reviews decided points in the year twice or thrice yearly

During the 2006/07 financial year, department initiated the balanced scorecard approach to planning and performance management. This led to the development of a departmental Scorecard, and Individual Performance Scorecards. The balanced scorecard is an analytical tool that brings together, on a single management report, many of the disparate elements of an organisation's strategic agenda. It forces the organisation to consider all the important operational measures together, thus highlighting or illustrating whether improvement in one area was achieved at the expense of another. Entailed in the balanced scorecard approach is the need for a continuous review process.

### **2.6 Perspectives on Performance Management**

The diverse definition on the Performance Management and the critical elements give clear indication of writers' notion that the concept is one complex to define. Approaches to Performance Management often fail because they only capture the hard elements of the system that can be targeted and measured, whereas the process should reflect a balance between measurable results and expression of the 'substance' that leads to individual and organisational success (Weiss & Hartle, cited in Letsoalo, 2004)

Other authors distinguish three perspectives; Performance Management as a system for managing organisational performance, employee performance and integration of organisational and employee performance. Emerald journals identify an additional perspective of team performance management (Williams, 2002).

### **2.6.1 Employee performance management**

It is possible to get all employees to reconcile personal goals with organizational goals. One can turn around any marginal business and increase productivity and profitability for any organization, with the transparent and hidden forces embedded in this process. It can be applied by organisations or a single department or section inside an organisation; as well as an individual person.

The process is a natural, self-inspired performance process and is appropriately named the self-propelled performance process (SPPP).

Williams (2002) claimed that the self-propelled performance management system among others issues is the most neglected part in teachings about management and leadership principles; the most complete and sophisticated application of performance management; the best integration of human behaviour research findings, with the latest management, leadership and organisational development principles; the surest and fastest way for increased motivation, productivity, growth, performance and profitability for both the individual and the organisation; and inspirational, as it gets people moving, makes them self-starters in utilising own talents and initiative, automatically like magic.

First of all, deriving from the strategic plan, a commitment analysis must be done, where a job mission statement is drawn up for each job. The job mission statement is a job definition in terms of purpose, customers, product and scope. The aim with this analysis is to determine the continuous key objectives and performance standards for each job position.

Following the commitment analysis, is the work analysis of a particular job in terms of the reporting structure and job description. If a job description is not available, then a systems analysis can be

done to draw up a job description. The aim with this analysis is to determine the continuous critical objectives and performance standards for each job.

The new forms of appraisal make use of personal attributes, skills, performance as core. Personal attributes like reliability, judgement, application, initiative, adaptability impact on productivity. It is however more challenging to find a satisfactory measure of performance in certain jobs, like having to separate an individual performance from that of a team s/he works in.

Cascading of performance management to individuals within the department is the cornerstone of the system. The performance management system at the individual level is aimed at clearly identifying what it takes to achieve the strategic agenda and political priorities. It also serves to ensure that management and staffs understands what they are responsible for, in achieving the departmental goals. The following initiatives have been undertaken to ensure that accountability for performance is constantly assigned and well understood: the work of the performance management and remuneration panel - to monitor performance and evaluate senior managers will continue to be harnessed to ensure improvement, Managers and strategic support staff will continue to be trained on the utilisation of the automated system - to simplify the process of managing the performance of senior management, and to improve performance reporting, Performance agreements by all senior managers up to level 16 will be concluded within one month after the beginning of the municipal financial year, New scorecards outline both the annual, as well as quarterly targets, to align to the electronic performance tracking system developed by the department.

In line with literature the model of the PMDS prescribes that outstanding or commendable performers should be within 5% and satisfactory performers within 15% of the total work force. The remaining 80% of the work is thus translated to average performers. (Limpopo Provincial Government: Performance Management System Manual, 2<sup>nd</sup> Edition 2004). It is concerning whether such high numbers are for real just merely achieving the minimal expected output of their posts or is it only compliance in budget and formula balances in terms of the numbers to be awarded bonuses. The Department of Health and Social Development had to cut the individual reward allocations due to the fact that extensively larger numbers of employees qualify for performance bonuses, causing even more discontent with the system.

### 2.6.2 Team performance management

Saunders (2000) indicates the use of norms which provide useful means of comparison between individuals and groups and interpretation of assessment results. Norms evolve out of the validation process and may be used in assessments in operations. Performance management uses the rating scale of 1-5 (one –five). Stanine scale of 1-9 (one to nine) can be used to compare apples with apples - establishing a common scale for the whole assessment process. It would be ideal for organizations to develop sets of norms which reflect the unique performance standards in their own operations. However such scientific processes are designed by technical experts with required resources to do so. The use of norm is demonstrated in the figure below:

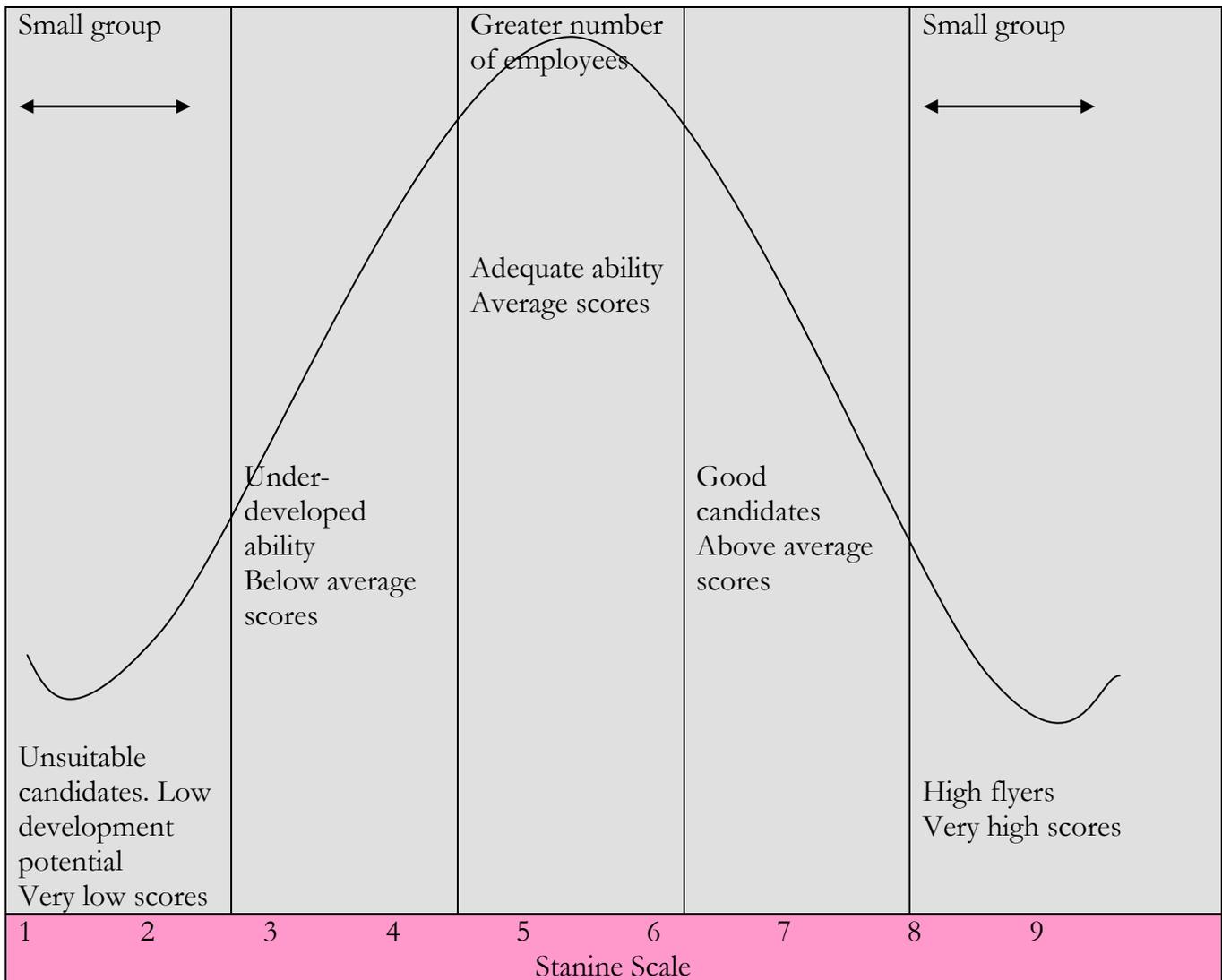


Figure 5.1 the bell shaped curve (source: Saunders 2000, p27)

Peirperl (cited in Saunders 2007) identifies paradoxes of roles, group performance, measurement and rewards are listed inherent in peer review. The resolution of role conflict between that of a counsellor and judge determine the success of peer review, which is the paradox of roles. Even though peer reviews are intended to gain insight into the functioning of teams or groups they still usually focus on individual performance. At its worst it is erratically used to compare members to others rather than cultivating shared ownership and responsibility and that which makes the group tick, which gives rise to the paradox of group performance.

Though seemingly logical and simple, ratings by themselves don't yield the detailed and qualitative outputs for performance improvement. The simpler measures for performance like letter grading and number ratings with fewer dimensions yield less useful results but are commonly preferred to the qualitative feedback which is perceived to be more difficult, time consuming and not easily aggregated and compared. Lastly is the paradox of rewards. Most candidates do not deliberately ignore peer appraisal feedback but find it hard to interpret objectively when it is part of the formal reward system. When not tied to rewards feedback tends to be more comprehensive and useful but may not be seen as important by recipients. However feedback that does not have 'teeth' loses value, such that peer review gets abandoned soon as it is isolated from reward systems.

### **2.6.3 Integration of employee and organisational performance**

Though there are variations in the scale of emphasis on the basic themes, the perspective is a combination of the two main themes of employee and organisational performance covered above. Hartle (1997) points out that an integrated performance management process is designed to encourage open and ongoing communication between the manager and the employee.

Modern practice in performance management has moved towards linking performance appraisal with the achievement of predetermined institutional objectives. Performance management in such cases becomes a systematic process through which institutions involve their employees as individuals or as members of a group in improving organisational effectiveness and in the accomplishment of institutional mission and goals. As indicated in the PSC's Report (2002) on the management of Senior Managers' Performance Agreements there is a definite need for an effective

system to manage and monitor the performance of managers within the context of a public service in transformation. Such a system must enable government to assess the extent to which managers have succeeded in achieving the objectives they have been assigned.

### **2.6.3.1 Provincial Level – organisational performance**

The department has initiated an inclusive business planning assessment process to ensure inclusions to measures to report on the general prescribed KPIs. In addition, this process has emphasised a bias towards output and outcome indicators: As part of continuous performance monitoring and improvement, the department is implementing the departmental Service Monitor, to monitor and track performance. The department Service Monitor enables the department to collect performance data on service delivery across the province on the service delivery plans.

### **2.6.3.2 District Level – organisational performance**

The development of balanced scorecards for public service has ensured that the performance indicators cover key strategic areas including political and developmental priorities, legislative compliance, and the departments' core mandates or business. Scorecards have been reviewed to assess sources of evidence relating to the indicators and to identify gaps. A process to ensure that the new scorecards outline both the annual as well as quarterly targets has been initiated.

The performance management system at the district level has been consolidated by: the appointment of performance management executive district managers, a performance management knowledge sharing seminar was being conducted within the districts, to provide broader understanding of performance management and to share best practices. A business planning and management tasks team is convened on a regular basis to assess performance management practices within the districts, and to make recommendations to management.

The continuous review of the department's performance management system is understood, not only within the legislative requirements, but also in the context of sustained efforts to leverage

performance drivers in the organisation. Such understanding elevates the department's performance management to a living system - a characteristic of highly performing organisations. Performance management will continue to underpin the review of the department.

## **2.7 South African performance management an overview**

Despite enthusiasm regarding performance management by various organisations, a comprehensive survey of nine leading South African organisations undertaken by the University of Stellenbosch Business School recently revealed a rather bleak picture of the way employees' performance is managed and rewarded in South Africa. According to Joubert and Noah (2000) cited in Public service Commission (2004) major problems that were identified during the survey included: the existence of a rather negative working culture; changes in corporate strategy did not result in corresponding behaviour changes; and there was generally insufficient line management support for performance management. Regarding periodicity and formal performance reviews, the following became apparent: lack of follow-up of performance reviews; over emphasis on the appraisal aspect at the expense of development; inadequate performance information and objectivity.

This situation is not different in the Public Service, particularly in the performance management. A study conducted by the Public Service Commission (PSC) on the management of performance agreements of senior managers in 2002 revealed that a number of senior managers had not signed performance agreements and that performance reviews are not conducted regularly as required. The study found that 12% of the respondents were not informed by their departments how the system of performance agreements worked in practice.

The Public Service Commission (2004) gives report o following principles underpinned the PSC's approach in crafting the emerging framework for the HoDs performance evaluation:-

An effective performance agreement system involving the Executing Authorities (EAs) and the HoDs should be the basis of the evaluation process particularly given the fact that one of the objectives of implementing the performance agreements is to ensure alignment of the performance

objectives of senior managers with the strategic objectives of the department.

\* Whilst primarily aimed at the evaluation of the individual HoD, the evaluation process should facilitate assessment of institutional effectiveness. HoDs have the responsibility to ensure that their departments achieve what is expected of them and are accountable for the achievement of departmental outputs.

\* Participants in the evaluation process should wherever practicable involve independent role-players as well as peers of the HoD. EAs should, however, remain responsible for final decisions on the outcome of the evaluation

\* The evaluation process should be premised on a comprehensive and credible procedural framework in order to ensure its integrity and consistency.

\* The evaluation framework should provide an appropriately calibrated mechanism to indicate the level of performance, identify areas of strength and weakness as well as developmental needs, and facilitate decisions on the granting of salary increases and cash bonuses to the HoDs.

\* The constitution of evaluation panels should be flexible to respond to the uniqueness of departments or sectors

\* An integrated approach should be followed, aligned to planning and MTEF cycles

The report also records the lessons learnt are not only of assistance in improving the evaluation of HoDs but should also contribute in assisting senior managers generally in using performance management as a leadership and management tool to achieve organisational effectiveness. The key lessons flow from the following aspects.

Use of evaluation panels - The panels are chaired by the PSC to ensure objectivity and consistency. The use of the panels is intended to provide objective advice to EAs on the performance of their HoDs. EAs, however, make the final decision on the outcome of the evaluation. Panel members ideally should have a background on the core functions of the department as well as the performance of the HoD.

Evaluation panels appointed for the evaluation of HoDs both nationally and provincially have comprised of Ministers (MECs in the case of provinces), other HoDs, external stakeholders familiar with the work of the department and in some instances members of the relevant portfolio committees. The use of panels is an international good practice as it was found recently during a study tour to Canada and New Zealand.

### **2.7.1 Sources of information used for evaluation**

In terms of the framework the performance agreement, the department's business and strategic plan, the budget and expenditure reports, the department's annual report incorporating the Auditor-General's report, a verification statement completed by the executing authority and the HoD, detailing the achievement of targets and outcomes provided for in the performance agreement for the relevant financial year is normally used in the evaluation of each HoD. Such a clear list can not be compared with 'suggested' documentation which may or may not be requested on evaluation employees below SMS level.

The key problems experienced during the evaluation process can be attributed to the quality of documentation submitted for the purpose. Documents submitted have not always conformed to the requirements of the framework. Problems were specifically encountered with regard to the quality of performance agreements and verification statements. The verification statement is expected to provide a concise account of achievements by an HoD against the contents of his/her performance agreement and it constitutes the most important evidence to be used by the evaluation panel members in deciding on the level of performance. (PSC report, 2004)

The regulatory framework in the Public Service emphasises the integration of planning processes with performance management. As such the importance of aligning individual performance objectives of senior managers with the departmental strategic plans is undeniable. This does not only ensure consistent monitoring of individual performance but also ensures evaluation of organisational achievements over a given period. Notwithstanding this requirement, there were performance agreements that did not seem based on the strategic plans of their departments. In

some cases there was no synergy between the key performance areas articulated in the performance agreements and the key achievements outlined in annual reports.

There appears to be a gap between the reporting requirements prescribed by National Treasury and the manner in which departments comply with these requirements. Instead of reporting on the achievement of key departmental objectives, departments tend to report on their activities.

Another problem experienced with regard to the performance agreements of the HoDs has been around the achievement of key result areas. In most cases the performance criteria has tended to emphasise outputs rather than outcomes. The performance criteria used have in the majority of cases been limited to target dates and have seldom provided qualitative criteria for the measurement of performance. Planning employee's performance includes establishing the elements and standards of their performance. These should be measurable, understandable, verifiable, equitable and achievable.

### **2.7.2 Evaluation periods and Performance reviews**

In view of the fact that evaluation of HoDs is aligned to the planning and the Medium Term Expenditure Framework cycles, the framework provided flexibility on the number of years to be covered by each evaluation. Whilst this decision was in line with the provisions of the framework, the lesson learnt was that this is not a sound practice for several reasons. The principle of regular evaluation and performance feedback is ignored by this approach. Agreeing on an evaluation period that spans more than one financial year creates practical difficulties particularly when EAs change portfolios or resign and then a new EA has to review performance of more than one financial year.

The task of panel members also becomes difficult if they have to review performance of more than one financial year. One of the key principles underpinning the effective performance management is that performance management processes shall be developmental and allow for effective response to consistent inadequate performance. In cases where the evaluation period spans more than one

financial year, it means non-performance will not be dealt with timeously. This will definitely have a negative impact on the effectiveness of the organisation.

Signing of Performance Agreements is regulated in Chapter 4 of the Public Service Regulations, 2001 which requires that the performance agreement define key responsibilities and priorities to be achieved by the SMS member and encourages improved communication. It also requires the supervisor to assess the work. Performance management is about having everyone succeed and improve. In order for that to happen, the manager and the employee have to work together in a communication process to identify barriers to success and to build plans to overcome those barriers.

The US Department of Commerce Guide on performance management is cited in the PSC report (2004) that, of all the ingredients needed for successful performance management, effective communication is probably the most important. Internal communication helps ensure accomplishment of organisational goals and builds confidence in the minds of employees if the results are favourable. External communication is important in strengthening partnerships with the community and eliciting favourable support from stakeholders. It is clear therefore that non-compliance with signing of performance agreements denies heads of department the opportunity to continually monitor their progress on the achievement of departmental objectives. This will invariably impact negatively on the outcomes that the government expects to achieve.

### **2.7.3 Critical issues to consider**

Performance evaluation should not be seen as an isolated activity that only takes place at the end of the financial year, but should be viewed within the broader context of performance management. In all organisations, whatever the nature of the work, a manager achieves results through the performance of other people. Recognition of their abilities and efforts is a positive step in motivating them to perform well. The efficiency of staff, their commitment to the aims of the organisation and the skills and attitudes they bring to achieve the quality of service offered are fostered by good human relations. Research shows that the 'image at the top' has a more profound

impact on job attitudes than any other single factor in the working setting. Intellectual strategies alone will not motivate people.

There is no doubt, that the human resource is the organisation's most valuable asset and if managed and motivated effectively, employees will make a key contribution towards the achievement of overall Public Sector objectives. As such, individual employees make or break the best-laid down organisational plans and thus performance management can ensure that employees serve major public service goals rather than subvert them.

Successful management of people is influenced by the philosophy of top management and their attitudes, which affect their relationships with staff, and the problems that affect them. Since the formulation of human resource policies emanates from the top of the organisation, it is justified to argue that the implementation of human resource practices and procedures should be based on viable underlying philosophies of managerial behaviour and employee relationships. Such philosophies should embrace, amongst others, the recognition of people's needs and expectations at work, respect for the individual, justice in treatment and equitable reward systems and opportunities for personal development and career progression.

The crucial issue is not only about the development of these philosophies, rather the challenge is how can leadership effectively gather information, prepare the organisation, communicate its objectives, motivate its staff to achieve objectives and above all, execute these factors successfully.

Performance management therefore has emerged as a key fundamental and comprehensive tool to developing and managing the public sector. As a means of getting better results from the organisation, teams and individuals, performance management facilitates an integrated system of human resource management within an agreed framework of planned goals, objectives and standards.

Visionary performance management establishes a process of shared understanding about what the organisation intends to achieve, how the people should be managed and developed in a manner, which increases the probability that both short and long-term objectives of the organisation can be

attained. The fundamental usefulness of performance management is the facilitation of communication and reinforcement of organisational strategies, culture and standards hence this creates a union of individual with corporate objectives.

It is indeed evident that performance management is concerned with the interrelated processes of work, management, and personal development and at the bottom end performance reward. This approach provides a powerful integrating force, which ensures that these processes are linked. Therefore, performance management should be regarded as a series of managerial activities that focus on input, processing, intervention and the measurement of the eventual output and outcome.

In order to attain effective performance appraisal organisations should ensure that managers are evaluating performance only; are basing the appraisal on proven facts, that the job description is the sole yardstick, have redefined the standards and key areas of performance. Also that the manager and the employee reached an agreement on the points discussed, that the employee has a clear idea of her plan of action, and knows what her reward will be for her good performance.

A performance problem is any gap between desired results and actual results. Performance improvement is any effort targeted at closing the gap between Actual Results and Desired Results.

#### **2.7.4 Challenges with Performance Management**

Authors agree that managers cite performance appraisals or annual reviews as one of their most disliked tasks. Performance management eliminates the performance appraisal or annual review and evaluation as the focus and concentrates instead on the entire spectrum of performance management and improvement strategies. These include employee performance improvement, performance development, training, cross-training, challenging assignments, 360 degree feedback and regular performance feedback ( Amstrong, 2005)

A question that seems to be common to many discussions of the concept of performance management is, 'why do managers refuse to do, or procrastinate with annual performance reviews?' (Performance Appraisals, 2010)

It's unfortunate that often, managers stall, or procrastinate, or simply avoid doing some or all of the performance management steps. If the goal is to improve the value obtained from performance management, obviously we need to understand why managers don't do them.

There are a number of reasons why managers stall, or avoid the process, from feeling that they don't have time, right through to being uncomfortable with the responsibility for discussing employee performance, particularly poor performance. A difficult question often is how do you tell someone he's not performing without demotivating him? Also how do you get an excellent performer to improve even more?

Most managers do not understand what performance management is for, and most important, how they benefit by investing the time to do all of the steps.

Basically, people do things when they perceive that the "cost" (time, money, discomfort, etc) is outweighed by the benefits they will receive. There are certainly a number of benefits for managers of doing performance management and annual or more frequent performance reviews, but they are not all immediately obvious, since a number are longer term. Manager's can have some limited understanding of why Human Resources want it all done, but they don't understand why they should do them in terms of the benefits they receive.

### **2.7.5 Sources of Error in performance Appraisal**

One of the errors in performance management is the Most recent performance error

Saunders cited in Letsoalo (2004) explains objectivity as the conscious process of making judgments independent of previous experiences.

Saunders (2000) Fairness relates to and impartiality and lack of favoritism and is reflected in our behavior and impacts on the design of the assessment process and the way results are treated. The concept is defined against objectivity to allow for clear distinction and where the concepts enter into the process of assessment. Fairness therefore influences the structure and design of the process, the choice of methods, and the treatment of the outcomes.

Four main issues which influence fairness, language differences; prior education opportunities; performance criteria applied to assessment decisions and participation of all interested stakeholders in the process design/ transparency. For the discussions the researcher will focus on the latter two issues.

The last part of the assessment process involves making decisions about the cut- off points and whether to weigh certain competencies. There are criterion which must have entrenched into the competency identification process, in order for the competency document to act as a credible source of information on which to base decisions, performance standards and cut-off points. That is, the accurate standards of performance have been identified based on consultation with all relevant stakeholders- line managers, supervisors, job incumbents and performance management personnel.

The value 3 on a 1-5 rating scale indicates average ability making it seemingly fair and justifiable, when setting cut off points, to expect that eligible candidates should have at least '3' on all the competencies identified for the job. Saunders (2002) deviates from this principle recommending that a fair decision would be to weigh behavioral competencies higher than those which respond readily to training. This is based on the premise that trainable competencies like planning and organizing skills are practical whereas behavioral attributes such as leadership are less amenable to training and not to say a candidate can not improve, but is in the power of the individual; likely to take longer and potential for success is often not guaranteed.

The assessment process is a relationship process and contract on trust and perception issues within the organization but regrettably assessments are essential to organizations' viability and can therefore not be wished away. The need to entrench transparency, openness and honesty in

assessments is thus critical. Stakeholder consultations on matters like the choice on assessment techniques, how selection decisions will be made, and how feedback will be provided for is key in addressing this concern. The forced ranking model was developed in 2000 from Jack Welch's framework. The population is divided into 3 categories: top 20% best performers – to be loved and nurtured in soul and wallet, high performance middle 70%, and the bottom 10% that must be removed. (Grote 2005)

Managers cite performance appraisals or annual reviews as one of their most disliked tasks. Performance management eliminates the performance appraisal or annual review and evaluation as the focus and concentrates instead on the entire spectrum of performance management and improvement strategies. These include employee performance improvement, performance development, training, cross-training, challenging assignments, 360 degree feedback and regular performance feedback.

Performance management is the systematic process by which an agency involves its employees, as individuals and members of a group, in improving organisational effectiveness in the accomplishment of the agency's mission and goals. It is therefore a comprehensive approach to performance that includes planning work and setting expectations, continually monitoring performance, developing the capacity to perform, periodically rating performance in a holistic fashion and rewarding good performance. Performance management involves tools such as reward systems, job design, and leadership training. Performance can be thought of as actual results versus desired results. Any discrepancy, where actual is less than desired, could constitute the performance improvement zone. Performance management and improvement can be thought of as a cycle:

## **2.8 Conclusion**

In conclusion the reference can be made to A review of the process (2006/07), including comments from the Auditor-General in his assessment on the results of the Department's performance measurement, has highlighted the following issues: Consultation with communities during the development of the PMS framework and process did not take place, Key performance indicators

(KPIs) were not classified as input, output and outcome indicators, The performance management system did not prescribe a process of setting performance Targets.

The department has, during the same financial year, made the following strides during the implementation of the system: All senior management signed performance management agreements, the external Performance Management and Remuneration Panel met regularly. The second and third coaching sessions of senior managers were implemented on the automated system, A business planning and management tasks team (BP&PM) is convened on a regular basis to assess performance management practices within the department and make recommendations to management; new staff members were trained in the PMS as part of their induction process, Individual learning plans were developed.

The department's performance management is not only about the setting and measurement of desired outcomes and activities of an organisation, but also the continuous review of its performance against set indicators and targets, to allow for continuous improvement of the system.

The department's performance management approach is part of a broader system of strategic management. This strategic management system ensures that the department is directed through the integration of planning, budgeting and performance management processes.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. Introduction**

This chapter captures data collection exercise, research design and methodology. Data will be collected from the Department of Health and Social Development through the use of questionnaires. The chapter will cover the field work reports on the field work inputs, deliverables, and submission schedule. The chapter presents ethical considerations for the study.

#### **3.2. Research Design**

Qualitative research approach has been adopted for conducting the current research. As the main purpose of research was to explore the hidden hurdles or problem generating areas regarding Department of Health and Social Development PM's effectiveness, researchers have adopted this department in support of in depth analysis of beliefs and perceptions of employees regarding current PM system and Development system.

Williams and Grinnel (1990:304) describes qualitative studies as studies whose purpose is to just gather data or facts in instances where little is known about the field of study.

#### **3.3. Research methods**

The reason for applying the qualitative design in this study is that communities are complaining about the slow pace of service delivery.

Qualitative research is more relevant for this study as it is set out to provide solutions to practical problems, in this case, the impact of leadership in accelerating service delivery.

The qualitative approach according to the definition of Mouton and Marais (1994:155) is the approach in which the procedures are formalized and explicated in a not so strict manner, in which the scope is less defined in nature and in which the researcher does the investigation in a more philosophical manner. In this investigation, according to Nesser, Jourbert and Sonnekus (1995:53-54), preference is given to methods and techniques that capture the meaning of the experience, action or interaction; unstructured questionnaires and interviews; analysis of collected data by means of non-quantitative frameworks and category systems.

### **3.4 Population**

Population and sample are discussed here for the purposes of identifying the population of the study to which the findings will be applicable and to give an indication of the sampling procedures that were applied in this study. Goddard and Melville (2001:34) define a population as “any group that is the subject of research interest”. Neuman (2003:541) on the other hand defines a population as “the large group of many cases from which a researcher draws a sample”. The selection of the respondents was based on the fact that they are on and they will be in a position to provide information that is valid. They work closely with the communities who are the recipients of the service and the leadership who is expected to provide them with the support to enable them to deliver services.

### **3.5 Sampling Methods**

The purposive sampling method was used for this study. A sample should be similar to the population from which it is drawn, on the variables that are relevant to the study (Mark, 1996:107). One of the challenges in sampling is to reduce the sampling error i.e. the error that may occur when the sample does not reflect the population from which it was drawn. According to Mark (1996:107) and Fortune & Reid (1999:47), it is not possible to interview the entire population without sampling. Probability sampling method was used to select the respondents since it enables each person in the population to stand a chance of being selected into the sample. Respondents be from

the provincial and district management in HR and line function unit Social Work.

### **3.6 Study Area**

The location of the study is the Department of Health and Social development Limpopo Province specifically Capricorn District. The location was selected on the basis that the communities in those rural areas are complaining that service delivery. The leadership includes the district manager who is responsible for both social work services and community development sections. Social work head lead the social work service whereas community development head lead community development. The two heads report to the district manager. There is a section that provides support to the two components and it consists of transport, logistics, provisioning, finance, human resource development and registry.

### **3.7 Data Collection Methods**

Data collection is the how or procedure to collect data. Data was collected through three methods, namely, questionnaires and documentation. In this study, the following data collection techniques were used. Data for this study regarding on current performance evaluation or development mechanisms have been collected from secondary sources. Semi structured interviews consisting of open ended questions were conducted from 15 respondents of high, middle management and respective subordinates. The focus of the interviews was to explore different PM related challenges and their potential implications on overall service delivery

#### **3.7.1. Structured Questionnaires**

The respondents were given questionnaires which were completed individually. They were given the latitude to consult the researcher if they needed clarity. The questionnaires allowed respondents to expatiate in their explanations. The first part of the questionnaire dealt with demographical data, the second part was on the impact of leadership on service delivery, the relationship between leadership and service delivery, leadership problems and service delivery and lastly ways and means of

improving service delivery in the Department of Health and Social Development.

### **3.7.2. Documentation**

Literature on service delivery and leadership were consulted as this gave a broader understanding of the topic in discussion. Documentation such as journals, acts and policies were consulted.

### **3.8. Data Analysis**

The process of data analysis involves making sense out of text. Analysing qualitative studies requires a lot of subjective judgment and interpretation (Reamer 1998:354). In this study data collected was in the form of questionnaires and interviews which were read and checked to eliminate spoiled ones and remain with the correctly completed ones. The readings of questionnaires were done in order to come up with the summary of all the respondents' major points in relation to the study.

Phenomenological research identifies significant statements to generate meaning; it attempts re-telling the respondents' stories in such a way as to develop themes or trends on the subject of investigation (Creswell, 2003:190-191). Qualitative data analysis involves reading descriptive data, making notes on the trends found in the data and developing some descriptive categories (Roberts & Greene, 2002:763). Unlike quantitative data, there are no exact formulas for analysing qualitative data. There are some widely accepted procedures, but no exacting formulas into which one can enter data. Instead, analysing qualitative data requires a lot of subjective judgement and interpretation (Neuman, 2003:154). In qualitative studies, researchers end up with lots of paper and with lots of words on them and this information must be sorted out, organised and analysed.

### **3.9 Limitation of the study**

The study covered only one unit within the Social Development branch of the Department of Health and Social Development and HR management. Other units and lower level employees were not included.

### **3.10 Ethical considerations**

Ethics in research is discussed here with the view to indicating the ethical context within which the study was conducted. Ethics refer to standards of conduct to ensure moral behaviour (Royse, 1999:85). A fundamental question here is whether the study itself is ethical. In social sciences, issues to consider in assessing whether a study is ethical include harmful labelling of people causing serious psychological distress or withholding needed treatment (Fortune 1999: 30-31).

#### **3.10.1 Informed consent**

Respondents will be informed about the purpose of the investigation and the procedure that will be followed. As pointed out by Barnett, Miller-Perrin and Perrin (1997:37) and de Vos et al (0) respondents need to get adequate information and all the procedures to be followed during the investigation. The respondents were clarified that participation in the research was voluntary and they should not feel pressured to take part if they do not feel like.

#### **3.10.2. Confidentiality**

The researcher will not reveal the identity of participants as well as any confidential information obtained during the study without their permission. Participants will not be coerced to take part in the research but their participation will be discussed amicably with them.

### **3.11. Conclusion**

The next chapter will focus on the analysis of data and interpretation. The data collected should be analysed in such a way that it will be usable. The chapter will include: research design, choice of design, rationale for design choice, research methods, sampling.

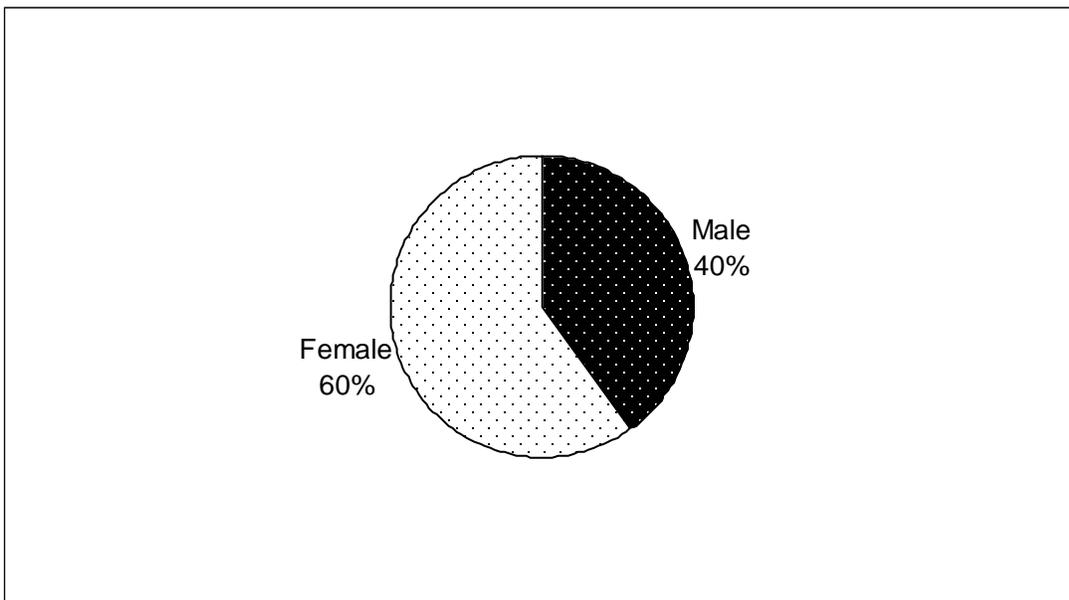
## CHAPTER FOUR

### RESEARCH FINDINGS AND INTERPRETATIONS

#### 4.1 INTRODUCTION

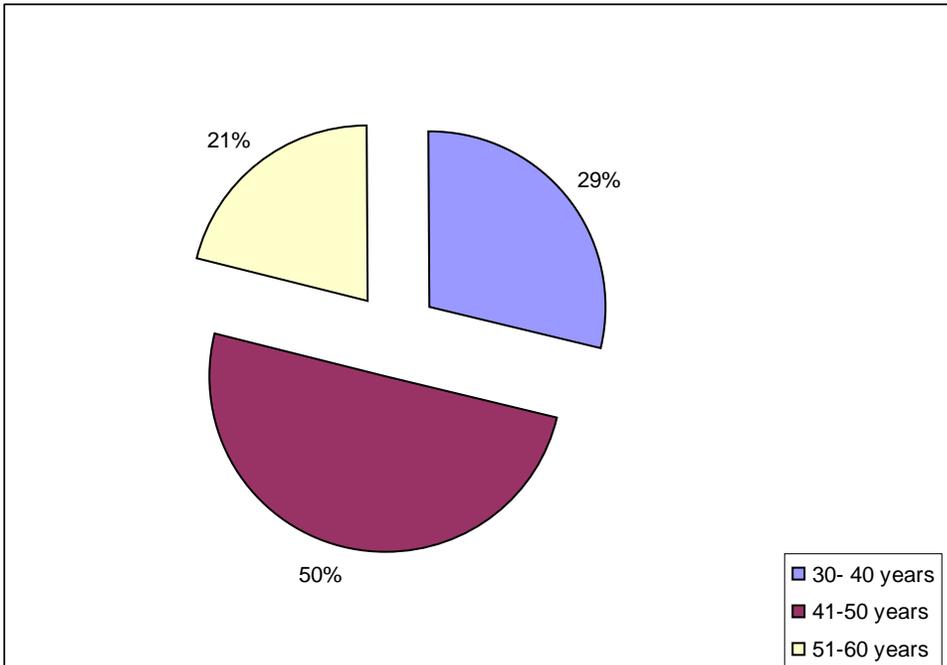
Data presentation, analysis and interpretations of data are captured in this chapter. The chapter will report on methods used for data analysis, preliminary and final report of analysis of lessons learned.

Figure 4.1. Demographic profile of respondents (in percentage)



It is observed from the data shown in figure 4.1 that 60% of respondents are females with males make up only 40%. This also gives indications that the Department of Health and Social Development is predominantly by females employees.

Figure 4.2: demographic in terms of age groups of the respondents (in percentage)



It is interesting to find that almost 50% of the respondents are at the age group of 41-50 years. Figure 4.2 is also suggesting that most respondents are experienced in their posts and are seasoned professionals with extensive knowledge of the department.

Figure 4.3: Total sample of respondents (in percentage)

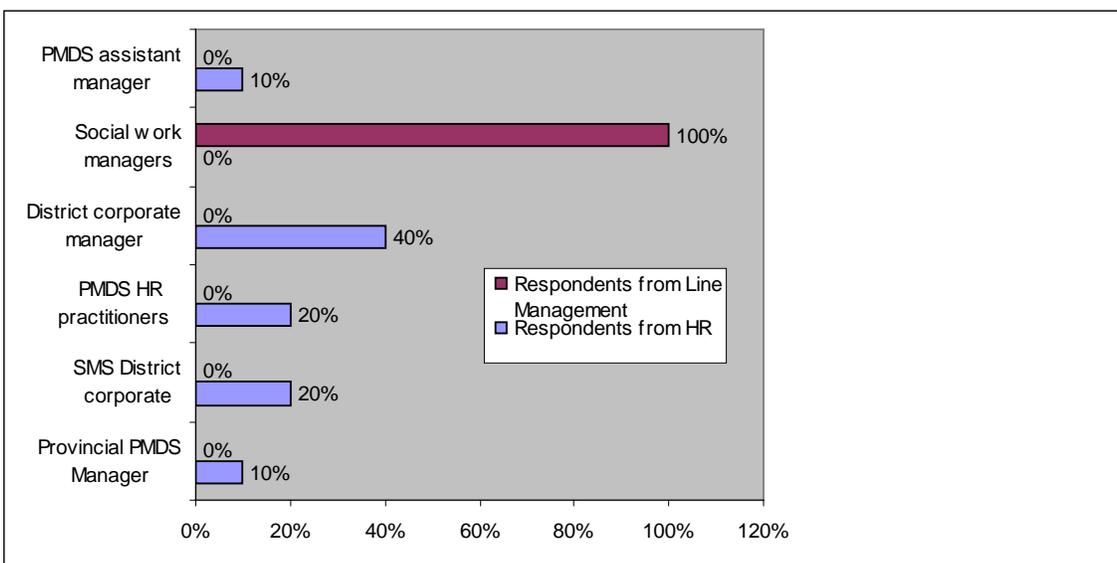


Figure 4.3 shows that about 40% of district corporate manager participated in the study which give the overview of the district understanding of performance management. The PMDS HR practitioners as well as SMS district corporate consisted of 20% respectively which give indications that the sample was representative of all the management level both at district level and provincial level.

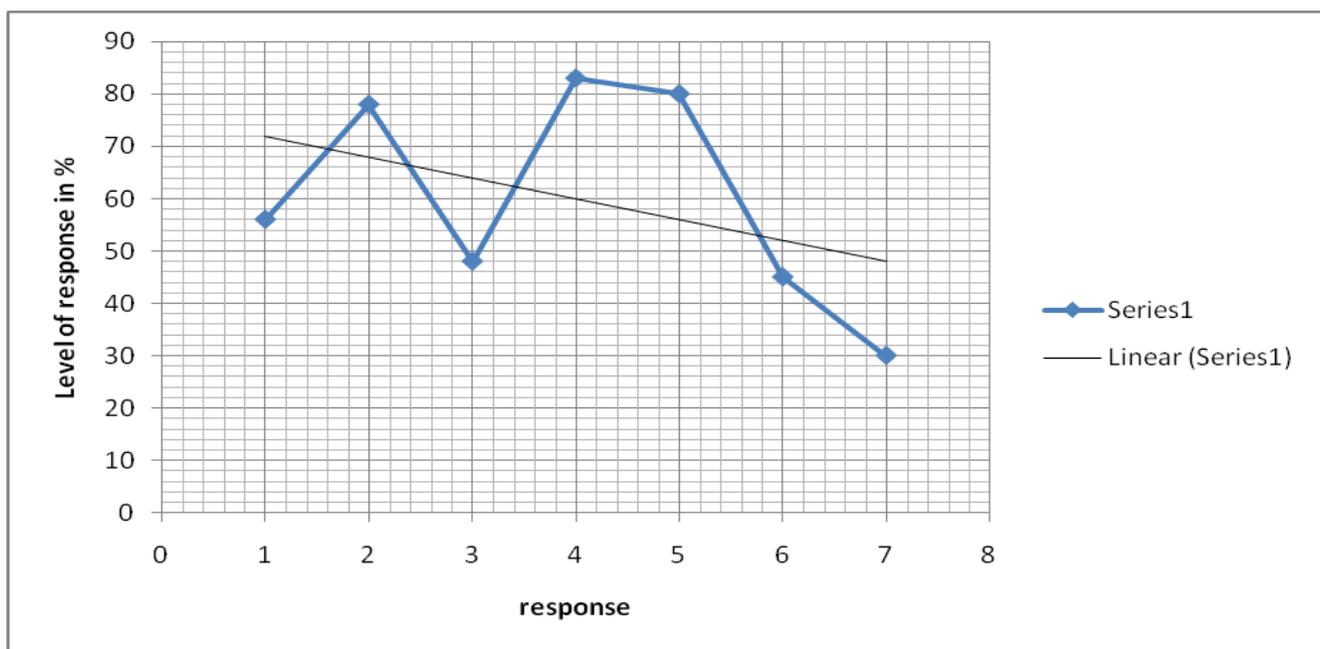
## 4.2 Analysis and Interpretation

**From** the study findings and interpretations the following conclusion can be made. Major problem areas indicated during the interview with the Senior Management, Middle Management and their subordinates are:

- The department of Health and Social Development has not achieved the objectives for PM and development system as it was intended to do. Employees of the department believe that the PM has been poorly or incorrectly implemented.
- The department currently has model best suited for employees. However, it is difficult for trainers to customise it.
- The best attribute to the system is when people get performance bonuses at the end of every financial year. There seems to be high job dissatisfaction among employees due to lack of proper implementation of PM. There is aggression among the employees due to no rewards for their hard work. For instance, sometimes they work extra hours without getting overtime allowance. Because of this dissatisfaction employees usually leave their jobs in incomplete which leads to late delivery of services to the client, making a bad reputation with regard to customer service.
- The department's best achievements in implementing the PM system are that every officer in the Department of Health and Social Development has a tool for monitoring and evaluating of PM which is done annually. This also motivates employees to work harder so that they can be recognized for bonuses at the end of the financial year.
- The challenges which departments experience in implementing the PM system are of a wider range, such as resistance from employees, non-compliance, misunderstanding, lack of support by the management.

- The major concerns with the implantation of the PM system in the past year were i.e. Understanding of the PM system by the employees and late submission of quarterly review reports resulting in penalties.
- The PM system has an effect on the employees and the department's general service delivery because staff performs towards obtaining the goals of departmental strategic plan.
- The PM system tool of managing poor performance plan is not effectively utilized. I.e. it is common practice to turn a blind eye on poor performers and this has resulted in failing to close the identified gaps.

**Figure 4.4. Percentage respondents to the questionnaires**



1. Percentage on the achievement of set objectives for the implementation of PM
2. Percentage of agreement in the suitability of the current model
3. Percentage on the department's best achievements in the implementation of the model
4. Challenges faced by the department in implementing the model
5. Major concerns with the implementation of the system in the past year
6. The impact of the system in the individual and organizational performance
7. Percentage of employees honouring and utilizing the model

**Table 4.1 Percentage in connection with response to questions by respondents**

	Yes	No
Do the Performance Management and Development System achieve the objectives for which it was intended?	60%	40%
Is the current model best suited for the department?	73%	26%
Does the System have an effect on the individual and organizational performance - general service delivery levels	86%	14%
Do the individual employees link their implementation of the system to the total departmental output?	80%	20%
Is the model well marketed and internalized by the employees?	60%	40%

Table 4.1 shows that above 60% of respondents are happy with many issues concerning PM such the achievements of the objectives by PM, the model being suited for the department , the impact of the PM on service delivery , implementation of the model and the marking of the model.

**Table 4.2: Percentage in connection with response to questions by respondents**

What is the best attribute to the system?	Measuring performance against department needs	30%
	The individual development plan	20%
	Getting performance bonuses at the end of financial year	50%
What were the department's best achievements in implementing the system?	Monitoring of annual performance	12%
	Every officer in the department has a tool	22%
	The department get to notice employees who needs training for performance development	35%
	None	31%
What challenges does the Department of Health and Social Development experience in	Non-Compliance	33%
	Most people don't understand the management system	13%
	Monitoring	12%

implementing the system	Resistance	26%
	Lack of communication from management	16%
To what extent are the system mechanisms of managing poor performance utilized?	Good management	58%
	Poor Management	42%
How best can the system be implemented?	Holding managers accountable	40%
	Ensuring that all employees make it their responsibility to contribute to the achievement of the departmental goals	60%

## **CHAPTER FIVE**

### **RECOMMENADCTIONS AND CONCLUSIONS**

#### **5.1 INTRODUCTION**

Recommendations for improving systems and services in terms of design, implementation, monitoring and evaluation will be recorded in this chapter. The chapter will indicate a summary of the research and give a brief on the content of the study as well as the conclusions and recommendations.

#### **5.2 CONCLUSIONS**

It can be concluded from the above mentioned findings that the Department of Health and Social Development is highly lacking effective performance strategies for long term human resource survival. Employees are not being guided about their initial tasks and performance evaluation criteria which lead them to job dissatisfaction and decreased motivation to perform their job in an effective manner. Managers lacks skills to conduct performance review meeting and for counselling of their subordinates for poor performance.

The department's performance is undoubtedly declining because of poor staff performance and rigid organizational structure. These dimensions can be improved by setting clear organizational objectives, management training and effectual reward system. In the literature review of current research, it has been observed that after various developments in PM practices performance management appears to be more effective as it covers the weak areas of all early approaches. First objective of the current study has covered various early practices of performance evaluation and development in literature review section. In this discussion section researcher have attempted to suggest the adoption of PM best practice which is second research objective of the current study and have explored divergent dimensions which are remained unaddressed by the Department of Health and Social Development.

## 5.2 Setting Organizational Objectives

Most of the respondents stressed that they do not have clear direction what model stresses to achieve and how this achievement will affect Departments overall objective performance. Research analysis has emphasized the need of mission statement and details of department's strategic objectives on the implementation of the model which should be made clear to all employees at all levels.

After setting objectives with reference to the above three key areas, the next important step is to make sure that every employee understands the meaning and purpose of these objectives. It can be done by introducing various methods like posters in the Department premises, ringing the staff and asking about organizational objectives. Also by asking how these objectives are integrated with their objectives and giving some financial prizes for those who provided creative answers. Once the Department's objectives are made clear to all the employees, they would be able to match their learning needs and organizational needs in order to have organizational growth as a whole. As Armstrong (2008) suggested that employees should have a clear vision of what their company wants and what they want.

## 5.3 Manager's training for Performance Management (PM)

As Fletcher (2004) said that "Performance management is supposed to be owned by line management, and not by HR department or one or two directors" It is necessary for an effective performance management that the manager should work as a leader who can transform dreams into reality. Most of the well-designed PM systems never succeed because line managers do not know how to implement it. Our findings analysis leads to the conclusion that the Department of Health and Social development lacks comprehensive performance appraisal system.

Top management can play an important role in this respect by including performance management in the manager's job description and making them aware that this is integral part of their job. As line management is directly responsible for implementing PM practices in their respective department.

#### 5.4 Performance Agreement

Major cause of concerns is less or no communication between employees and managers. One of the respondents's complaining is that *the model is not consistent and the only hiccup is that employees do not understand the rationale for PMDS*. Most of the respondents claim that this is all because of lack of communication between management and staff.

Performance management always emphasizes communication and consensus of both parties on common objective. Research suggests that performance agreements for all employees of the department should be set in the beginning of each quarter .They should know the art of translating the organisational objectives into individual objectives. Performance management may clarify questions like what are the objectives of these directorates. What skills are expected from employees? What is the time frame to complete strategic objectives? It may be time consuming for the manager to discuss performance agreement with each individually employee. However, both employee and manager need to understand and clarify expectations towards each other. Performance evaluation at regular intervals can provide an opportunity to improve the process of achieving these expectations.

#### 5.5 Training and Development

Personal development is another tool of performance management which plays an important role in job satisfaction and motivation. Most of the de-motivation among employees is caused by less awareness of the emerging knowledge and skills. Many respondents indicated that employees *need to be brought to the awareness about the implementation of the model so that both management and employees can work insinc towards the Departments vision*. Some suggested that *management should realize our needs and arrange training for capacity building*. Another employee agitated that *"I am not involved in any PM because this is used for financial gains. This is another corrupt activity?"* The Above mentioned statements clearly shows concerns of employees overall performance.

Various brain storming activities, where every person is invited to give his suggestions about leaning the new tool and the implementation of these tools in a form of some new product which will enhance every employee's interest and participation in designing professional development programs.

## 5.6 Performance Reviews

It appears that employees think managers have their favourite social circle within the department.

In order to address these concerns organizations can conduct performance review meetings by the panel of performance reviewers. Organizations can call managers from one branch to another in order to conduct review meetings. Managers from other branches will not be in a better position to assess the employees because of not having direct supervision; however they can be a good addition and observer. They can listen to the problems of employees and can examine their needs as well. Later, the panel should write individual reports to upper management for further decisions.

*“Eradicate laziness in the public service. Individual development through the process is not followed through”*. To develop this interest the Department can offer its managers some extra salary for these review meetings as professors in universities are paid for checking exam papers. From the researcher’s point of view, performance measurements should be ongoing feedback between the manager and the employee, expected behaviour of the employee should be communicated continuously

Successful performance should be associated with competency framework consisting of thinking competencies (effective analysis, model complex information of software units), self managing competencies (ability to learn, develop creative software models), achieving competencies (ability to get things done), and managing people competencies (Armstrong & Baron, 1998).

## 5.8 Reward System

The Department of Health and Social Development needs to realize that to increase motivation of employees, they have to recognize their employees by giving them appropriate rewards for employee’s hard work and good performance. Rewards should be decided by mutual decision of the Department head and line managers. There should be clear rules for measuring performance and evidence of good performance of employees and this should be recorded in assessment reports.

Research suggests that many cash awards spread over a year given immediately after achievements of key results during the year, is considered to be more motivational than bonuses at the end of the year.

### **5.3. RECOMMENDATION FOR FUTURE RESEARCH**

- At this stage the researcher recommends that further investigation is needed to determine if all challenges concerning implementation of the model are address and if the model has improve service delivery with the Department of Health and Social Development.
- The contradictory information regarding the distribution of the model to all employees and its impact on all the levels of the department.
- The argument that the provision of bonuses makes it easier for employees to perform their duties well. An in-depth investigation is recommended.
- The researcher also recommends further determining whether the availability of monitory rewards as incentives for PM truly has an impact on job satisfaction.
- PMDS research at operational levels of the Department of Health and Social development
- Comparative study with other departments
- Feasibility of replacing bonuses with customized employee recognition

The model is marketed well amongst senior management, however more intensive methods to be cascaded down to all levels. Not all employees understand it. The model can be best utilized by uniform implementation such as effective communication with the lower level and good focus on quality of work.

The employees recommend that all staff should monitor the quality of the implementation of the model; emphasis need to be put on the importance of the system; training and work shop on the model is also of paramount importance to all stake holders.

#### **5.4. Implications of the study**

The study implicate that management needs to take it upon them that the model is cascaded to low level. The PM is used for monitory gains, which made it prone to corruption. Service providers who train staff on PM seems not to understand what there are doing. Contracted contract also needs some training which intends west departmental financial resources.

The recommendations have budget implications relating to post creation and revisiting the organ gram; appointment of HR quality assurance unit, and stricter adherence to job descriptions. Scarcity of professionals may be a challenge to have employees allocated ‘only’ the tasks to be measured.

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