REGENT BUSINESS SCHOOL

AN INVESTIGATION OF THE EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM AND ITS IMPACT ON EMPLOYEE PERFORMANCE: A CASE STUDY OF MURCHISON DISTRICT HOSPITAL

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An Investigation of the Employee Performance Management and Development System and Its Impact on Employee Performance: A Case Study of Murchison District Hospital

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ABSTRACT

The democratic South African public service through the Department of Health is expected to ensure effective performance that delivers quality services to all citizens as a move to National Health Insurance is imminent and therefore it is incumbent on all public health service organisations to equip their employees with adequate skills that build capacity and result in envisaged outcomes where employee performance generates organisational performance. The employee performance management and development system is the system that allows for this to be achieved therefore it forms an essential part of the move to quality healthcare for all.

Little is known about the various factors associated with the performance and development of employees of the Department of Health in the South African setting and according to the Public Service Commission, performance management was a leading cause of grievances among employees in the public sector and that the performance management and development system policy overall was used as a means for monetary gain rather than for development-orientation and addressing poor performance.

Murchison District Hospital is in a rural area called Murchison which is on the outer lying part of Port Shepstone, KwaZulu-Natal, South Africa, functioning under the National Department of Health and it has approximately 834 staff employed at Murchison District Hospital. In recent statistics it was seen that only 85% of employees at Murchison District Hospital actually completed a performance agreement which is the employee performance management and development system contract between employee and institution (Appendix H). The aim of the study was to explore the employee performance management and development system currently employed at Murchison District Hospital, noting its effectiveness, shortfalls and its impact on employee performance as well as organisational performance. Furthermore, it aimed to identify various strategies to assist management in improving the system.

In this study, the quantitative paradigm was used to obtain primary data. A research questionnaire was used to collect data from a sample of 85 employees of Murchison District Hospital. This strategy was considered a suitable method that provided the respondents opinion on the research problem. The 85 participants had to have displayed certain inclusion

criteria in order for the study to have met its objectives and produced accurate findings and this was:

- The respondents had to be full time employees of Murchison District Hospital as the study excluded all those employees that are contract workers as they are do not enter into the performance agreement contract.

The completed questionnaires were then statistically analysed and the results documented. The results of the study indicated that though the employees understood the employee performance management and development system, they have not been properly trained on it. Furthermore the employee performance management and development system was seen to be effective and efficient in most areas although some shortfalls and gaps were noted including the lack of feedback from supervisors, the rating of employees being constantly average and the non-utilisation of the performance improvement plan for development purposes. The investigation also noted a positive effect on the organisational and employee performance although a lack of commitment was seen between the employee and the institution. The major challenges that were documented were of no proper scoring and no proper feedback.

Strategies that would refine the system in terms of the shortfalls and gaps identified as well as a strategy of a more effective and efficient performance management systems that can be utilised in combination with the current system were evaluated and recommended. Suggestions as to future research involving employee performance management and development system were made in the concluding remarks.

DECLARATION

I, Zakiya Abdool, do hereby declare that this dissertation is the result of my investigation and research and that this has not been submitted in part or full for any degree or for any other degree to any other University.

_____ _____

Z. Abdool Date

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LIST OF ACRONYMS

BSC	-	Balanced Score Card
CEO	-	Chief Executive Officer
DOH	-	Department of Health
DPSA	-	Department of Public Service and Administration
EPMDS	-	Employee Performance Management and Development System
KZN	-	KwaZulu-Natal
MBO	-	Management by Objective
MDH	-	Murchison District Hospital
NCS	-	National Core Standards
PMDS	-	Performance Management and Development System
PSC	-	Public Service Commission

CHAPTER 1- INTRODUCTION

1.1. Introduction

Performance management involves all the aspects of human resource management that are designed to improve the efficiency and effectiveness of both the organisation and the employee (Colli, 2013:14). It provides the system and processes which are used to plan work and set performance expectations as well as standards (Mlambo, 2010:1). It can thus be classified as the process of creating a work environment or setting in which people are enabled to perform to the best of their abilities (Colli, 2013:14).

It is a system that ensures that each staff member is clear about the important role they play in the institution and the achievement of institutional objectives (Mlambo, 2010:1). The success of the Public Service in delivering its operational and developmental goals depends primarily on the efficiency and efficacy with which public servants carry out their duties. Managing performance is therefore a key human resource management tool to ensure that employees know what is expected of them (Colli, 2013:14). However, little is known about the various factors associated with the performance and development of employees of the Department of Health (DOH) in the South African setting, therefore the focus of the study is on the Employee Performance Management and Development System (EPMDS) currently being employed by Murchison District Hospital (MDH), which is a hospital in KwaZulu-Natal (KZN), South Africa and is functioning under the National DOH.

This chapter underlines the importance of the research, formulates its objectives, explains the rationale and discusses the significance and potential value of the research. The structure of the dissertation is outlined and a brief description of each chapter is provided.

1.2. Background to the Problem

Performance management originated about sixty years ago where an employee's salary was determined based on the employee's performance (Peoplestreme, 2016:1). Performance management aligns the organisation goals with the abilities and skills of the employee to improve the overall effectiveness of the organisation (Peoplestreme, 2016:1). In South Africa the Department of Public Service and Administration (DPSA) developed the EPMDS as a

voluntary system to assist with performance management on salary levels one to twelve in departments and provinces that may choose to adopt the system (DPSA, 2007:8).

Murchison Hospital is a district hospital in a rural area called Murchison which is on the outer lying part of Port Shepstone, KZN (kznhealth, 2015:1). MDH provides a district level of care services with 300 useable beds and serve the population of approximately 226 008 (kznhealth, 2015:1). There are six satellite clinics which refer to MDH (kznhealth, 2015:1). The vision of MDH is to achieve an optimal, holistic, health service for all the people in the community that it serves (kznhealth, 2015:1). There is approximately 834 staff employed at MDH (kznhealth, 2015:1).

In recent statistics, it was seen that only 85% of employees at MDH actually completed a performance agreement (Appendix: H). The performance agreement can be defined as a document agreed upon and signed by an employee and supervisor, which includes a description of the job, selected key result area and generic assessment factors, a wok plan and the employee's personal improvement plan (DPSA, 2007:1).

According to Letsoalo (2007:3) a well designed and implemented Performance Management and Development System (PMDS) can increase the probability of retaining, motivating and promoting productive employees. PMDS can help the organisation better utilise employees and resources thereby improving service delivery (Letsoalo, 2007:3).

According to the DOH of KZN in the annual performance plan 2014/15-2016/17 (2014:9), one of the department focuses will be in strengthening information and performance management. One of the values of the KZN DOH is commitment to performance (Department of Health Province of Kwa Zulu Natal, 2014:14). Therefore both the annual performance plan and the core value of the KZN DOH are about performance management and commitment to performance respectively.

1.3. Problem Statement

South Africa faces a great challenge of having a high unemployment rate among unskilled individuals and on the other hand a huge shortage of skilled employees (Muller, Bezuidenhout and Jooste, 2011: 343). Organisations thus have a crucial role to play in building a nation's skills, as only a small part of a country's skills are acquired through

formal educational qualifications (Muller et al., 2011:343). The larger part of skills development takes place at the workplace, thus emphasising the important role of training and development at organisational level.

The Public Service Commission (PSC) of South Africa investigates grievances of employees in the public service (PSC, 2014:1). According to the PSC (PSC, 2014:1) from a statistical perspective for both 2012/2013 and 2013/2014 financial years, performance management was a leading cause of grievances among employees in the public sector (PSC, 2014:1). The PSC noted many reasons as to why employees are dissatisfied with the implementation of the PMDS, which will be discussed in further detail later on (PSC, 2014:2). The PSC found that overall the PMDS policy was used as a means for monetary gain rather than for development-orientation and addressing poor performance (PSC, 2014:2).

1.4. Aim of the Research

The aim of this study is to explore the EPMDS currently employed at MDH and its impact on employee and organisational performance.

1.5. Research Objectives

1. To investigate employee's knowledge of EPMDS.
2. To explore the effectiveness of the EPMDS currently employed at MDH.
3. To investigate the impact of EPMDS on employee and organisational performance.
4. To recommend effective and efficient performance management and development strategies

1.6. Research Questions

Based on the above objectives, the following questions have been derived:

- What is the employee's level of knowledge of EPMDS?
- What is the effectiveness of EPMDS currently employed at MDH?
- What is the impact of EPMDS on employee and organisational performance?

- What recommendations can be made to MDH to ensure that performance management can be better managed?

1.7. Significance of the Research

This study will be very valuable as it will outline the importance of performance management within an organisation in the public healthcare sector. This research will be beneficial to policy makers, as they will be able to use the outcomes and recommendations to amend policies and standard operating procedures. The publishing of this research will allow other facilities in South Africa to be able to better understand performance management in the public health sector.

1.8. Format of the Study

This section provides an overview of the contents of each of the chapters of the dissertation.

Chapter 1: Introduction

This includes information about the research, the research problem and its background. The aim, objectives, research questions, significance and format of the study are also discussed.

Chapter 2: Literature Review

This chapter provides an in depth analysis and evaluation of existing knowledge pertaining to each of the research problems that this research will attempt to study.

Chapter 3: Research Methodology

This chapter explains the methodology used in the study and the reasons for its use. Also discussed in this chapter are research strategies, target population, sampling, research instrument, pilot study, administration and collection of questionnaire, data analysis, reliability and validity, limitations of the study and elimination of bias.

Chapter 4: Results, Discussion and Interpretation of Findings

This chapter includes the results, discussion and interpretation of findings. The data analysis and interpretation is presented in this chapter. Simple statistical methods were used to

calculate the results which are depicted graphically. In essence, chapter four analyses and summarises all the findings of the research study.

Chapter 5: Conclusions and Recommendations

This chapter presents the conclusions of the research and recommendations of the study to the organisation. The scope for future research is also discussed.

1.9. Conclusion

As the vision of the South African DOH is to improve access to quality healthcare, it is thus necessary to develop the workforce, to improve retention, increase productivity and revitalise aspects of education, training and research (Human Resources for Health, 2011:7-8). This is important as it is common to health systems across developing and developed countries to depend on their health workforce to achieve the objectives of good health outcomes (Human Resources for Health, 2011:7-8).

This chapter briefly discussed the background of MDH and stated the research problem. It also outlined the research aim, objectives, questions and format of the study. The next chapter provides a comprehensive summary of the various literature sources that were consulted and presents a theoretical framework for the research.

CHAPTER 2 - LITERATURE REVIEW

2.1. Introduction

A literature review is an examination of scholarly information and research-based information on a particular topic and its goal is to create a complete, accurate representation of the knowledge and research-based theory available on a topic (Dawidowicz, 2010:6).

This chapter provides a theoretical overview of PMDS as per the objectives of the study. The legislative framework which governs the performance of public employees in South Africa is mentioned. It examines the historical context of performance management in South Africa, and defines performance management and PMDS. The focus then is on objective 1 and 2 with an initial overview of the importance, purpose, objectives and requirements for successful implementation of the EPMDS system, followed by a discussion of the various performance management techniques/methods and the process of performance management. Objective 3 is then discussed, which looks into the benefits of performance management and the factors affecting employee and organisational performance. Lastly, objective 4 is presented which focuses on the challenges, shortfalls and gaps of the system which will allow the researcher to then make recommendations to the management team of the institution.

2.2. Defining Terms

2.2.1. Performance

Performance can be defined as a process in which resources are used in an effective, efficient and productive way to produce results that satisfy requirements of time, quality and quantity and which are the effect or outcome of the actions or behaviour of a performer in the work process (EPMDS, 2015:6).

2.2.2. Performance Management

Performance management can be defined as a purposeful, continuous process aimed at managing and developing employee behaviour for the achievement of the organisations strategic goals (EPMDS, 2015:7).

2.2.3. Development

Development can be defined as training and development activities that can enhance the employee's competencies and thus improve performance (EPMDS, 2015:7).

2.3. Regulative and Legislative Framework Governing the Performance of Public Sector Employees

The Constitution of the Republic of South Africa 108 of 1996 (SA, 1996) makes provision for all citizens to receive quality health care (Bezuidenhout, 2011:1). Legislation such as the White Paper on the Transformation of the Public Service of 1995, (SA, 1995b), the White Paper on Transforming Public Service Delivery (Batho Pele) (SA, 1997b), The Public Service Act 103 of 1994, as amended (SA, 1994), Labour Relation Act 66 of 1995 (SA, 1995a) and the Employment Equity Act 55 of 1998 (SA, 1998) embodies this right for all citizens of South Africa by ensuring that the various provincial health authorities put measures in place to improve the performance of their employees to ensure effective and efficient service delivery (Bezuidenhout, 2011:1).

2.4. The Historical Context of Performance Management and Development Systems in South Africa

In South Africa, prior to 1994 the health sector was constructed on an apartheid ideology which was characterised by racial and geographical disparities. Each of the 14 DOH in South Africa had their own objectives and did not focus on providing quality healthcare to all South Africans (Du-Plessis, 2016: 1). With the adoption of the new democratic ideology post 1994, there was a quest for improved performance and service delivery imperatives which had lead to the policy formulation of a new unified PMDS in national and provincial spheres (Du-Plessis, 2016:1). The DPSA provided broad guidelines and a statutory framework to all the provincial departments that served as a national guide in developing and in implementing their own PMDS policies (Du-Plessis, 2016:1).

The EPMDS is an authoritative framework for managing employee performance, which includes the policy framework as well as the framework relating to all elements in the performance cycle, including performance planning and agreement; performance monitoring,

review, feedback and assessment (EPMDS, 2015:10). The EPMDS is thus seen as an essential and comprehensive tool for developing and managing employees in the public health sector (Du-Plessis, 2016:1). It is a process for establishing a shared workforce understanding about what is to be achieved at the organisation level. It is used to align the organisational objectives with the employees' agreed measures, skills, competency requirements, development plans and the delivery of results (Chauke, 2009:19). The emphasis of the system is on improvement, learning and development in order to achieve the overall business strategy and to thus create a high performance workforce. It has been designed as a system to assist with PM on salary levels 1 to 12 providing a standardised framework for employee performance (Chauke, 2009:19). The aim of the EPMDS is to optimise every employees output in terms of quality and quantity thus improving the departments overall performance and service delivery (Bezuidenhout, 2013:39).

2.5. Importance of Performance Management and Development Systems

The concept of performance management was first used by Beer and Ruh (1978) and became popular in the mid 1980s (Esu and Inyang, 2009:3). Armstrong and Baron (2006:1) describe performance management as a strategic and integrated approach to delivering sustained success to organisations by improving the performance of the people who work in them and by developing the capability of teams and individual contributors.

The current business climate is infused with changes, some of these changes are from technology, the revolution of information, globalisation of markets, the volatility of financial markets and the war for talent (Nel et al., 2011:406). In this rapidly changing and dynamic environment, organisations need to review their performance management process in order to stay ahead of their competitors (Nel et al., 2011:406). An employee's talent needs to be identified and groomed in line with the organisation strategic objectives in order for the organisation to be successful in the dynamic environment it finds itself today (Nel et al., 2011:407).

In a Nigerian study that was conducted which looked at the need for an EPMDS to be implemented, it was reported that performance management is a comprehensive approach for planning and sustaining improvements in the performance of employees and teams, so as to

meet standards. The absence of a PMDS has contributed to the high rate of business failures in the public sector. The adoption of a PMDS will make public business effective, efficient and sustainable which will turnaround the Nigerian public sector and enable it to achieve the national goals (Esu and Inyang, 2009:6).

2.6. Purpose of Performance Management and Development Systems

The PMDS can create an opportunity to review the employee's work-related behaviour and it can be used to create plans to correct poor performance of the employee and reinforces employee strengths (Muller et al., 2011:349). It also provides much needed information upon which salary decisions can be made and it is central to career planning process as well (Muller et al., 2011:349).

There are three main PMDS process purposes which are; it is a process for strategy implementation, it is a vehicle for culture change and it provides input to other human resource systems such as development and remuneration (Nel et al., 2011:409).

2.7. The Principles of Performance Management and Development Systems

According to the Public Service Regulation (2001:33) and Bezuidenhout (2011:39) there are four principles of the EPMDS which are:

1. The performance management system must be linked to the broad and consistent employee development plans and also be aligned with the departments strategic goals
2. The departments must manage performance in a consultative, supportive and non-discriminatory manner to enhance organisational efficiency and effectiveness, accountability for the use of resources and the achievement of results.
3. The performance management process must be developmental and thus allow for recognising fully effective performance and also have an adequate response to performance that is not fully effective.
4. Performance management procedures should minimise the administrative burden on supervisors while maintaining transparency and administrative justice.

2.8. The Objectives of Performance Management and Development Systems

According to (Mtshali, 2013:17), there are a number of roles or objectives of the EPMDS and these are:

1. To establish a culture of performance and learning in the public service.
2. It can be seen as a mechanism to improve service delivery.
3. It can promote the interaction and communication between employees and their supervisors regarding performance and the management thereof.
4. It ensures that all employees know and understand what is expected of them.
5. Employee developmental needs can then be identified and managed.
6. It can allow for the fair and objective evaluation of performance.

2.9. Key Requirements for the Successful Implementation of a Performance Management and Development System are:

- The institutional framework determines responsibilities for specific aspects of the EPMDS. With the strategic plan as a basis, the department is able to identify high-level priorities and specific objectives to be achieved by business units (EPMDS, 2015:9).
- Another key requirement for the successful implementation of the EPMDS is training on the system. This requires managers, supervisors and all employees to be trained in the mechanics of the system and areas such as communication, problem-solving and conflict resolution in order to manage the system more effectively (EPMDS, 2015:9).

- Departments can customise the policy if there are unique circumstances within the department that necessitate the modification of the policy but they must ensure that it remains within the minimum and maximum provisions of provincial policy (EPMDS, 2015:9).

In a study that was conducted in the North West Province that looked at the general understanding of employees regarding PDMS, the planning prior to implementation of the system, the challenges encountered during implementation and general employees perceptions, the researcher had established that the major setbacks regarding successful

implementation of PMDS was failure from management to start with a change management process, training of employees prior to implementation of the system as well as a lack of knowledge regarding EPMDS on the part of the employee (Seotlela and Miruka, 2014:1).

2.10. Techniques Applicable to Performance Management and Development Systems

The following section provides an insight into the various techniques that can be utilised by an organisation when deciding on a PMDS system. In order to evaluate the employee according to the performance criteria set for a specific job an appropriate rating system must be used (Muller et al., 2011:358). Performance appraisal techniques must transmit the operational goals and objectives to employees, teams and the organisation at large (Muller et al., 2011:358). There are a number of techniques or methods that have been developed which are briefly discussed below:

2.10.1. Rating Scales

The graphical rating scale rates the employee on some standard or attribute of their work which are listed though not described in detail. This rating of the employee is often done on a 5 point Likert-type scale. The non-graphical rating scale on the other hand describes each trait of the employee at different positions on the 5-point Likert scale (Muller et al., 2011:358).

2.10.2. Comparative Methods

These methods can be used to sort out differences between employees performance. There are three types of methods namely, Ranking: this is where employees are ranked from most effective to least effective. Forced Distribution: this is where employee evaluation is distributed according to a prescribed distribution and paired comparison: this is where employees are paired together in a department and evaluated against each other (Muller et al., 2011:359).

2.10.3. Critical Incidents

This technique utilises specific examples of work behaviour that has been collated by the employee and their supervisor. The normal daily procedures or average work performance cannot be considered as critical incidents. The supervisor can make use of one of three ways

to keep a record of critical incidents and these are: Annual Review File or Calendar, A Checklist of Critical Incidents and a Behaviourally Anchored Rating Scale (Muller et al., 2011:360).

2.10.4. Essay Method

In this technique a descriptive essay is written by the supervisor about the employee's job performance. It is a very time consuming process and thus it is not widely utilised (Muller et al., 2011:361).

2.10.5. Balanced Score Card (BSC)

This technique provides the organisation with a comprehensive framework that can translate a company's vision and strategy into a consistent and linked set of performance measures. It combines the measurement of four perspectives of performance namely; financial, customers, internal business processes and learning and growth (Nel et al., 2011:417).

2.10.6. Management by Objective (MBO)

It is a management system designed to achieve organisational effectiveness by steering each employee's behaviour towards the organisation mission. The MBO includes goal setting, planning and evaluation which are in most cases set by the employees and their supervisors in line with the strategic goals of the organisation (Muller et al., 2011:361). It provides for an initial goal setting phase which is based on the formation of long range organisational objectives that are cascaded through to departmental goals and finally to employee goals (Nel et al., 2011:416).

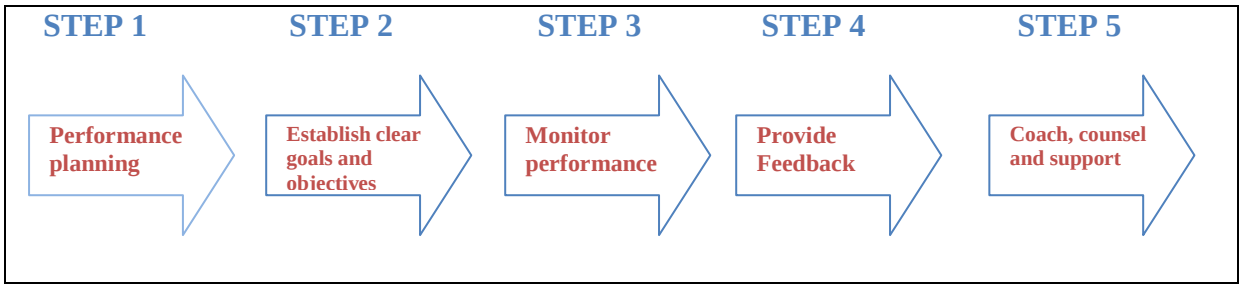
2.10.7. 360 Degree Feedback System

The 360 degree feedback system of carrying out employee evaluation has revolutionised the process of performance management and development. In this method of appraisal many people including supervisors, peers, internal and external customers are asked questions through a questionnaire as to how well a specific individual performs in a number of behavioural areas. The feedback from these questionnaires is then collated into a report which offers a more balanced point of view as is it a combination of multiple perspectives on an employee's overall performance (Nel et al., 2011:412).

2.11. The Performance Management and Development Process

The performance management process can be defined as an authoritative framework for managing employee performance, which includes the policy framework as well as the framework relating to all aspects and elements in the performance cycle (EPMDS, 2015:7). It is an on-going interactive process between an employee and her/his supervisor with regard to the employee's performance. For effectiveness of operation the process is divided into five interconnected steps as depicted below: (Muller et al., 2011:354):

Figure 2.1: Steps in the Performance Management and Development Cycle



(**Source**: EPMDS, 2015:12; Nel et al., 2011:408)

2.11.1. Performance planning

Performance planning is the first and most crucial component of any performance management process (Mtshali, 2013:18). Performance planning should ideally be done by both the employee and supervisor at the beginning of a performance cycle by the drawing up of the performance agreement (Colli, 2013:55). The employee should decide upon the targets and the key result areas which can be performed over the course of the year within the performance budget which is finalised after a mutual agreement between the supervisor and the employee (Colli, 2013:55). The content of the performance agreement must include the following:

1. **Job Description**: Employee data such as the employee number, job title and level, as well as a description of the employee's job role, with emphasis on the main objectives and the employees job purpose.
2. **Work plan**: This must contain the key result areas, outputs, activities and resource requirements as planned for the year.

3. **A personal improvement plan**: This assists in identifying developmental areas and needs of the employee, as well as methods to improve those identified.

Performance planning gives supervisors the opportunity to discuss the following issues with the employee (Colli, 2013:56):

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

2.11.2. Establish clear goals and objectives

Once the important job duties and tasks have been developed for the employee in the form of a job description, the performance goals and objectives should be established for inclusion in the performance agreement (Muller et al., 2011:357). An employee can strive to achieve the set criteria in order to achieve organisational performance and these criteria can be used to evaluate the performance of an employee (Muller et al., 2011:358). There are three basic types of criteria that can be used to establish goals and objectives:

- **Trait-based criteria**: This approach looks at the personal characteristics of an employee such as loyalty, communication and leadership skills and it is not concerned with the accomplishments of the employee with regard to job related activities (Muller et al., 2011:358).

- **Behaviour based criteria**: This approach looks at how work is accomplished. These criteria are important especially in jobs that involve interpersonal contact such as most healthcare institutions. Where behaviours are clearly outlined the employee is able to demonstrate the behaviour that leads to peak performance example punctuality and team work (Muller et al., 2011:358).

- **Out-come or results based criteria:** these criteria focus on what has been accomplished rather than how it was accomplished for example how many patients a doctor attends to in a day. The MBO appraisal method utilises the outcome based performance criteria (Muller et al., 2011:358).

According to Bezuidenhout (2011:31), the goals and objectives selected as per the criteria listed above are divided into two areas which are key result areas and generic assessment factors. The work plan contains the essence of the performance agreement as it is the criteria upon which the performance of an employee is assessed (Bezuidenhout, 2011:31). Each employee must be assessed against both these areas namely key result areas and generic assessment factors. The key result areas are those criteria that are outlined in the approved job description and they describe what is expected from an employee in his/her role and focus attention on actions and activities that will assist units and ultimately the department in performing effectively. Generic assessment factors are defined as elements and standards used to describe and assess performance, taking into consideration knowledge, skills and attributes. The EPMDS utilises a contingency approach in that it uses all three criteria options listed above in its key result areas and generic assessment factor structure (EPMDS, 2015:16).

In a study conducted in the Ugandan public health sector, it was reported that to some extent performance management was implemented in the health sector however, there were loopholes in its implementation. There were inadequacies in setting performance targets and performance management planning was hardly done. Although many health care workers had job descriptions, the performance indicators and standards were not clearly defined and known to all workers and managers (Lutwama, Roos and Dolamo, 2013:1).

2.11.3. Monitor performance

Performance monitoring can be defined as the measurement, assessment, rating or appraisal of employee performance (EPMDS, 2015:6). The formal annual process is usually referred to as performance appraisal or assessment, while more informal processes are referred to as performance review and monitoring (Colli, 2013:59). Performance monitoring is the step in which the observation or evaluation of the performance takes place. In this step the importance of the planning stage becomes evident therefore a method of appraisal should be chosen that will most effectively measure the actual outputs of the employees against the set goals, objectives and standards (Colli, 2013:59). According to Muller et al. (2011:377), the employee performance appraisal is a sensitive and important part of the management process, requiring skill and confidence. Performance appraisals are used to determine how well

employees perform in their jobs, using the job description as a standard of measurement from which specific criteria for assessment are developed (Muller et al., 2011:377).

Performance at the individual level must be continuously monitored to enable the identification of performance barriers and changes and to address development and improvement needs as they arise (Colli, 2013:59). Furthermore, monitoring can also be used to **(**EPMDS, 2015:17):

- Determine progress and identify obstacles in achieving objectives and targets
- Enable supervisors and employees to deal with performance related problems
- To identify and provide the support needed
- To modify objectives and targets if required
- To ensure a culture of continuous learning and development.

The EPMDS utilises the MBO technique of performance management which was described earlier and the 5- Point Likert Scale as its rating scale with five categories of performance used for the purpose of performance rating, review and the annual assessment of employees **(**EPMDS, 2015:17). This is illustrated in the table below:

Table 2.1: Categories of performance and rating scale

RATING	CATEGORY	DESCRIPTION
1	Unacceptable Performance	Performance does not meet the standard expected for the job.
2	Performance not fully effective	Performance meets some of the standards expected for the job.
3	Performance fully effective	Performance fully meets the standard expected in all areas of the job.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job.
5	Outstanding performance	Performance far exceeds the standard expected of a jobholder at this level.

(**Source:** EPMDS, 2015:17)

The performance appraisals are performed twice a year (September and March) in the organisation in the form of mid-year reviews and annual reviews which are held at the end of the financial year (EPMDS, 2015:15). In this process the employee first completes their own ratings in the appraisal form according to the categories identified above and they also describe their achievements over a period of time in quantifiable terms (Colli, 2013:59). After the self-appraisal, the final ratings are provided by the supervisor for the quantifiable and measurable achievement of the employee being appraised. The entire process of review seeks active participation of both the employee and the supervisor in analysing the causes of loopholes in the performance and how they can be overcome (EPMDS, 2015:15).

2.11.3.1. Sources of error in performance monitoring

There are common problems associated with the performance appraisal and if the appraiser does not guard against them, this could result in a damaging legal battle and the appraisal system will thus fail to achieve its original set goals (Muller et al., 2011:357). These problems are (Muller et al., 2011:357).

- Supervisory bias: this may be conscious or unconscious and not related to job performance rather stemming from personal characteristics or organisational-related characteristics.
- Central tendency: the assessor is hesitant to risk true assessment by avoiding giving extreme ratings as warranted and therefore rates all employees as average.
- The halo effect: this occurs when the assessor allows an employee's positive aspects to influence all other aspects of the employees performance
- The horns effect: this occurs when the assessor allows an employee's negative aspect of job performance to influence the assessment.
- Leniency and severity errors: this occurs when the assessors provide ratings that are too high or too low.
- Recency error: occurs when the assessor cannot remember the employee's pertinent behaviour during the rating period and rates heavily on recent events.

According to Muller et al. (2011:357) assessors should not only become aware of sources of errors but should receive appropriate training and information to conscientiously minimise

the errors. It should also be emphasized during the training phase that performance appraisals should be open, honest and constructive (Muller et al., 2011:357).

2.11.4. Provide feedback

Giving feedback on performance appraisal is another important step in the performance appraisal cycle. This involves the discussion of the appraisal with the individual in an appraisal interview (Muller et al., 2011:363). Through the feedback provided on positive and negative aspects of an employee's performance, credit can thus be given were due and areas for development can be identified enabling remedial action, support and guidance (Muller et al., 2011:363). The appraisal interview entails asking for self assessment, inviting participation, expressing appreciation, minimising criticism, changing behaviour and not the person, focusing on solving problems, being supportive, establishing goals and regular follow up (Muller et al., 2011:363). These interviews must take place as often as is practical. They are necessary to motivate and to reveal to the employee areas that need improvement. The supervisor should use all opportunities to discuss the employee's performance, including component meetings, report backs, and informal discussions (Colli, 2013:60).

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The appraisal interview or feedback process can be made up of the following steps (Muller et al., 2011:363):

1. Inform the employee of the interview
2. Arrange a time and a place to conduct the interview
3. Start the interview by reviewing all the information as per the appraisal
4. Discuss the employees performance on agreed upon goals and objectives
5. Discuss the implications of poor performance
6. Set goals for improvement (training and development) and end the interview

According to EPMDS (2015:18), the supervisor must monitor the employee's performance on a continuous basis and give him/her feedback on performance at least four times a year verbally, if the employee's performance is satisfactory; and in writing if unsatisfactory. Furthermore feedback must also be given at least twice during the six months preceding the employee's annual formal performance assessment; and in writing, for the annual formal performance assessment covering the whole cycle.

According to Nel et al. (2011:419), during the feedback interview there are at least four psychological variables to address:

- Playing God: The manager believes that he/she has the authority to make judgements over the employee
- Inability to give criticism: Managers sometime find it difficult to give constructive criticism as employees become defensive
- Personality biases: Some managers evaluate an employee's personality instead of their duties and responsibilities
- Inability to give effective feedback: Managers neglect to give feedback on areas were the employee needs improvement

The result of the assessment discussion and evaluation is an assessment score for the employee's performance that is the total of the individual key result areas and generic assessment factors assessment scores. The content and outcomes of the half-yearly feedback session and the end of year assessment should be signed by both the employee and supervisor and at all levels the periodic reviews must also include a discussion on the employee's development plan requirements (EPMDS, 2015:18).

In a study conducted in a public hospital in Johannesburg, it was also reported that with regard to performance management, recognition and feedback, there was no evidence of an effective performance management and feedback system. Employees were of the opinion that they received very little recognition for work done, and that management often took their efforts for granted. The administrative employees in general were of the opinion that their direct managers lacked adequate management skills. Amongst other things they referred to the unsatisfactory way in which managers communicate with them and handle conflict (Stimie and Fouché, 2004:5).

2.11.5. Coach, counsel and support

The final step in the performance management cycle is that of training and development. Performance can mainly be developed through training and development (Colli, 2013:62). The intention is not to dismiss an employee who is under-performing but rather to train and develop such an employee to be able to reach their forecasted goals, objectives and standards

in the future (Colli, 2013:62). This process includes activities to enhance the employee's competencies and to improve performance (Colli, 2013:62). A formal training and development process is necessary to ensure appropriate and orderly development of the employee. This process must include the following steps (Muller et al., 2011:366):

1. A needs analysis must be done to ascertain the real need for training and development
    - This can be done by utilising the results of the performance appraisal which identify all the gaps which could be dealt with by relevant training and development.

2. Formulation of training and developmental objectives
    - The formulation of measurable objectives which specify the change in behaviour that the programme is meant to achieve are essential in order to overcome performance gaps, these can be in the form of knowledge, skills and attitudes required.

3. Select the appropriate method for training and development
    - Training and development can be offered either on the job by the supervisor or off the job by in house trainees or external experts.
    - Managers need to be aware of the various methods and programmes available in order to select the most appropriate based on the specific needs of the employee.

4. Evaluate the implemented programme
    - Evaluation is necessary to determine whether the set objectives of the programme were achieved.
    - This can be assessed by either asking the trainee for their opinion of the programme, by analysing their knowledge and skill acquired or by assessing the trainees on the job changes as a result of the intervention.

The personal improvement plan which forms part of the EPMDS is a plan that assists in identifying developmental areas and needs of the employee (Mtshali, 2013:19). The main purpose of the improvement plan is to identify any performance output shortfall in the work of the employee, either historical or anticipated, to relate this to a supporting generic

assessment factor shortfall and then plan and implement a specific set of actions to reduce the gap (EPMDS, 2015:15) (Mtshali, 2013:19). The personal improvement plan should also include the various interventions e.g. appropriate training interventions, on the- job training, expanded job exposure, and job rotation. The employee and the supervisor are required to take joint responsibility for the achievement of the personal improvement plan with allocated accountabilities clearly recorded on the agreement document (EPMDS, 2015:15) (Colli, 2013:61).

In a study that was conducted in the public health sector in South Africa, it was reported that the training and development procedure was seen to be lengthy and the criteria used to select employees for further training and development was not very clear. Furthermore it was stated that the supervisors/managers were not very supportive of employees wanted to apply for further training and thus these employees struggle to get study leave (Stimie and Fouché, 2004:5).

2.12. Reward for Good Performance

A reward for good performance can come in many forms, including oral and written praise, awards and rewards plaques, pins, T-shirts, public acknowledgement in front of co-workers, promotion, job enlargement and a salary increment or cash bonus (Colli, 2013:62). According to Armstrong and Baron (2005:106), a reward system which is paying for performance, competence or contribution is regarded by many organisations as desirable for three reasons:

1. It is fair and equitable to reward people differentially according to their performance, competence and contribution.
2. It delivers the message that performance and competence are important.
3. It motivates people to perform better or develop their skills and competencies.

2.13. Dealing with Poor Performers

According to Colli (2013:62), individuals may perform poorly because of a lack of ability or insufficient motivation. Poor performance could arise from a defective work system, inadequate leadership or management, placement in jobs that are beyond an employee's

capabilities or just insufficient training. When dealing with poor performance, it is thus necessary to establish that there is a problem, diagnose its cause, and decide on what needs to be done by the manager or individual to overcome the problem.

Nel et al. (2011:420) suggest several guidelines that institutions dealing with poor performers need to consider:

- Written appraisals must be conducted and all the supervisors must be trained in the evaluation procedure.
- All the standards and indicators must be job related and be consistent and objective.
- Problem areas must be identified and supervisor errors must be guarded against.
- Personal improvement plans must be formulated with appropriate timelines when substandard performance is identified.
- All employees to be given clear opportunities to respond to negative feedback.
- Written evidence of employee performance feedback must be provided.
- When dismissal is in view then past performance appraisals must be checked for trends.

2.14. The Benefits of Performance Management Systems

The potential benefits of using a performance management system as a tool to manage and measure both employee and organisational performance depend a lot on the quality of how the system is implemented. The implementation of such a system is thus of critical importance to the success and future of any organisation (Semakula et al., 2013:1). If the performance management system is properly developed and implemented in an organisation, a sustainable improvement in organisational performance, a more performance orientated culture, enhancing motivation and commitment of employees and empowering individuals to provide their talent for the success of the organisations objectives are major benefits expected to be achieved. However, if the system development and implementation misguided, then all efforts will be in vain and it could lead to wastage of resources (Semakula et al., 2013:1). There are many benefits of PMDS that can be attributed to the employee, supervisor and the organisation as well (Armstrong and Baron, 2006:82).

Performance management is a continuous process of improving individuals, team and organisational performance. Performance management has to be the core of all organisations

since it gives strategic direction and how resources are going to be distributed towards the achievement of set goals and objectives. The aim of performance management is to improve service delivery through effective and efficient application of resources (Zvavahera, 2016:2). The product of a successful performance appraisal system for employees is a high performance organisation with an unmistakable profile that distinguishes it from the average organisation (Nel et al., 2011:421). If performance management is effectively managed it could provide a competitive advantage for organisations.

Performance management has the potential to improve performance and act as a lever to achieve cultural change (Armstrong, 2015:1). A focus on performance can bring real rewards for organisations and performance management can be the key space or mechanism for dialogue in an organisation. An organisation's choice of where to focus its attention in relation to performance management may in part determine its future and can certainly guide its culture (Armstrong, 2015:1).

2.14.1. Benefits for the employee

According to Armstrong and Baron (2006:82), there are great benefits for employees through performance management. An effective performance management system can offer the employee a greater insight into his or her work as well as greater clarity of roles and objectives with training and development on areas that need attention. The employee will also be able to gain opportunities to participate and raise issues in the planning of one's development and performance management. The employee will thus be evaluated in a fair manner and will also get feedback on performance. The relationship and communication between the employee and supervisor can improve. An increased motivation to perform better as well as high self esteem as the employees can now feel relevant to the organisation as their contribution is assessed and compensated for, which makes them want to contribute more to the organisation.

2.14.2. Benefits for the supervisor

According to Armstrong and Baron (2006:82), some of the benefits of performance management for the supervisor are:

- It clarifies the performance and behaviour expectations of employees.
- It improves team and individual performance.
- It provides the basis for underperformers.
- It provides the basis for issuing non-financial rewards to staff.

Furthermore, it can also be used to coach individuals, support leadership, motivating and team building processes (Armstrong and Baron, 2006:82). The relevance for performance management to the supervisors and managers helps to improve the team performance and motivate the teams to always do their best in achieving the mission and vision of the department (Armstrong and Baron, 2006:82).

2.14.3. Benefits for the organisation

Performance management has the potential to improve the performance of organisations and act as a lever to achieve cultural change (Armstrong, 2015:1). A focus on performance can bring real rewards for organisations and performance management can be the key space or mechanism for dialogue in an organisation. An organisation's choice of where to focus its attention in relation to performance management may in part determine its future and can certainly guide its culture (Armstrong, 2015:1). Before the 1980s, an organisations success was evaluated purely by financial measures. Throughout the 1980s and 1990s academics and practitioners highlighted the deficiencies of PMDS in modern organisations, in particular their short-termism and lack of strategic focus. As a result of the recognition of these deficiencies, researchers have developed new balanced measurement systems consisting on financial and non-financial measures and providing multi-dimensional perspectives of performance. The balanced scorecard, the prism and the performance pyramid stand out as the most popular frameworks to assess business performance. As a consequence, many organisations place PMDS at the top of their agendas thus, large investments of time and effort were and have been focused on the development and implementation of PMDS (Martinez, Kennerley and Neely, 2016:1).

Performance management in the organisation allows for the good image of the organisation as a whole. It also helps in fulfilling the aims and objectives of the organisation and helps to create loyalty among the customers that are being served and thus promotes satisfaction

among the employees considering the impact or results of their efforts (Armstrong and Baron, 2006:82).

According to Armstrong and Baron (2006:82) some of the benefits of performance management on the organisation are:

- The organisation can benefit from performance management through aligning the organisation, employee and team objectives
- It makes employees more motivated to perform their tasks
- It increases the employees commitment to the organisation
- By underpinning the core values of the organisation
- By improving the training and development processes
- It helps to retain skilled employees and providing for continuous improvement and development

Performance management can be seen as a tool which focuses on managing the individual and work environment in such a manner that an individual and team can achieve set organizational goals. It can thus enhance the performance of the public sector as a whole. In the absence of EPMDS, there was a high rate of organisational failure in the public sector and the adoption of EPMDS has made the public sector more effective, efficient and sustainable. It can thus be seen as an instrument of public service delivery and development (Esu and Inyang, 2009:1).

In a study conducted by World at work and Sibson consulting, it was reported that there is a clear linkage between successful performance management and superior organisational performance. Higher performing organisations tend to have better rated performance management systems. They also showed greater differentiation between performance ratings and resulting compensation actions and the performance management system was perceived by respondents as a key lever for achieving organisational strategic objectives (Worldatwork and Sibson Consulting, 2007:3).

In another study, it was reported that performance management is a critical business tool in translating strategy into results. The managers in the majority of the 88 organisations that were surveyed stated that their performance management system drives the key factors associated with both business and cultural strategies (Sumlin, 2016:1). The results showed

that performance management systems directly influence five critical organisational outcomes namely: financial performance, productivity, product or service quality, customer satisfaction, and employee job satisfaction. When performance management systems are flexible and linked to strategic goals, organisations are more likely to see improvement in these five critical areas. (Sumlin, 2016:1).

It is clear from the literature that there is still a wider scope for the scientific investigations of the EPMDS to be undertaken. This must include investigations such as whether the EPMDS contributes to improvement of overall productivity in the public health sector. These studies are necessary in that public health organisations like MDH aim for the betterment of services provided to the South African society therefore it is of utmost importance to evaluate whether the EPMDS indeed contributes to the improvement of productivity.

2.15. Factors affecting Employee and Organisational Performance

The various element that determine the performance of employees and the organisations that they serve are availability, productivity, responsiveness and competencies amongst others and these elements are influenced by a variety of factors namely; absenteeism, motivation, working conditions, supervisor attitude, organisational culture, financial reward, personal problems and job content amongst others (Dieleman and Harnmeijer, 2006:16) (Saeed, Mussawar, Lodhi, Iqbal, Nayab and Yaseen, 2013:7) The above mentioned factors will be discussed briefly below:

- **Absenteeism**

Chronic absenteeism by health care personnel is a frequently occurring phenomenon that affects employee performance in many health facilities, especially in resource-poor areas like South Africa. The reasons for absenteeism may include income-generating opportunities elsewhere or personal problems (Dieleman and Harnmeijer, 2006:16).

- **Motivation**

Various studies show that financial incentives, though important, are not the only reason for motivation. Other important motivating factors include recognition, appreciation and opportunities for career advancement. Factors relating to de-motivation include high

workload, lack of equipment and supplies, and a lack of supervision and training opportunities. In this study, the following concerns emerged; stability of employment, salaries and working conditions, professional development opportunities, the introduction of health sector reforms, the lack of an adequate regulatory system, and inadequate human resources policies (Dieleman and Harnmeijer, 2006:16).

- **Working Conditions**

The performance of employees can be enabled by a supportive working environment. This includes more than just having sufficient equipment and supplies. It also includes systems issues, such as decision-making and information-exchange processes, and capacity issues such as workload, support services and infrastructure (Dieleman and Harnmeijer, 2006:16).

In a study conducted in Pakistan, the following factors were seen to positively affect an employees' performance (Saeed et al., 2013:7):

- **Supervisor Attitude**

It was determined that if the supervisor displays a fair attitude with employees then they are willing to work energetically. The performance bar of the employee is raised positively if the supervisors control is fair in monitoring them. If the control and attitude is interactive and promoting, then the employees are more productive. It was thus concluded that it is necessary that the manager is unbiased and treats every employee without discrimination.

- **Organisational Culture**

According to this study, the organisation's culture is an important factor in upgrading the employees' performance. If the environment is easy and comfortable to work, then the employees are encouraged to work effectively and efficiently. The good and competitive organisation culture enhances productivity.

- **Financial Reward**

This study reported a strong relationship between financial rewards and employees performance. If the performance is backed by financial rewards, then employees work more energetically. It is thus considered a great motivator for the employee as incentives increase the employees' commitment which ultimately results in good performance.

- **Personal Problems**

Personal traits of the employees can affect the performance of the employees work as they are a major hindrance in the productivity of the employees. An employee with a dull mind set cannot work with attention. Personal problems have thus been reported to have a negative impact on the performance of the employee.

- **Job Content**

In this study, it was reported that the daily work schedule of an employee requires creativity, an enthusiastic environment and challenging goals to accomplish. If the job content is challenging and innovative then the employees are willing to give positive output. It was thus concluded that job enrichment and job rotation is of crucial importance.

In another study that was conducted on rewards and attitudes were the focus was on the role of reward and attitudes as major determinants in enhancing the effectiveness of performance appraisal systems The attention that the DOH gave to the rewarding of employees during the appraisal process made it appear as the only important determinant of an appraisal's success (Semakula-katende, Schmikl and Pelser, 2013:1).

It was also reported in the same study that in many public institutions, reward has been given unnecessary prominence over other drivers, such as management and development. That led most key role players to perceive the current EPMDS to be purely for monetary (salary increments and cash bonuses) and non-monetary (promotion) purposes, which, in turn, compromised its effectiveness. In this study, it was concluded that reward and attitudes were found to the unintended outcomes of an effective performance appraisal and not drivers of the system (Semakula-katende et al., 2013:1).

2.16. Challenges of Performance Management Systems

Colli (2013:41) states that MBO technique of performance management is a philosophy which shows a "proactive" rather than a "reactive" way of managing performance. The importance is on trying to predict and influence the future, rather than on responding and reacting to it. This method of performance appraisal is widely used and has many advantages in that it encourages managers to do detailed planning, it makes the employees more aware of

the organisations goals thus increasing commitment and productivity, it improves the communication pathway between managers and supervisors, it improves job performance and it can be seen as an effective feedback device amongst other advantages (Muller et al., 2011: 362). However, according to Muller et al. (2011:343) managers do not like doing performance appraisals and employees face these appraisals with a sense of apprehension, yet it is accepted that there should be a means by which performance can be measured, monitored and controlled. The present performance management system shows that people have lost faith on the traditional pay-for-performance programs, human resource driven performance appraisals and performance management in general (Kuppuswamy, 2013:1).

A well developed and implemented performance management system does not always yield the expected results as there are a number of challenges that impact on PMDS and some of these are listed below (Thomas, 2015:96) (Maluleke, 2011:11):

- An unclear link exists between strategy and execution, as in many organisations employees cannot relate how their everyday work contributes to the mission of the organisation and how the achievement of their goals link to their personal success (Thomas, 2015:96).

- The rating of employees poses another challenge as every employee more or less receives the same score. In such instances, performance assessments put more emphasis on scores than on employee strengths and weaknesses, and as a norm every one scores a three out of five. This subjective scoring gives the impression that there are no real meanings for outstanding performance or any penalties for underperformance (Thomas, 2015:96).

- In South Africa the performance management system was introduced in the public sector in order to improve service delivery, redress the imbalances of the past, bureaucratic system and attitudes. However, managers lack knowledge and skills to implement the performance management system. Because of the above mentioned, managers tend to demonstrate low level of motivation and negative attitudes towards the employees (Maluleke, 2011:11)**.**

- The inability of the evaluator to identify employee career needs and goals makes the system ineffective and there is also no consistency in the management of poor performers by experienced manager. This is supported by the study conducted in New Zealand which found that employees who receive negative, unfavourable performance outcomes tend to have negative attitudes towards their job (Maluleke, 2011:11).

In a survey conducted by Letsoalo (2007:5), the major challenges of EPMDS that were noted were a negative work culture and insufficient supervisor support for performance management. Other problems such as lack of follow up on performance reviews, an over emphasis on the appraisal and not on training and development and inadequate performance management information were also noted.

In yet another study that looked at the challenges of PMDS, it was concluded in a study conducted in a public hospital in Johannesburg that area managers and employees indicated that they are often uncertain what management expects from them. This was due to the lack of formal job descriptions, no orientation prior to starting their duties and little or no training afterwards. It was also concluded that there is very little role clarification within the hospital. The perception is that the area managers are held accountable for results without having any formal authority and without receiving all the relevant communication and information necessary to make decisions (Stimie and Fouché, 2004:5).

In a study conducted in the Gauteng province among professional nurses it was concluded that although having the PMDS established for more than a decade professional nurses still experience the PMDS as non-beneficial, confusing and see it as not a driving performance. The research findings showed that participants had poor knowledge about performance agreement, planning, monitoring review and assessment of the PMDS. It was thus important to note that those involved in the utilisation of the PMDS were well versed in its usage. It was recommended that management should be more involved throughout the PMDS process so that problem areas can be identified earlier and the necessary remedial actions implemented and it should not just be assumed that everyone involved in the PMDS knows the what, why and how of the system (Du-Plessis, 2016:1).

In a Common wealth forum of heads of African Public Services that was held in the Seychelles in 2009 which looked at the managing and measuring of performance in the public service in commonwealth Africa, the following conclusions and challenges of PMDS were reported by the various African countries (Commonwealth forum, 2009:8):

Ghana: A number of challenges have inhibited the process of implementing performance management and among these are inadequate political-administrative interface to drive the process, non-linkage of the performance management process to an enforceable rewards and sanctions mechanism; non-compliance to the employee performance appraisal system whereby appraisal forms are only filled in for promotional purposes; an ineffective and weak budgetary support; lack of performance standards and measures that are nationally accepted to facilitate measurement and evaluation, and general reporting fatigue among managers.

South Africa: The major challenges experienced with the South African performance management system included perceptions among employees that they were entitled to performance bonus regardless of the level of performance; challenges relating to performance moderation; and limited trust among employees in the credibility of the system.

Uganda: The challenges to implementation related to the collection of performance data; equipping service recipients with the confidence and capacity to demand services; eliminating red tape; providing adequate incentives to support performance management; strengthening monitoring and evaluation mechanisms; ensuring effective use of performance management information; determining cross-organisational outcomes; and providing continuous capacity building for managers.

According to a report on the roundtable discussion about the improper management of the EPMDS which leads to grievances in the public service conducted by the PSC in December 2014, the following shortfalls and gaps were reported (PSC, 2014:16):

- Poor planning in the development of the performance agreement at all three levels namely; a lack of alignment between performance agreement and strategic plans of departments, the lack of alignment between departmental targets and human plus financial resources, and the lack of alignment between organisational objectives and employee's personal improvement plans.

- Poor implementation of the PMDS systems, including non-compliance with timeframes, failure to monitor and review performance on a regular basis, and lack of feedback to employees.
- The PMDS is sometimes utilised for compliance purposes only instead of setting standards, monitoring performance and performance improvement.
- Managers fail to take responsibility for performance management and view it as the function of human resource management responsibility.
- Performance is not monitored and discussed with employees on a continuous basis and performance reviews are not done quarterly or bi-annually, but only once a year.
- There is a lack of cooperation with managers/supervisors when performance agreement and appraisals are supposed to be discussed and agreed.
- There is a lack of understanding of the PMDS policy among employees, especially the rating system.
- A culture of entitlement amongst employees exists in that if an employee receives merit awards consistently, the employee has an expectation that he or she will automatically qualify for merit awards in subsequent performance cycles.
- No request for guidance relating to performance during the course of the year is made and employees refuse to cooperate with supervisors when weaknesses are identified and remedial mechanisms are proposed.
- The performance management tool is seen as a monetary award system and not as a performance development system and this result in dissatisfaction when bonuses are not awarded.

Performance management systems in new age organisation will start to change their emphasis from top-down, individually focussed and pay-for-performance to more bottom-up feedback, recognition and rewards (Kuppuswamy, 2013:1). Therefore these organisation will have motivated and better performing employees that increases the productivity of the organisation (Kuppuswamy, 2013:1).

2.17. Conclusion

This chapter reviewed relevant literature to gain a better and in depth understanding of performance management and EPMDS. According to findings from the selected literature review, it can be concluded that in the analysis of the EPMDS as to its effectiveness, many shortfalls and gaps were identified and a lack of knowledge on the part of the employee was also seen which is apparent from the reviewed studies, but the system also has its strengths and benefits. It can be furthermore concluded that the effect of performance management on organisational and employee performance is considerable and there are many challenges of the system that can be used as a foundation for recommendations to be made. The next chapter focuses on the research design and methodology which was applied to develop, collect and analyse the data. In addition, sampling strategy, research instrument, process, reliability and validity, ethical considerations and study limitations are also emphasised.

CHAPTER 3 - RESEARCH METHODOLOGY

3.1. Introduction

According to Saunders, Lewis and Thornhill (2012:680), research can be defined as the methodical collection and interpretation of information with a direct motive, which is to find things out. Research methodology on the other hand can be defined as the approach taken to acquire the information required (McNabb, 2010:13). This chapter explains the rationale for choosing the research design and methodology for this particular research. It introduces the research philosophy and strategy and then describes and discusses the target population, sample and sampling strategy, research instrument, piloting of the study, administration and collection of the questionnaire, data analysis, validity and reliability, limitations, bias and lastly the ethical considerations.

3.2. The Research Philosophy

A research philosophy can be defined as a comprehensive term relating to the development of knowledge and the nature of that knowledge in relation to research (Saunders et al., 2012:680). The research philosophy that is chosen contains important assumptions about the way in which the world is being viewed and these assumptions underpin the research strategy and the methods chosen as part of the strategy (Saunders et al., 2012:127).

There are two widely recognised research paradigms namely the positivist and phenomenological (University of the West of England, 2007:1). The positivist paradigm is also referred to as quantitative research whereas the phenomenological paradigm is sometimes referred to as qualitative research (Saunders et al., 2012:134).

The difference between quantitative and qualitative research lies in the distinction between numeric data (numbers) and non-numeric data (words, images, video clips and other similar material) (Saunders et al., 2012:161).

Quantitative research is often used as a synonym for any data collection technique (such as a questionnaire) or data analysis procedure (such as graphs or statistics) that generates or uses numerical data (Saunders et al., 2012:161). It is a philosophical system which maintains that

knowledge is about description rather than questioning and relies only on positive facts and events which can be seen, measured and counted as facts (University of the West of England, 2007:1). Quantitative research is considered to be analytical in nature and its purpose is to arrive at a universal statement from analysis of the data collected (Aiken, 2003:1). It is seen as a formal, objective and structured process (Aiken, 2003:1). Furthermore, it seeks to explain the occurrence of particular phenomena and the researcher can thus remain objective though the gaining, analysing and interpreting of quantitative data (Neuman, 1997:183) (Saunders et al., 2012:127).

Qualitative research, on the other hand is often used as a synonym for any data collection technique (such as an interview) or data analysis procedure (such as categorising data) that generates or uses non-numerical data (Saunders et al., 2012:161). It is concerned with what things mean and view human experience as a valuable source of data, rather than identifying and measuring phenomena (Saunders et al., 2012:137). It is thus interpretive in nature because researchers need to make sense of the subjective and socially constructed meanings expressed about the phenomenon being studied.

In this research, the positivist paradigm (quantitative research) was adopted in order to understand the perception of the employees and supervisors regarding EPMDS as well as to determine its effects on employee and organisational performance.

3.3. Research Design

A research design must be developed once the researcher has formulated the research problem (Zikmund, 2003:65). According to Saunders et al. (2012:680), the research design can be defined as a general plan of the methods and procedures for collecting and analysing the required information which will be used in answering the research questions. The classification of research design and purpose most often used is that of exploratory, explanatory and descriptive or a combination thereof (Saunders et al., 2012:160).

3.3.1. Exploratory Research

According to Saunders et al. (2012:171), exploratory research assists researchers to develop concepts more clearly, establish priorities and develop operational definitions while improving final research designs. It is used to develop a better understanding when research questions are vague or if there is little theory available to guide predictions and it is seen to be very useful if one wishes to clarify their understanding of a particular problem (Naidoo, 2010:37). Furthermore, exploratory research aims to seek new insights into phenomena, to ask questions, and to assess the phenomena in a new light and the advantage of exploratory research is that it is flexible and adaptable to change (Naidoo, 2010:37) (Saunders et al., 2012:171).

3.3.2. Explanatory Research

Explanatory research focuses on studying a situation or a problem in order to explain the casual relationships between variables (Saunders et al., 2012:172). The goal of all explanatory research is to answer the question of why. Furthermore, it attempts to go above and beyond exploratory and descriptive research to identify the actual reasons a phenomenon occurs (Moodley, 2011:33).

3.3.3. Descriptive Research

According to Kothari (2008:2), descriptive research design is a scientific method which involves observing and describing the behaviour of a subject without influencing it in any way. Descriptive research is used to portray an accurate profile of persons, events or situations thus it is necessary to have a clear picture of the phenomena prior to the collection of the data (Saunders et al., 2012:171). This study employed a descriptive research design

3.4. Research Strategy

Goodwin and Goodwin (1996), state that in survey research the researcher utilises questionnaires to ask questions to people in a sample. The survey method was thus the

research strategy that was employed with the use of questionnaires as the research instrument to collect primary data. This strategy was considered a suitable method that provided the respondents opinion on the research problem.

There a number of advantages of survey research as a research strategy and these are listed below (Saunders et al., 2012:176-178):

Advantages of survey research

1. Survey research is popular as it allows for the collection of a large amount of data from a suitably sized population.
2. This strategy is perceived as authoritative by people in general and it is both comparatively easy to explain as well as to understand.
3. With this strategy, quantitative data can be collected which can then be analysed quantitatively using descriptive and inferential statistics.

3.5. Target Population

The target population is defined as a group of elements, whether individuals, objects, or events that conform to a specific criteria, to which the researcher are interested to generalize the results of the research (McMillan and Schumacher, 2006:119). The target population was thus all the full time employees of MDH which was calculated to be 834 permanent employees and excluded all those employees that are contract workers as they are not classified as full time employees.

3.6. Sampling

A sample size is defined as a subgroup of the population and according to Salkind (2000:6), the sample size should only be large enough to allow for the creation of statistically sufficient numbers, thus a sample size of 85 full time employees were selected which represented approximately 10% of the target population of 834 employees.

According to Saunders et al. (2012:260), it is impossible to collect all the data available due to time, money and access restrictions, therefore a sampling strategy was used to collect data in order to answer the research objectives and questions. It also reduces the amount of data by considering data from a sample rather than all possible cases (Saunders et al., 2012:260).

For this research, the sampling strategy utilised was that of probability sampling. This strategy required the researcher to specify the probability that any case was included in the sample. Furthermore, the chosen technique of probability sampling used was stratified probability sampling as it ensured a greater representativeness due to the population being divided into subsets. The total target population of MDH had been divided into different categories namely; Doctor, Nurse, Artisan, Administration, Allied Health Professional and General Worker. Furthermore the different hierarchal levels of service were also assessed namely; Manager, Supervisor or other level of staff. From each of these departments an appropriate number of participants were randomly selected in order to ensure that the sample reflected the diversity of the population. Other characteristics were also utilised such as age and gender in the selection of the sample. This sampling strategy had allowed the researcher to generalise the findings to the larger population and it therefore had a fairly small possibility of bias.

3.7. The Research Instrument

In this study the research instrument used for primary data collection was a simple self administered questionnaire attached as Appendix B. Respondents were expected to read the consent form and if accepted, to read the survey questions and choose their preferred answer and record it in the absence of the researcher. According to Pramlal (2004:102), the advantages of a questionnaire are:

Advantages of a questionnaire:

1. It is a cost effective means of gathering data.
2. A greater sense of anonymity is provided when answering the questionnaire and it also gives the respondents the opportunity to collect their thoughts and facts and to give greater consideration to their replies.

3. With the questionnaire there is less pressure for an immediate response on the subject.

3.8. Questionnaire Construction

The questionnaire that was designed, piloted and subsequently used was compiled in English as the sample population for the study were at a minimum, educated at high school level thus they were familiar with the English language.

The research questionnaire contained specific investigative questions relating to each research objective for which data was collected. These questions were in the form of rating questions. The 5 point Likert scale was used as part of the questionnaire in which the respondent was asked to rate the questions from strongly agree to strongly disagree. There were also questions which were direct such as the biographical section (Section A) and part of section B. In total the questionnaire consisted of 35 items as shown in Appendix B.

The Questionnaire consisted of four sections:

Section A: contained introductory questions to ascertain biographical information about the respondent completing the questionnaire.
Section B: contained questions that were used to determine the employee knowledge of EPMDS as well as the effectiveness, efficiency, strengths, shortfalls and gaps of the EPMDS currently employed at MDH.
Section C: contained questions that were used to determine the impact of EPMDS on employee as well as organisational performance.
Section D: contained questions that were used to assist the researcher in recommending effective and efficient performance management and development strategies.

3.9. Pilot Study

According to Saunders et al. (2012:451), a questionnaire should be pilot tested before it is actually used to collect data as pre-testing allows the researcher to obtain some of the question‘s validity and the likely reliability of the data that will be collected. There are many reasons to do the pilot test and some of these are (Saunders et al., 2012:451):

- To recognise any problems that may occur in answering the data
- To assess the questions validity
- To be able to refine the questionnaire
- To assess the reliability of the data which will be collected
- To check the research measures to be used and ensure that they are feasible.

A pilot test of the data collection tool was conducted on 10 employees of MDH and the following changes were suggested and subsequently made:

1. An addition of the contact details for the researcher's supervisor and the Durban University of Technology was included in the consent form for any queries or concerns noted.
2. Question 9 was changed from "How often are you appraised?" to "How often is your performance evaluated?" Participants were having a problem with the word appraised, therefore it was noted to utilise evaluated rather.
3. Question 21 was changed from "I have had development in my job knowledge or skills through EPMDS" to "I have utilized the Personal Improvement Plan for my developmental requirements".

3.10. Administration of Questionnaires

The questionnaires were hand delivered to the different departments within MDH and delivered to the respondents according to the sampling strategy. Simple instructions on how to complete the questionnaire were also given. The respondents were easily reachable and were sufficiently motivated to answer the questions and return the completed questionnaire. Moreover, the covering letter shown as Appendix A explained the purpose of the study and gave an undertaking on the confidentiality of participants' identity and responses. The study was conducted over a one week period with the intention of administering the questionnaire to at least 15-20 respondents per working day.

3.11. Collection of Questionnaires

The completed questionnaires were collected from the respondents on a daily basis and kept them safe in a lockable cupboard which could only be accessed by the researcher. The time frame given to respondents was approximately 10-15 minutes and all respondents complied

with this requirement. All 85 questionnaires were received back and they were fully completed with no omissions or unanswered questions. The response rate was thus 100% which indicates no chances of a non response bias.

3.12. Data Analysis

Data analysis is defined a way of gathering, modelling and transforming data with the aim of highlighting information (Saunders et al., 2012:472). This phase of the research process is critical as quantitative data in a raw form, conveys very little meaning, therefore this data needs to be processed and analysed to make it useful as information (Saunders et al., 2012:472). The process of data analyses is as follows (Saunders et al., 2012:474):

1. Editing Data: during this step, the researcher must ensure that all the relevant questions have been answered and the errors detected and corrected were possible. The researcher must also assure that data quality standards are achieved by it being accurate, consistent with other information, complete, uniformly entered and arranged to simplify coding and tabulation.

2. Handling Blank Responses: Blank responses by respondents may be due to not understanding the question or not willing to answer. In this study the researcher noted that all the questionnaires were answered completely and thus this process did not require consideration.

3. Coding: this step involves the coding of the data so that the participants responses can be entered onto a computer. The questionnaires received for this study were coded before inputting into an SPSS software package. It involves the assigning of numbers to the answers so that these responses can be categorised into a limited number of classes which is required for efficient analyses. As the questions were closed-ended, the coding included the use of the Likert Scale and was simple.

4. Categorisation: Variables were categorised as per sections so as to facilitate several items measuring a particular concept being grouped together.

5. Entering of Data: the data from this research was entered manually onto a Microsoft Excel spreadsheet.

6. Analysis of Data-Programming: The results for this research study were generated by using SPSS version 22 as the software package.

7. Data analyses and interpretation: Statistics was used to analyse and interpret the data. It can be defined as a set of mathematically based tools and techniques to transform raw data into a few summary measures that represent useful information that can support effective decision making (Wegner, 2012:3). The two major components of Statistics are: Inferential Statistics and Descriptive Statistics (Wegner, 2012:3).

7.1. Descriptive statistics can be defined as methods for condensing sample data into a few summary descriptive measures. These summaries usually consist of graphs and numbers such as averages and percentages which assist in the identification of patterns, relationship and trends within the data (Wegner, 2012:7). The descriptive statistics utilised in this study included:

7.1.1. Frequencies and Percentages (in the form of tables and figures): A frequency distribution is defined as a tabular summary of data showing the number (frequency) of times the various subcategories of a certain phenomenon occur. Percentages are number of parts per 100 that a certain portion or whole represent. These are obtained from the frequency distribution.

7.1.2. Measures of Central Tendency: Moodley (2011:41), distinguish between the measures of central tendency as follows:

- Mean - is perhaps the most important measure of location, or average value, for a variable. The mean provides a measure of central location for the data.
- Median –is the midpoint score or value in a group of data ranked from lowest to highest.
- Mode – is the value that occurs with greatest frequency.

7.1.3. Measures of Relationship: This concerns the correlation between variables and is used when a researcher wants to determine the nature and extent of the relationship between the variables (Moodley, 2011:41).

- Correlation coefficients – are descriptive statistics or numbers that express the magnitude of the association between two variables.

7.2. Inferential Statistics can be defined as methods for making decisions or predictions about a population which is based on data obtained from a sample of that population. It looks at the behaviour and characteristics of random variables in the population from which the sample was drawn (Wegner, 2012:7). This includes parametric and non-parametric statistical tests (Moodley, 2011: 42). The inferential-statistics utilised in this study included:

7.2.1. Non- Parametric Statistics: According to Moodley (2011:42) non-parametric statistics are also referred to as distribution-free statistical tests.

- The Kruskal-Wallis K sample: this test is equivalent to the one-way ANOVA and an extension of the Mann-Whitney U Test to allow the comparison of more than two independent groups. It is used for the comparison of three or more sets of scores that come from different groups. This test does not assume normality in the data and is thus used with an ordinal or not normally distributed set of data (Wegner, 2012:276).

3.13. Validity and Reliability

3.13.1. Validity

Validity in its purest sense refers to how well a scientific test or piece of research actually measures what it sets out to or how well it reflects the reality it claims to represent (AQR, 2015:1). Validity is concerned with whether the findings are really about what they appear to be about (Saunders et al., 2009:371). For this research, the validity of the data was accessed as Saunders et al. (2009:371) propose, that is, through the following stages:

- Content Validity: refers to the extent to which the measurement questions in the questionnaire provide adequate coverage of the investigative questions. Furthermore, it refers to the extent to which the question makes sense. To achieve content validity, the questionnaire included a variety of questions intended to assess the effectiveness and efficiency of EPMDS, as well as the effects of EPMDS on the employee as well as the organisation. The questions were based on information gathered during the literature review phase to ensure that they were representative of the employee performance management system as well as the consequences and effects thereof. Furthermore, questions relating to the performance management strategies were also checked for content validity in terms of literature accessed.

- Criterion-related or predictive validity: this type of validity refers to the ability of the questions to predict the future or current performance. The results of the study must be correlated against the most valid measure available and requires that the measure confirm a known or theoretical hypothesised association.

- External validity: in order to establish external validity of the research questionnaire in terms of suitability, utility, and clarity, a pilot test was conducted on ten employees with the aim of reviewing the instrument for clarity, content, wording, and length. The results of the pilot study suggested some changes which were discussed earlier.

3.13.2. Reliability

Reliability is the degree to which an assessment tool produces stable and consistent results (Phelan and Wren, 2005:1). The reliability pertains to the accuracy of measures, therefore the instrument utilised must be able to produce the same data at a later stage under similar conditions (Saunders et al., 2009:404). The reliability score of the data will be measured by Cronbach's Coefficient Alpha and discussed in chapter four.

3.14. Limitations of the Research

Marshall and Rossman (2011:76) stated that a discussion of the study limitations demonstrates that the researcher understands that no research study is designed flawlessly and

consequently the researcher will not make presumptuous claims about generality or conclusiveness about what has been learned.

There were two limitations to this study. The first limitation was the time constraints placed on the research study, with particular effect on the questionnaire administration phase. This was due to the research study approval by the DOH taking much longer than initially anticipated because the institution in which the researcher is obtaining the master's from did not have a licence from the DOH to grant ethical clearance certification to researchers. The researcher had to thus apply to an external institution for ethical approval which was a difficult process as institutions that could assist were hard to find. The process took approximately 60 days more to get final approval from the DOH to conduct the study.

The second limitation was that in the literature review phase of the dissertation, a systematic search of literature relating to EPMDS and its effects and consequences in South African government institutions especially the health sector yielded very little results. All the sourced articles however did look at what the strengths, shortfalls and gaps of the system were but the information was not enough in order for trends to be seen. Ledez (2008:120) states that the delimitations of a study are those characteristics that limit the scope of the inquiry and define boundaries for the study. The delimitation of the study was that it was limited to participants who knew how to read and understand English as the questionnaires were only available in English.

3.15. Elimination of Bias

According to Tshuma (2010:49) bias is an unacknowledged error made during the design, measurement, sampling, procedure or choice of problem studied. Measurement bias can come either intentionally distorting data or changing the way data is collected (Saunders et al., 2007:267)

Due to stratified probability sampling being used, the possibility of bias was inherently small as respondents were randomly selected from their departments. Respondents were asked to remain anonymous to prevent bias in analysing the research findings and the respondents were of both genders and all races thereby eliminating bias further. The researcher has thus

attempted to preserve objectivity throughout the research. The reason for choosing a quantitative approach was to eliminate bias as it requires the researcher to keep a short distance from the participating subjects.

3.16. Ethical Considerations

Saunders et al. (2009:193) states that the data collection stage is associated with a range of ethical issues. This section will thus give a summary of the various ethical considerations that this research will adhere to.

- Ensuring participants have given informed consent:

The participants were informed of the nature of the research study via a consent form (Appendix A) which was attached to the research questionnaire (Appendix B).

- Ensuring no harm comes to the participant:

The questionnaire did not require the participant to append any of his/her personal details and the researcher also ensured that the information collected was not to be given to any unauthorised person therefore ensuring that no harm was to come to the participant.

- Ensuring Confidentiality and anonymity:

The researcher ensured that the identity of all the participants was protected in that the questionnaire did not require the participant to append any of his/her personal details and the researcher also ensured that the information collected was stored securely and no unauthorised person had access to the information thus ensuring that the information was kept confidential and the participant protected.

- Ensuring that permission to conduct the study is obtained:

According to Saunders et al. (2009:194), it is important that official channels are cleared by formally requesting permission to carry out a study. Therefore, the permission to conduct the study was obtained as follows:

1. The Chief Executive Officer (CEO) of MDH supported the study (Appendix C) as the intended results were to be beneficial to the institution.

2. Permission was then obtained by Regent Business School on approval of the Research Proposal and Ethical Clearance Application (Appendix D).

3. An ethical clearance certificate was obtained from the Institutional Research Ethics Committee of Durban University of Technology as they are accredited with DOH (Appendix E).

4. Permission was then obtained by the Ugu District DOH CEO (Appendix F).

5. Final approval and permission was then granted by the DOH: Health Research and Knowledge Management Committee (Appendix G).

3.17. Conclusion

In this chapter, the overall research design and the underlying research philosophy, the research approach and the research strategy were discussed. Furthermore the target population, sampling strategy and research instrument was explained for this study. The data collection process as well as the data analysis was discussed. The chapter ended with the limitations and delimitations of the study, eliminations of bias and ethical considerations. The next chapter presents the findings, discussion and interpretation of data collected.

CHAPTER 4 - RESULTS, DISCUSSION AND INTERPRETATION OF FINDINGS

4.1. Introduction

The previous chapter discussed the research methodology used by the researcher during this study. Where data existed at a nominal and ordinal level of measurement, it had implications for choice of tests run. What will follow is a brief overview of the tests of assumptions that were run, motivation for them, and presentation of results.

This chapter then presents the research findings and includes the analysis of the results which will be presented through the detailed discussion of the research instrument, the sample characteristics statistics and the descriptive and inferential statistics. Each of these main points will be discussed in a section of its own with accompanying tables.

Data was analysed using the IBM SPSS 22 to produce both descriptive and inferential statistics in effort to answer the research questions, and achieve research objectives. All questions in this survey were close-ended and a total of 85 (N=85) participants successfully completed the questionnaires. Normality and Reliability testing were also done.

4.2. Test of Assumptions

4.2.1. Normality

As per Appendix I **(**Test of Normality), both the Kolmogorov-Smirnov and Shapiro-Wilk normality tests indicate a significance level of 0.000. This value is less than 0.001 and is thus indicative of the data not being normally distributed and hence requiring the use of non-parametric tests rather than their parametric counterparts. As such, the Kruskal-Wallis K-sample and the Spearman's Rho Ranked Correlations were used instead of the one way ANOVA test and the Pearson's correlation coefficient respectively. Furthermore, medians instead of means were used as a measure of central tendency for ordinal data.

4.3. Research Instrument

4.3.1. Response Rate

A total of 85 questionnaires were distributed to respondents, 85 were completed and returned. Illustrated as follows:

Table 4.1: Response rate

Total population	N = 834
Sample available for research	n = 85
Total responses	85
Non-Response Bias	0
Usable responses	85
Unusable responses	0
Usable response rate	100%

Table 4.1 above shows the response rate for the research instrument. A response rate of 100% was received and it is a very good response rate. This shows that the respondent population is motivated and that the survey was well executed.

4.3.2. Reliability

Cronbach's alpha, which is a measure of internal consistency, was used to gauge the reliability of each section relating to a research question. The overall reliability and reliability measures for each section are as follows:

Table 4.2 Overall Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
0.821	28

Table 4.2 above indicates that the research instrument consisted of 28 items and the overall Cronbach's Alpha equalled to 0.821, which is greater than 0.7. This indicates that the research instrument is reliable. ($\alpha = 0.821$, $N = 28$).

Table 4.3 Research Question 1: Reliability

Reliability Statistics	
Cronbach's Alpha	N of Items
0.723	3

Table 4.3 above indicates the Cronbach's alpha that was computed for the Section B items 13, 14 and 16. The finding indicated acceptable internal consistency and reliability for 3 of the items included in this portion of the questionnaire, α = .723. Hence, the section possessed appropriate reliability for the use of each of the items included in the questionnaire.

Table 4.4 Research Question 2: Reliability

Reliability Statistics	
Cronbach's Alpha	N of Items
0.700	7

Table 4.4 above indicates the Cronbach's alpha was computed for the Section B items 15 and 17-22. The finding indicated acceptable internal consistency and reliability for 7 of the items included in this portion of the questionnaire, α = .700. Hence, the section possessed appropriate reliability for the use of each of the items included in the questionnaire.

Table 4.5 Research Question 3: Reliability

Reliability Statistics	
Cronbach's Alpha	N of Items
0.926	7

Table 4.5 above indicates the Cronbach's alpha was computed for the Section C items 23-29. The finding indicated acceptable internal consistency and reliability for the 7 items included in this portion of the questionnaire, α = .926. Hence, the section possessed appropriate reliability for the use of each of the items included in the questionnaire.

Table 4.6 Research Question 4: Reliability

Reliability Statistics	
Cronbach's Alpha	N of Items
0.518	6

Table 4.6 above indicates the Cronbach's alpha was computed for the Section D items 30-35. The finding indicated unacceptable internal consistency and reliability for the 6 items

included in this portion of the questionnaire, α = .518. Hence, the section did not possess appropriate reliability for the use of each of the items included in the questionnaire.

The reliability of the data can thus be seen to be good in terms of the overall tool as the score was above 0.7. However section D had displayed a score of less than 0.7 indicating that the section does not possess appropriate reliability according to the cronbach's alpha measure. These questions were however chosen from research tools from other studies that were done on performance management in a similar setting and thus the researcher is quite certain that this section can be used to answer its research question by the use of these questions and thus produce reliable and valid outcomes even though the reliability measure is not appropriate.

4.4. Demographics

4.4.1. Sample Characteristics

The sample consisted of 85 respondents from different departments within MDH. The characteristics of the sample are presented in accordance with the information as it appears in the questionnaire used as an instrument to collect data. Figures 4.1 - 4.7 as indicated below shows the percentage distribution of the demographic variables.

4.4.1.1. Age of Participant

Figure 4.1 Participant Demographics: Age

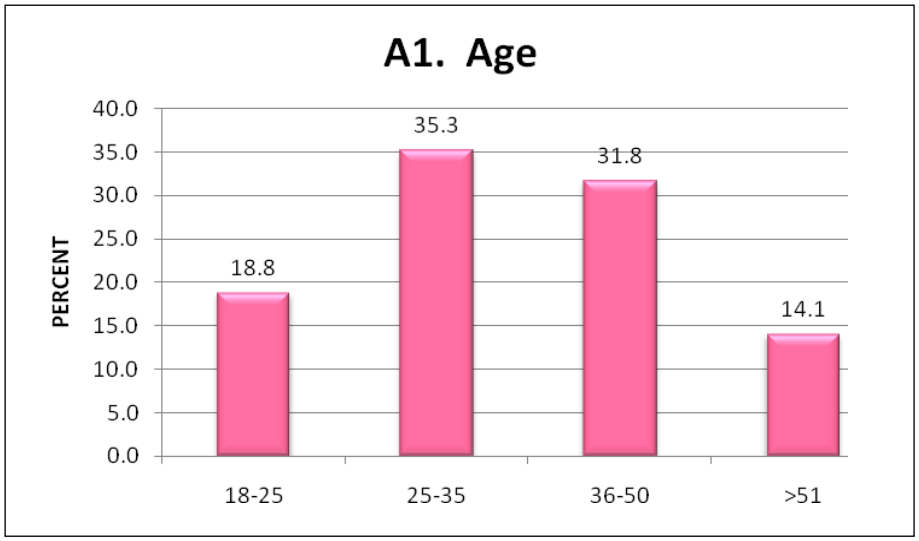


Figure 4.1 above shows that 18.8% of respondents were aged between 18-25 years, 35.3% between 25-35 years, 31.8% between 36-50years, and 14.1% greater than 51years of age indicating that the majority of respondents were aged between 25-35 and 36-50 (n = 85). The median measure is 2.00 (25-35).

4.4.1.2. Gender of Participant

Figure 4.2 Participant Demographics: Gender

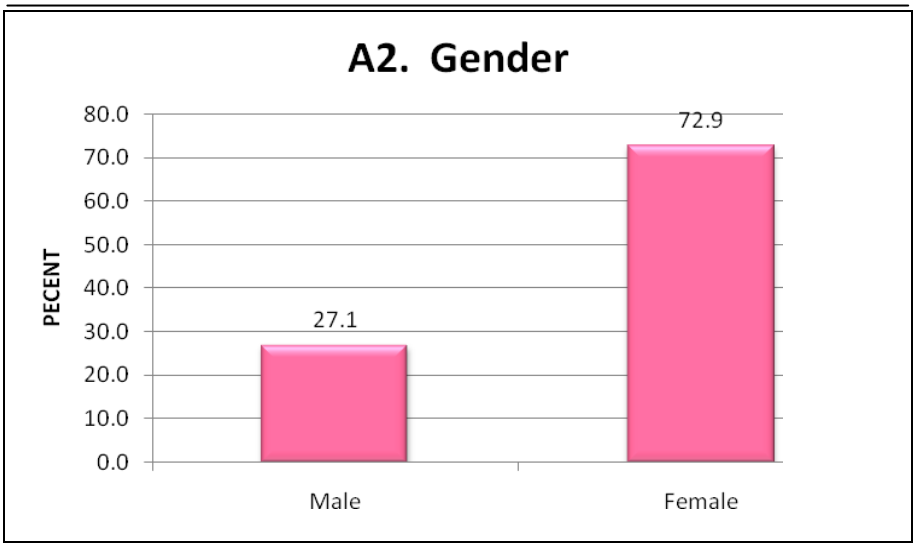


Figure 4.2 above shows that 27.1% of respondents were males and 72.9% were females indicating that the majority of respondents were female (n = 85). The median measure is 2.00 (Female). As the researcher strategized the inclusion of all the various departments within the institution, during the administration of the questionnaire phase it was seen that most departments had a higher amount of females than males (especially nursing and allied health professionals) and thus the statistics reveal the above. According to Geddes and Konrad (2002:4), the status characteristics theory argues that in task-focused situations, like performance appraisals, status-organizing processes can result in irrelevant characteristics such as gender, affecting people's treatment and outcomes. According to this theory, in most cultures, men are endowed with greater esteem, social worth, and respect than women and therefore enjoy generally higher performance expectations than women. People thus hold especially low expectations for women's performance on tasks traditionally conducted by

men. This differential treatment therefore reduces women's achievements and subsequent rewards (Geddes and Konrad, 2002:4).

4.4.1.3. Level of Education of Participant

Figure 4.3 Participant Demographics: Level of Education

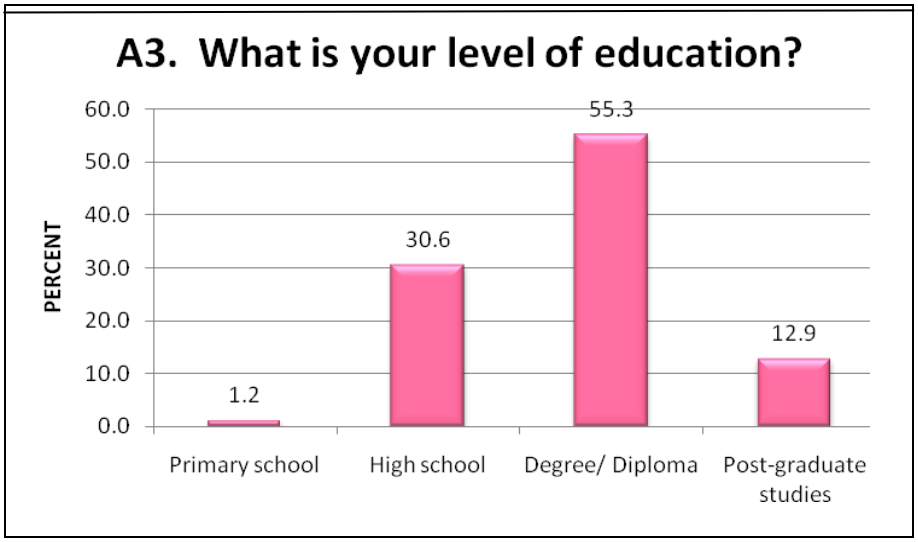


Figure 4.3 above shows that 1.2% of respondent's level of education is of a primary school level, 30.6 % is of a high school level, 55.3 % have a degree or diploma and 12.9 % have acquired a post-graduate qualification indicating that the majority of respondents have a degree/diploma and the second most amount of respondents have attained a high school qualification (n = 85). The median measure is 3.00 (Degree/Diploma).

4.4.1.4. Professional discipline of Participant

Figure 4.4 Participant Demographics: Professional discipline

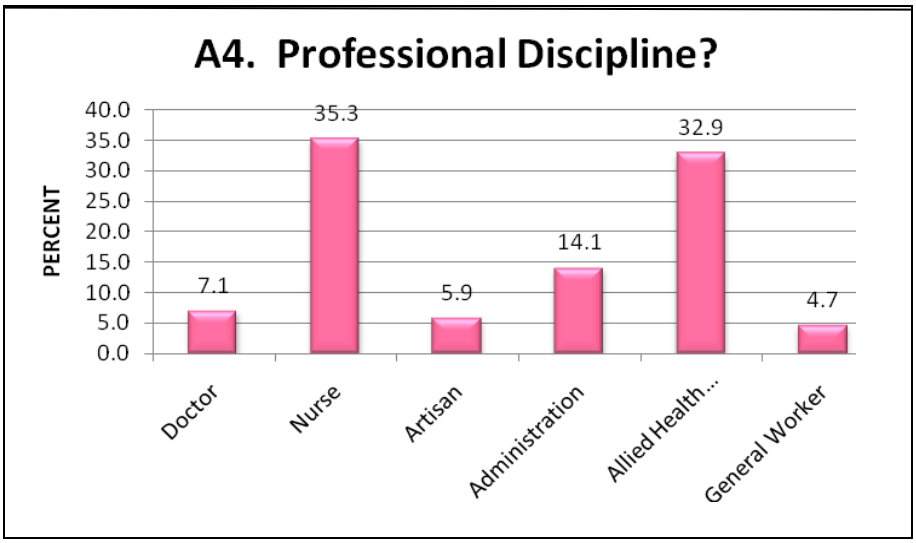
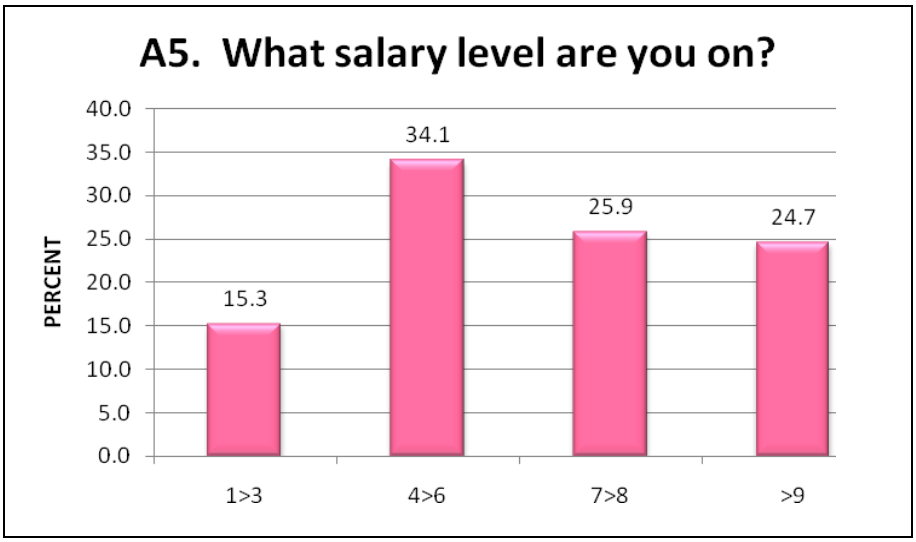


Figure 4.4 above shows that 7.1% of respondents were doctors, 35.3% were nurses, 5.9% were artisans, 14.1% belonged to administration, 32.9% of respondents were allied health professionals and 4.7% were general workers. (n = 85). The median measure is 4.00 (Administration). This statistic therefore indicates that the majority of respondents were nurses and the second highest group were from allied health professionals which are made up of various other groups of health care professionals.

4.4.1.5. Salary Level of Participant

Figure 4.5 Participant Demographics: Salary level



The salary levels of participants are as depicted in Figure 4.5 above. These salary levels are contextually relevant to the salary level system used by the South African DOH. Figure 4.5 above shows that 15.3% of respondents are on a salary level between 1>3, 34.1% of respondents are on a salary level of 4>6, 25.9% are on a salary level of 7>8, and 24.7% are on a salary level of >9 indicating that the majority of respondents are between salary level 4-6 (n = 85). The median measure is 3.00 (7>8).

4.4.1.6. Work Experience of Participant

Figure 4.6 Participant Demographics: Work experience

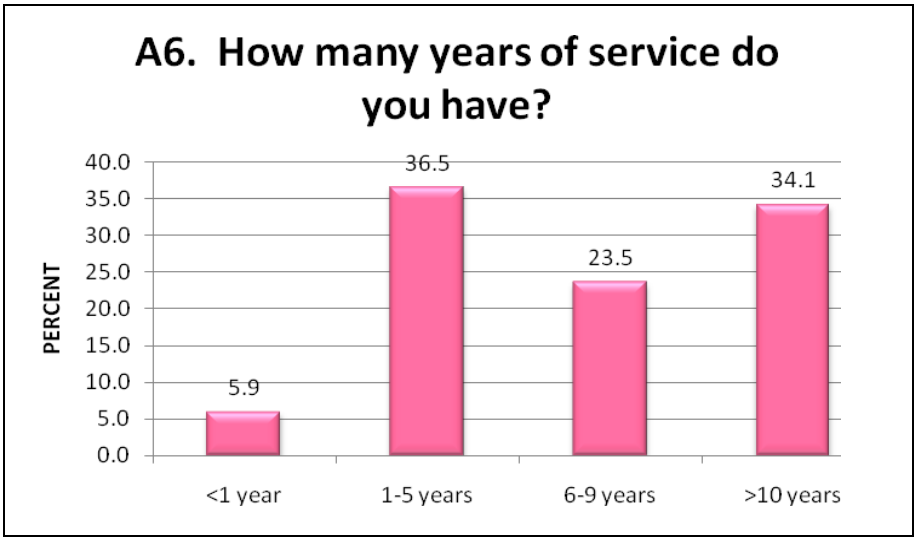


Figure 4.6 above shows that 5.9% of respondents have less than a year service, 36.5% have between 1-5years of service, 23.5% have 6-9 years of service and 34.1% have more than 10 years of service indicating that the majority of respondents have between 1 and 5 years experience (n = 85). The median measure is 3.00 (6-9 years).

4.4.1.7. Staff Category of Participant

Figure 4.7 Participant Demographics: Staff category

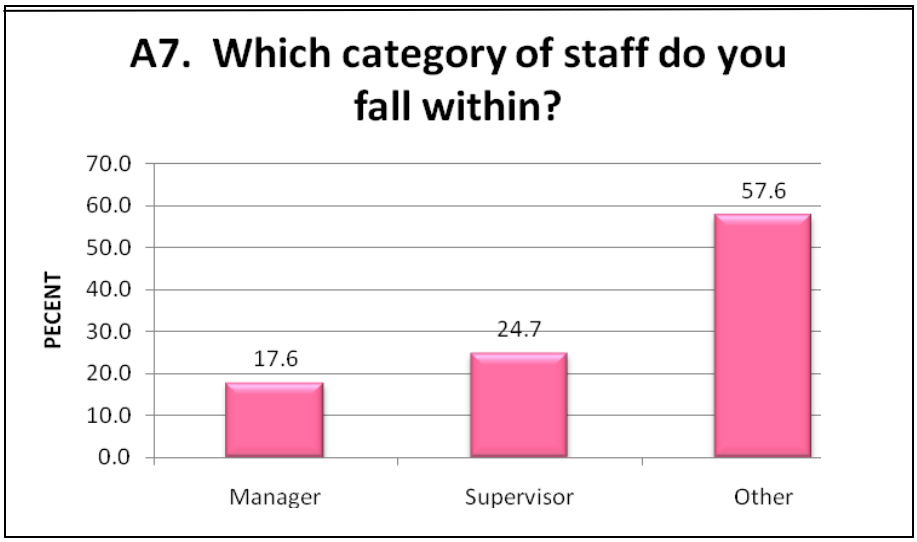


Figure 4.7 above shows that 17.6% of respondents are managers, 24.7% are supervisors and 57.6% are other staff members indicating that the majority of respondents are general employees although there is a satisfactory representation of managers and supervisors amongst the participants (n = 85). The median is 3.00 (Other).

The questions pertaining to the demographic nature of the respondents as included in Section A above were specifically chosen in that on the basis of their analyses it can be determined to a certain degree that the sample has been adequately chosen such that the results of the questionnaire can be relevant, representative and therefore generalized to the entire population.

4.5. Descriptive and Inferential Statistics on Research Questions 1-4

4.5.1. Research Question 1: What is the employee's level of knowledge of EPMDS?

4.5.1.1. How Often do Employees Sign the Performance Agreement Contract

Figure 4.8: Signing of the Performance Agreement Contract

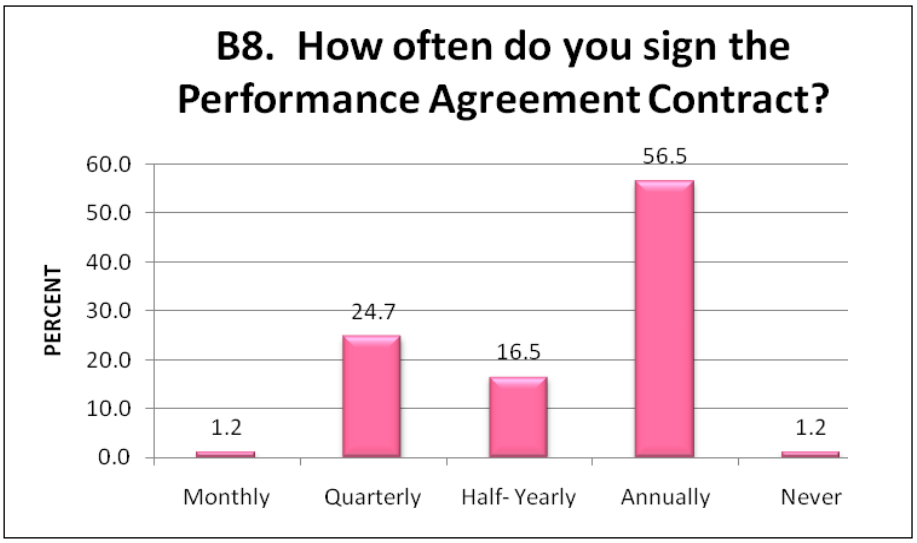


Figure 4.8 above shows that 1.2% of respondents admit to signing the performance agreement contract monthly, 24.7% admit to signing the performance agreement contract quarterly, 16.5% of respondents admit to signing the performance agreement contract half-yearly, 56.5% admit to signing the performance agreement contract annually and 1.2% admitted to have never signed the performance agreement contract at all. This indicates that the majority of respondents sign the performance agreement contract annually (n = 85). The median is 4 (annually) with a skewness of -0.679 and a kurtosis of -0.977. This indicates a moderately flattened distribution that is skewed to the left as can be seen by the majority of respondents stating that they complete the contract annually which indicates that majority of respondents know that the signing of the performance agreement contract takes place annually thus yielding a positive result for the organisation. According to EPMDS (2015:13), the performance agreement is regarded as the cornerstone of performance management at the individual level and all employees should enter into and sign the performance agreement and work plans annually before a specified date (EPMDS, 2015:13).

In Chauke (2009:66), 74% of respondents indicated that an employee should sign it quarterly and 20.0% stated annually which is not consistent with this study. No correlations were extracted between this variable and any other variable.

4.5.1.2. Evaluation of performance

Figure 4.9: Evaluation of performance

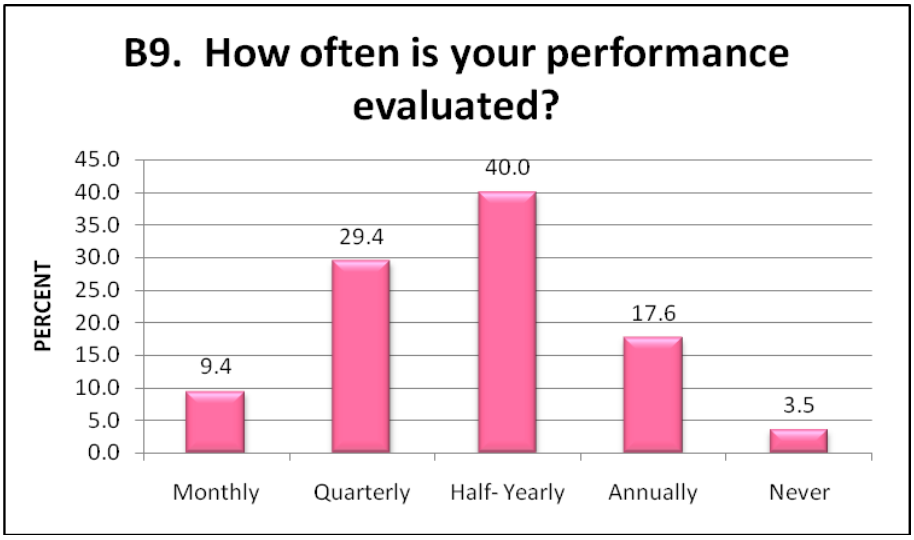


Figure 4.9 above shows that 9.4% of respondents stated that their performance is evaluated monthly, 29.4% stated that their performance is evaluated quarterly, 40% stated that their performance is evaluated half-yearly, 17.6% stated that their performance is evaluated annually and 3.5% stated that their performance is never evaluated indicating that the majority of respondents stated that their performance is evaluated half-yearly (n = 85). The median is 3 (half-yearly) with a skewness of 0.094 and a kurtosis of -0.297. This indicates a moderately peaked distribution that is skewed to the right as the majority of respondents either stated that they are evaluated half yearly, quarterly or monthly which is a positive result for the organisation as well as for the employee. According to EPMDS (2015:17-18), an employee's performance must be continuously monitored to enable the identification of performance barriers, changes and address development needs.

In Letsoalo (2007:96), the majority of respondents stated that their performance should be evaluated once a year and not on a continuous basis. However, in a study conducted by Chauke (2009:67), it was reported that 55.0% indicated that their performance should be

evaluated quarterly and 38% indicated annually. No correlations were extracted between this variable and any other variable.

4.5.1.3. Receiving of cash bonuses

Figure 4.10: Receiving of cash bonuses

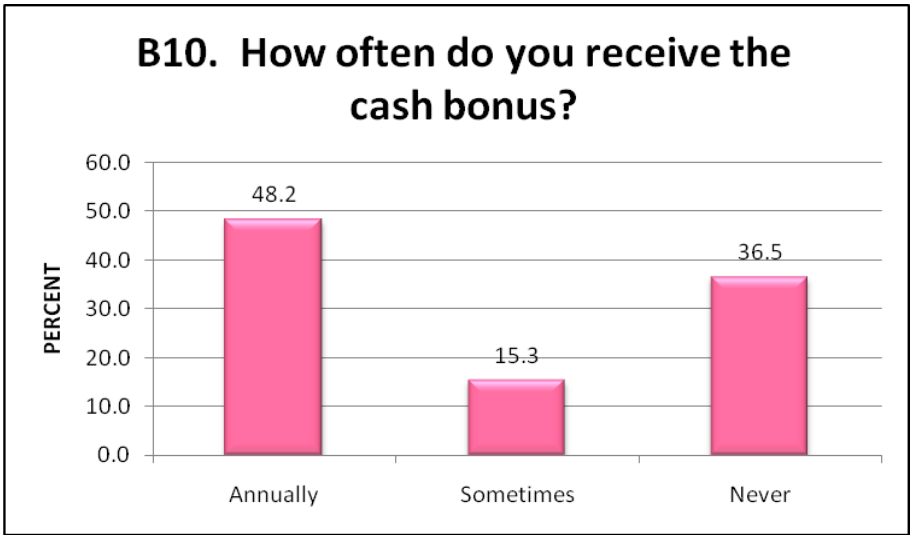


Figure 4.10 above shows that 48.2% of respondents stated that they receive a cash bonus annually, whereas 15.3% stated that they receive a cash bonus sometimes and 36.5% stated that they never receive a cash bonus indicating that the majority of respondents receive the cash bonus annually (n=85). The median is 2 (sometimes) with a skewness of 0.238 and a kurtosis of -1.793. This indicates a flattened distribution that is skewed to the right as the bulk of the respondents stated annually. This result thus proves to be positive for the organisations employee knowledge of EPMDS, as many employees do receive a cash bonus annually. According to EPMDS (2015:27), employees on salary levels 1-12 are eligible for pay progression (cash bonus) up to the maximum notch of the salary level attached to their post. This means that all employees should receive the cash bonus as per the policy if their ratings are above the required amount for payment of the bonus.

This is not consistent with a study conducted by Chauke (2009:73), where it was reported that 41.0% of respondents stated that they have never received a cash bonus and 39.0% mentioned that they received a cash bonus annually. No correlations were extracted between this variable and any other variable, however the Kruskal-Wallis K-sample computed that there is

a significant difference in age, and how often the cash bonus is received (H(3) = 8.409, p = 0.038) and that there is a significant difference in respondents salary level, and how often they receive the cash bonus (H(3) = 10.118, p = 0.018).

Table 4.7: Cross-tabulation between A1 and B10

A1. Age * B10. How often do you receive the cash bonus? Cross-tabulation

Count

		B10. How often do you receive the cash bonus?			
		Annually	Sometimes	Never	Total
A1. Age	18-25	6	2	8	16
	25-35	19	7	4	30
	36-50	13	1	13	27
	>51	3	3	6	12
Total		41	13	31	85

Table 4.7 above shows that those respondents aged between 25 and 35 years were more likely to receive a cash bonus than other age categories.

Table 4.8: Cross-tabulation between A5 and B10

A5. What salary level are you on? * B10. How often do you receive the cash bonus? Cross-tabulation

Count

		B10. How often do you receive the cash bonus?			
		Annually	Sometimes	Never	Total
A5. What salary level are you on?	1>3	11	0	2	13
	4>6	15	7	7	29
	7>8	9	1	12	22
	>9	6	5	10	21
Total		41	13	31	85

Table 4.8 above shows that the higher the salary level, the less frequently they receive a cash bonus. This can be attributed to the fact that the higher level employees tend to have a larger time period (2-3 years) between notch progression (cash bonus) that the lower level employees which is a policy related procedure.

4.5.1.4. Reason for EPMDS

Figure 4.11: Reason for EPMDS

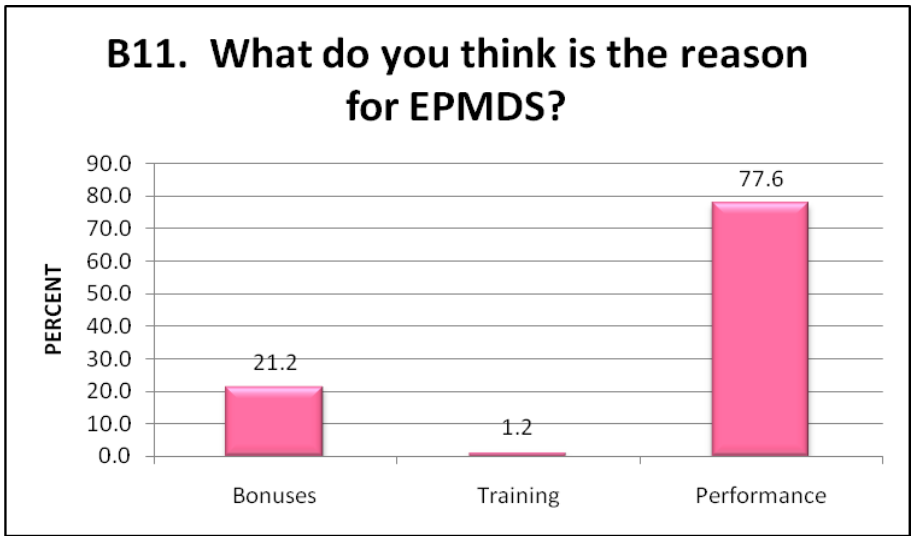


Figure 4.11 above shows that a total of 21.2 % of respondents think bonuses are the reason for EPMDS, whereas 1.2% think that training is the reason for EPMDS and 77.6% think performance is the reason for EPMDS indicating that the majority of respondents think that performance is the reason for EPMDS (n= 85). The median is 3 (performance) with a skewness of -1.393 and a kurtosis of -0.034. This indicates a slightly peaked distribution that is skewed to the left as performance was the most stated reason. This shows that employees understand the fundamental reason for EPMDS.

In a study conducted by Letsoalo (2007:99), it was reported that most of the respondents stated that performance management was used as a means of monetary gain whereas in a study conducted at Mokopane Reginal Hospital, it was reported that the majority of participants cited performance as the reason for EPMDS (Chauke, 2009:73). According to EPMDS (2015:11), the aim of EPMDS the planning, managing and improving of employee performance.

There is a significant, moderate, positive correlation between what they think the reason for EPMDS is (B11), and EPMDS providing clarity to all employees on their role in the achievements of the organisations objectives and goals (C24) ($r = 0.467$, $N = 85$, $p < 0.0001$). This suggests that with an increase in performance through EPMDS there is an associated

increase in employees understanding their role in the achievements of the organisations objectives and goals thus improving organisational performance.

There is a significant, moderate, positive correlation between what they think the reason for EPMDS is (B11), and EPMDS allowing for better planning and decision making (C26) ($r = 0.414$, $N = 85$, $p < 0.0001$). This suggests that with an increase in performance through EPMDS there is an associated increase in the planning and decision making ability of employees thus improving employee performance.

There is a significant, moderate, positive correlation between what they think the reason for EPMDS is (B11), and EPMDS implementation having initiated a communication pathway between employee and supervisor thus promoting performance (C29) ($r = 0.476$, $N = 85$, $p < 0.0001$). This suggests that with an increase in performance through EPMDS there is an associated increase in communication between supervisor and employee thus promoting performance.

4.5.1.5. Employee Understanding of EPMDS

Figure 4.12: Employee understanding of EPMDS

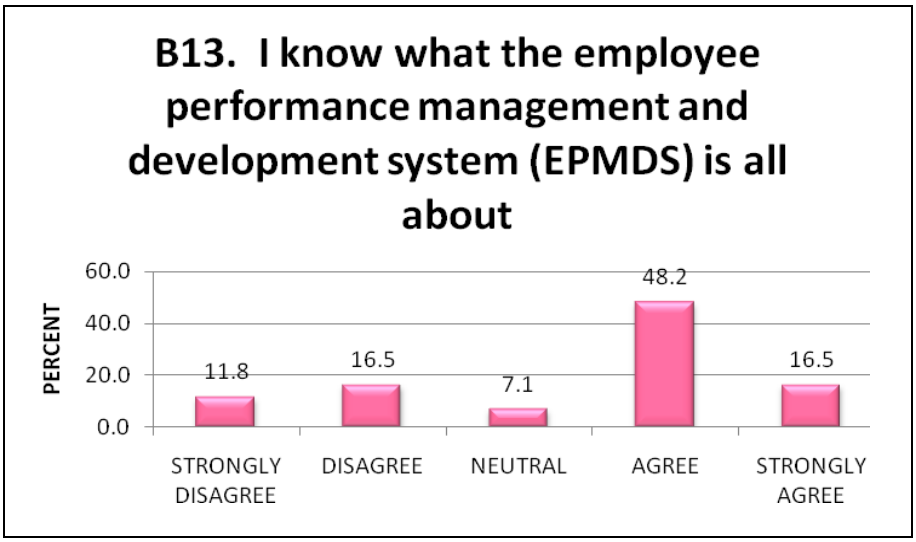


Figure 4.12 above shows that 11.8% of respondents strongly disagreed with the statement, 16.5% disagreed with the statement, 16.5% strongly agreed with this statement, 48.2% agreed with this statement and 7.1% respondents remained neutral indicating that the majority of respondents agree that they know what EPMDS is all about (n = 85). The median measure is 4.00 (Agree), with a skewness of -0.680 and a kurtosis of -0.750. This indicates a moderately peaked distribution that is skewed to the left as agree and strongly agree were the most stated answers. This is a positive result for the organisation as most respondents agree to have knowledge about EPMDS.

This is consistent with findings from a study conducted by Chauke (2009:62), were it was reported that 78.0% of respondents affirmed to have knowledge about the EPMDS and 18.0% denied having knowledge about EPMDS.

This is however not consistent with results from two other studies. In a study conducted by Letsoalo (2007:94), as it was reported here that only 5% of employees had knowledge of EPMDS and from this only 1% were supervisors and managers which showed that supervisors were even more negative towards EPMDS than their subordinates. In another study conducted in the Gauteng province among professional nurses it was reported that although having the PMDS established for more than a decade professional nurses still

experience the PMDS as non-beneficial, confusing and see it as not a driving performance. The research findings showed that participants had poor knowledge about performance agreement, planning, monitoring review and assessment of the PMDS. It was thus important to note that those involved in the utilisation of the PMDS were well versed in its usage. It was recommended here that management should be more involved throughout the PMDS process so that problem areas can be identified earlier and the necessary remedial actions implemented and it should not just be assumed that everyone involved in the PMDS knows the what, why and how of the system (Du-Plessis, 2016:1).

There is a significant, moderate, positive correlation between knowing what the employee performance management and development system (EPMDS) is all about (B13), and thinking that EPMDS is a fair method of appraisal (B15) ($r = 0.484$, $N = 85$, $p < 0.0001$). This suggests that with an increase in the employee understanding of EPMDS there is an associated increase in them feeling that it is a fair appraisal system.

There is a significant, moderate, positive correlation between knowing what the employee performance management and development system (EPMDS) is all about (B13), and their supervisor having a good understanding of EPMDS (B16) ($r = 0.533$, $N = 85$, $p < 0.0001$). This suggests that with an increase in the employee understanding of EPMDS there is an associated increase in their supervisors understanding of EPMDS.

There is a significant, moderate, positive correlation between knowing what the employee performance management and development system (EPMDS) is all about (B13), and EPMDS providing clarity to all employees on their role in the achievements of the organisations objectives and goals (C24) ($r = 0.451$, $N = 85$, $p < 0.0001$). This suggests that with an increase in employee understanding of EPMDS there is an associated increase in employees understanding their role in the achievements of the organisations objectives and goals thus improving organisational performance.

There is a significant, moderate, positive correlation between knowing what the employee performance management and development system (EPMDS) is all about (B13), and EPMDS allows for better planning and decision making (C26) ($r = 0.458$, $N = 85$, $p < 0.0001$). This suggests that with an increase in the employee understanding of EPMDS there is an

associated increase in the planning and decision making ability of employees thus improving employee performance. The Kruskal-Wallis K-sample computed that there is a significant difference in respondents professional discipline, and knowing what the employee performance management and development system (EPMDS) is all about ($H(5) = 16.888$, $p = 0.0005$).

Table 4.9: Cross-tabulation between A4 and C13

A4. Professional Discipline? * C13. I know what the employee performance management and development system (EPMDS) is all about Cross-tabulation

Count

		C13. I know what the employee performance management and development system (EPMDS) is all about					
		STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	Total
A4. Professional Discipline?	Doctor	3	2	1	0	0	6
	Nurse	2	3	3	14	8	30
	Artisan	1	0	0	3	1	5
	Administration	1	1	0	6	4	12
	Allied Health Professional	3	6	2	17	0	28
	General Worker	0	2	0	1	1	4
Total		10	14	6	41	14	85

Table 4.9 above shows that Doctors and General workers were more likely to disagree compared to the other professional disciplines. This could be attributed to the fact that these categories of staff are not being in-serviced with regard to the institutions policies and procedures. The training of the managers and supervisors of these staff categories will need to be trained to ensure that all employees under their supervision are trained as well.

4.5.1.6. Training of Employees on EPMDS Policy

Figure 4.13: Training of employees on EPMDS policy

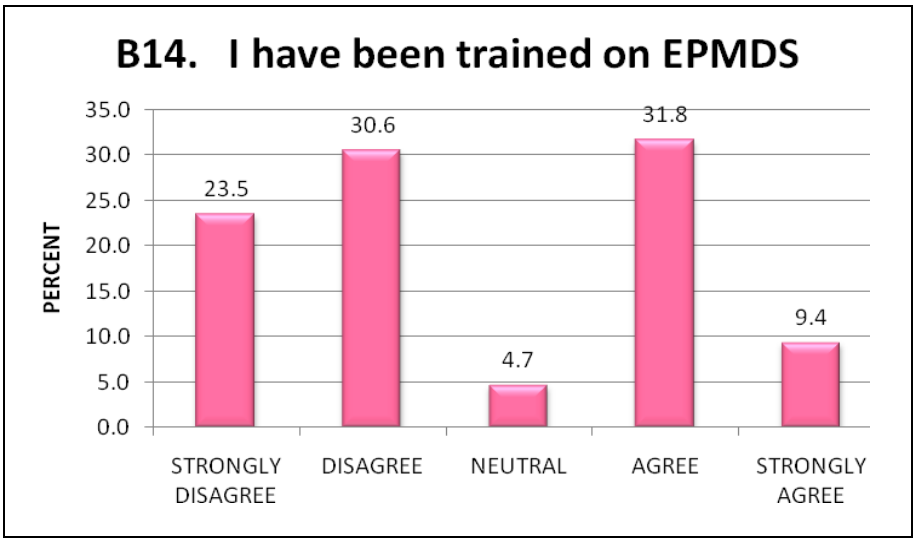


Figure 4.13 above shows that 23.5% of respondents strongly disagreed with the statement, 30.6% disagreed with the statement, 9.4% strongly agreed with this statement, 31.8% agreed with this statement and 4.7% respondents remained neutral indicating that the majority of respondents disagree that they have been trained on EPMDS (n = 85). The median measure is 2.00 (Disagree), with a skewness of 0.167 and a kurtosis of -1.431. This indicates a flattened distribution that is skewed to the right. This is consistent with findings from a study conducted on two hospitals by Letsoalo, (2007:96), were 66.4% and 49.6% of respondents respectively stated that they were not trained on EPMDS. According to EPMDS (2015:9), a key requirement for the successful implementation of a PMDS is training on the system. This requires managers, supervisors and all employees to be trained in the mechanics of the system and areas such as communication, problem-solving and conflict resolution in order to manage the system more effectively. This is a negative result for the organisation as it means that formal training is lacking.

There is a significant, moderate, positive correlation between having been trained on EPMDS (B14), and having utilised the personal improvement plan for developmental requirements (B21) ($r = 0.430$, $N = 85$, $p < 0.0001$). This suggests that with an increase in not having been trained on EPMDS there is an associated increase in employees not utilising the personal improvement plan.

There is a significant, moderate, positive correlation between having been trained on EPMDS (B14), and EPMDS has contributed to me remaining an employee of MDH (C25) ($r = 0.618$, $N = 85$, $p < 0.0001$). This suggests that with an increase in not having been trained on EPMDS there is an associated increase in the lack of organisational commitment.

There is a significant, moderate, positive correlation between having been trained on EPMDS (B14), and EPMDS has strengthened the relationship between myself and the institution (C27) ($r = 0.493$, $N = 85$, $p < 0.0001$). This suggests that with an increase in not having been trained on EPMDS there is an associated increase employees feeling that there is no relationship between themselves and the organisation which shows a lack of employee commitment to the institution.

There is a significant, moderate, positive correlation between having been trained on EPMDS (B14), and feeling that EPMDS is the best way of evaluating employees performance (D30) ($r = 0.466$, $N = 85$, $p < 0.0001$). This suggests that with an increase in not being trained on EPMDS there is an associated increase in feeling that EPMDS is not the best way to evaluate employee performance indicating that either more training is required or a new system needs to be introduced.

The Kruskal-Wallis K-sample computed that there is a significant difference in respondents professional discipline, and having been trained on EPMDS ($H(5) = 16.888$, $p = 0.0005$).

Table 4.10: Cross-tabulation between A4 and C14

A4. Professional Discipline? * C14. I have been trained on EPMDS Cross-tabulation

Count

		C14. I have been trained on EPMDS					
		STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	Total
A4. Professional Discipline?	Doctor	6	0	0	0	0	6
	Nurse	6	7	0	11	6	30
	Artisan	1	1	0	2	1	5
	Administration	2	3	1	5	1	12
	Allied Health Professional	5	13	2	8	0	28
	General Worker	0	2	1	1	0	4
Total		20	26	4	27	8	85

Table 4.10 above shows that Allied health professionals, General Workers and Doctors were more likely to disagree and Artisans, Nurses, Administration were more likely to agree. As seen in table 4.22 previously and in table 4.24 above, the doctors and general workers have stated that training on EPMDS has not been done. Furthermore, the allied health professionals have also disagreed with this statement indicating a gap in the training procedure of the institution.

4.5.1.7. Supervisor Understanding of EPMDS

Figure 4.14: Supervisor understanding of EPMDS

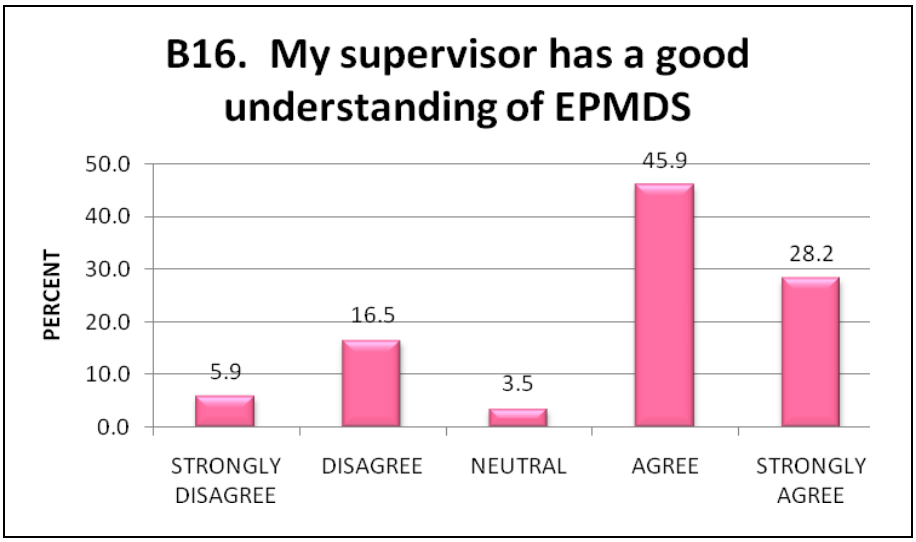


Figure 4.14 above shows that 5.9% of respondents strongly disagreed with the statement, 16.5% disagreed with the statement, 28.2% strongly agreed with this statement, 45.9% agreed with this statement and 3.5% respondents remained neutral indicating that the majority of respondents agree that their supervisors have an understanding of EPMDS (n = 85). The median measure is 4.00 (Agree), with a skewness of -0.899 and a kurtosis of -0.261. This indicates a distribution that is skewed to the left and slightly peaked as the bulk of the distribution lies to the left of the median.

This is not consistent with findings from a study conducted by Chauke (2009:68), were it was reported that 52.0% of respondents indicated that they thought their supervisors do not understand EPMDS and 47.0% indicated that they thought their supervisors do understand the EPMDS system. This can be an advantage for the organisation as the supervisors and managers are the evaluators of employee performance and thus they can strengthen the system ensuring its effectiveness.

There is a significant, moderate, positive correlation between their supervisor having a good understanding of EPMDS (B16), and being involved in goal setting with their supervisor (B18) ($r = 0.517$, $N = 85$, $p < 0.0001$). This suggests that with an increase in the supervisors understanding of EPMDS there is an associated increase in the supervisor assisting with the goal setting and planning of the employees work plan.

There is a significant, moderate, positive correlation between their supervisor having a good understanding of EPMDS (B16) and receiving ongoing feedback from their supervisor about their performance (B19) ($r = 0.656$, $N = 85$, $p < 0.00001$). This suggests that with an increase in the supervisors understanding of EPMDS there is an associated increase in feedback from the supervisor.

There is a significant, moderate, positive correlation between their supervisor having a good understanding of EPMDS (B16), and EPMDS implementation having initiated a communication pathway between employee and supervisor thus promoting performance (C29) ($r = 0.554$, $N = 85$, $p < 0.0001$). This suggests that with an increase in the supervisors understanding of EPMDS there is an associated increase in communication between employee and supervisor.

4.5.2. Research Question 2: What is the effectiveness of EPMDS currently employed at MDH?

4.5.2.1. Challenges of EPMDS

Figure 4.15: Challenges of EPMDS

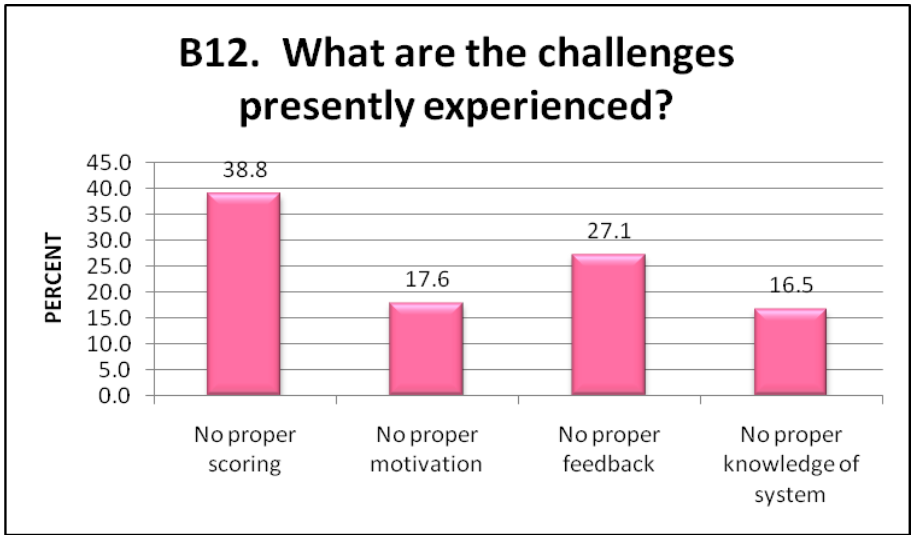


Figure 4.15 above shows that 38.8% of respondents stated that that no proper scoring was the greatest challenge of EPMDS, 17.6% of respondents stated that no proper motivation was the greatest challenge, 27.1% of respondents felt that no proper feedback was the greatest challenge and 16.5% of respondents felt that they had no proper knowledge of the system indicating that the majority of respondents feel that no proper scoring and no proper feedback are the major challenges of EPMDS (n=85). The median is 3 (no proper feedback) with a skewness of -0.518 and a kurtosis of -1.093. This indicates a flattened distribution that is skewed to the left due to the bulk of the distribution being to the left of the median.

This is consistent with findings from other studies. In a study conducted by Chauke (2009:76), 70.0% of the participants reported a lack of a proper scoring mechanism as the main challenge presently experienced and 55.0% reported that a lack of feedback was the challenge. These questions were asked separately thus showing the high percentages. According to Thomas (2015:96), the rating of employees poses another challenge as every employee more or less receives the same score. In such instances, performance assessments put more emphasis on scores than on employee strengths and weaknesses, and as a norm every one scores a three out of five. This subjective scoring gives the impression that there are no real meanings for outstanding performance or any penalties for underperformance (Thomas, 2015:96). In a study conducted in a Zimbabwe hospital the challenges of EPMDS included a lack of motivation, lack of knowledge, insufficient human and financial resources, and difficulties in identifying performance indicators and that there was no link between performance gaps and training programs. These challenges made it difficult for the hospital to enjoy the benefits, thereby impacting negatively on service delivery (Mahapa, Dzimbiri and Maphosa, 2015:1). No correlations were extracted between this variable and any other variable.

These challenges pose a problem for the effectiveness of the system and thus have a negative impact on the employee and organisational performance and will thus need to be used as a basis for the refinement of the system.

4.5.2.2. Fairness of EPMDS as an appraisal system

Figure 4.16: Fairness of EPMDS as an appraisal system

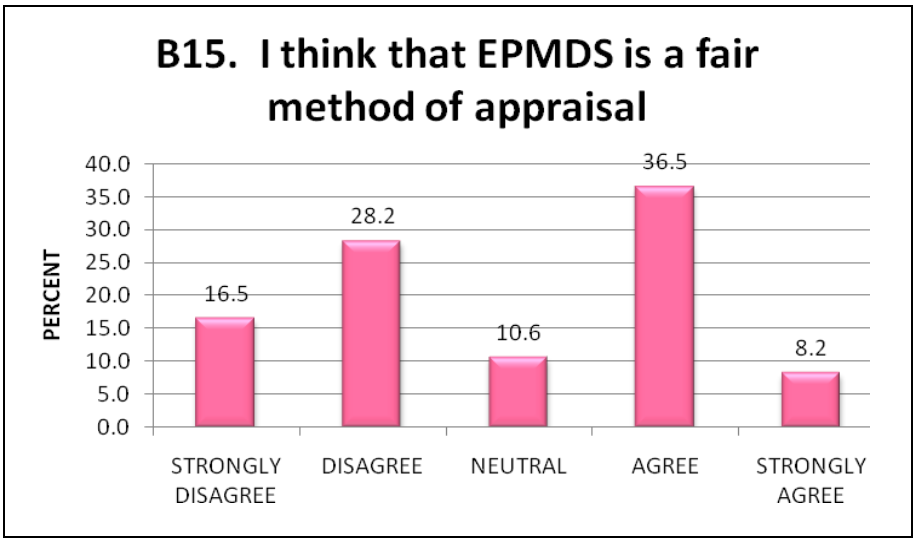


Figure 4.16 above shows that 16.5% of respondents strongly disagreed with the statement, 28.2% disagreed with the statement, 8.2% strongly agreed with this statement, 36.5% agreed with this statement and 10.6% respondents remained neutral indicating that the exact amount of respondents (38) agree as well as disagree that EPMDS is a fair method of appraisal (n = 85). The median measure is 3.00 (neutral), with a skewness of -0.085 and a kurtosis of -1.319. This indicates a distribution that is skewed to the left and flattened.

This is partially consistent with a study done at Mokopane Regional Hospital where it was reported that most participants felt that EPMDS was not a fair method of appraisal (Chauke, 2009:69). According to EPMDS (2015:12), one of the objectives of EPMDS is that it evaluates performance fairly and objectively. This can be seen as a negative result for the organisation as the fairness of the system is important for the system to be effective and to yield effective results. No correlations were extracted between this variable and any other variable.

4.5.2.3. Responsibility of EPMDS

Figure 4.17: Responsibility of EPMDS

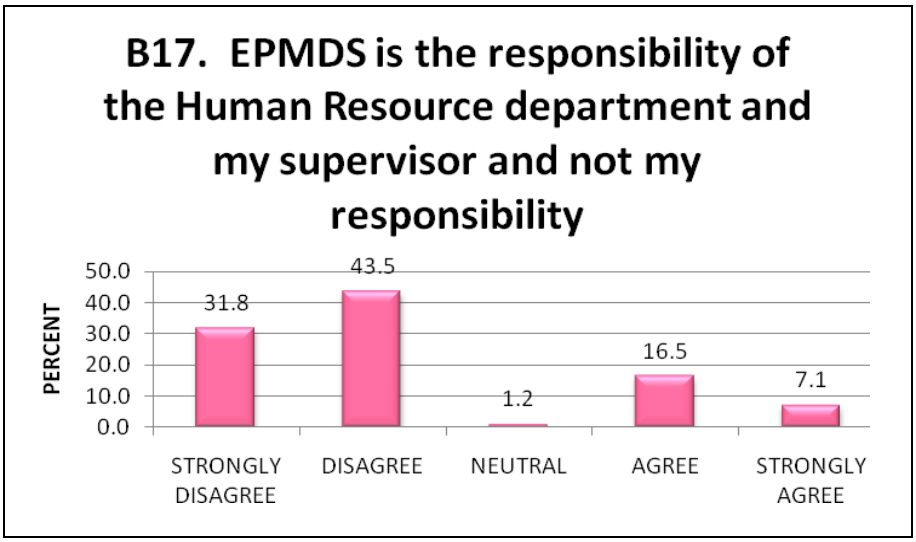


Figure 4.17 above shows that 31.8% of respondents strongly disagreed with the statement, 43.5% disagreed with the statement, 7.1% strongly agreed with this statement, 16.5% agreed with this statement and 1.2% respondents remained neutral indicating that the majority of respondents disagree that EPMDS is the responsibility of the human resources department and their supervisors and thus agree that it is the employees responsibility (n = 85). The median measure is 2.00 (disagree), with a skewness of -0.932 and a kurtosis of -0.319. This indicates a distribution that is skewed to the left and slightly peaked.

This is consistent with findings from a study that was conducted by Letsoalo (2007:95), it was reported that 81% and 67% of respondents in two hospitals respectively stated that EPMDS is not the responsibility of the Human Resource department and 80% of respondents in both hospitals stated that it is not the responsibility of the supervisor as well. This is a positive result for the organisation and it also shows effectiveness of the system as the employee understands that it is their responsibility to comply with the policy. No correlations were extracted between this variable and any other variable.

4.5.2.4. Setting of goals with supervisor input

Figure 4.18: Setting of goals with supervisor input

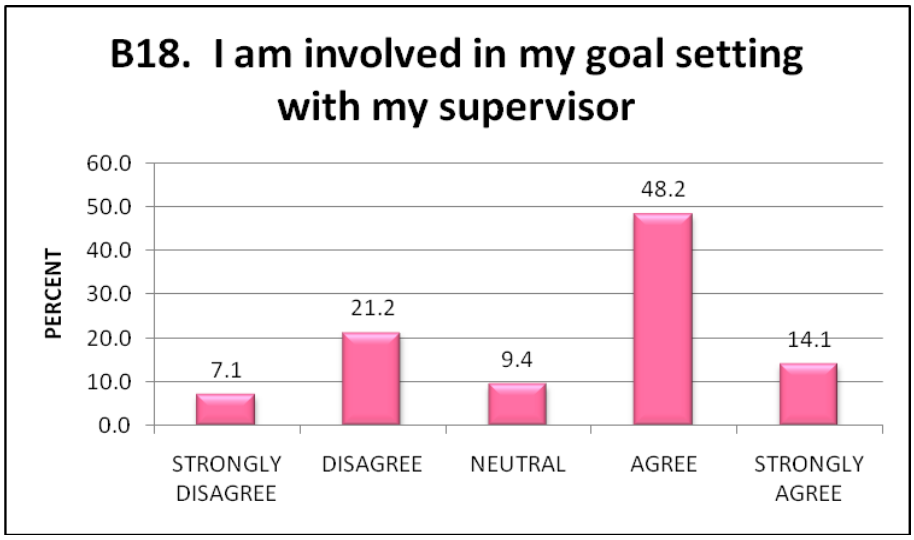


Figure 4.18 above shows that 7.1% of respondents strongly disagreed with the statement, 21.2% disagreed with the statement, 14.1% strongly agreed with this statement, 48.2% agreed with this statement and 9.4% respondents remained neutral indicating that the majority of respondents agree that the setting of their goals is done in consultation with their supervisors (n = 85). The median measure is 4.00 (Agree), with a skewness of 0.589 and a kurtosis of 0.747. This indicates a peaked distribution that is skewed to the right as the bulk of the distribution lies to the right of the median.

Performance planning, which includes goal setting should ideally be done by both the employee and supervisor at the beginning of a performance cycle by the drawing up of the performance agreement (Colli, 2013:55). According to EPMDS (2015:9), at the employee level each employee should develop a performance agreement jointly with her or his supervisor. The performance management system must also be linked to the broad and consistent employee development plans and also be aligned with the department's strategic goals. This is a positive result for the organisation as it directly impacts on the effectiveness of the system. No correlations were extracted between this variable and any other variable.

4.5.2.5. Feedback from supervisor regarding performance

Figure 4.19: Feedback from supervisor regarding performance

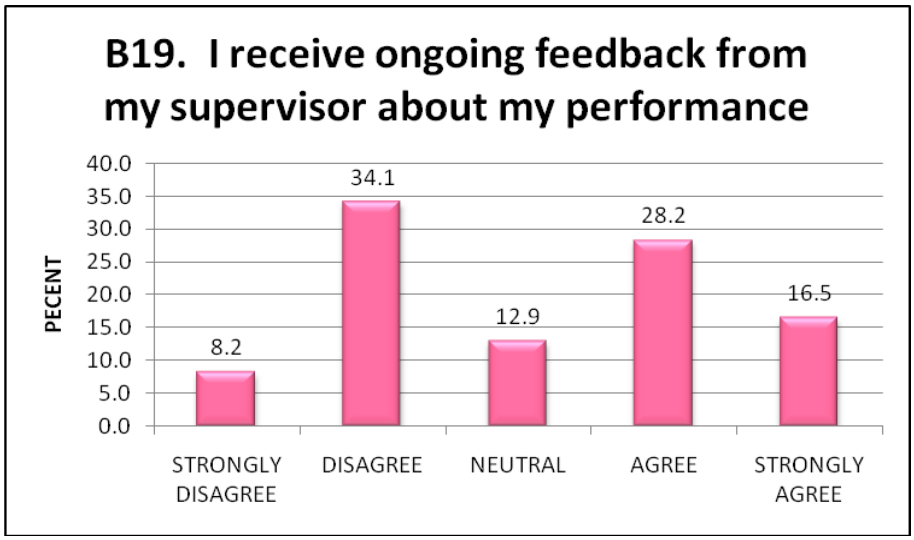


Figure 4.19 above shows that 8.2% of respondents strongly disagreed with the statement, 34.1% disagreed with the statement, 16.5% strongly agreed with this statement, 28.2% agreed with this statement and 12.9% respondents remained neutral indicating that the majority of respondents agree that they do receive ongoing feedback from their supervisors, however this was only marginal as 38 respondents in total agreed (44.7%) and 36 respondents in total disagreed (42.3%) (n = 85). The median measure is 3.00 (neutral), with a skewness of 0.045 and a kurtosis of -1.275. This indicates a distribution that is skewed to the right and flattened. The majority of respondents agree that they do receive ongoing feedback from their supervisors, this can be seen as a positive finding however this was only marginal as 38 respondents in total agreed and 36 respondents in total disagreed.

This is not consistent with findings from other studies. In a study that was conducted by Chauke (2009:71), it was reported that 71% of respondents had not received any feedback from their supervisors whereas 27% had. In another study conducted in a public hospital in Johannesburg, it was also reported that with regard to performance management, recognition and feedback, there was no evidence of an effective performance management and feedback system. Employees were of the opinion that they received very little recognition for work done, and that management often took their efforts for granted. The administrative employees in general were of the opinion that their direct managers lacked adequate management skills.

Amongst other things they referred to the unsatisfactory way in which managers communicate with them and handle conflict (Stimie and Fouché, 2004:5). In a survey conducted by the University of Stellenbosch, the major problem noted was insufficient supervisor support for performance management (Letsoalo, 2007:5). According to EPMDS (2015:18), the supervisor must give the employee feedback on performance at least four times a year verbally, if the employee's performance is satisfactory; and in writing if unsatisfactory. Furthermore feedback must also be given at least twice during the six months preceding the employee's annual formal performance assessment; and in writing, for the annual formal performance assessment covering the whole cycle.

There is a significant, moderate, positive correlation between receiving ongoing feedback from their supervisor about their performance (B19), and EPMDS allows for better planning and decision making (C26) ($r = 0.493$, $N = 85$, $p < 0.0001$). This suggests that with an increase in the supervisor providing ongoing feedback about performance there is an associated increase in the planning and decision making ability of the employee thus improving employee performance.

4.5.2.6. Favouritism of employees by supervisors

Figure 4.20: Favouritism of employees by supervisors

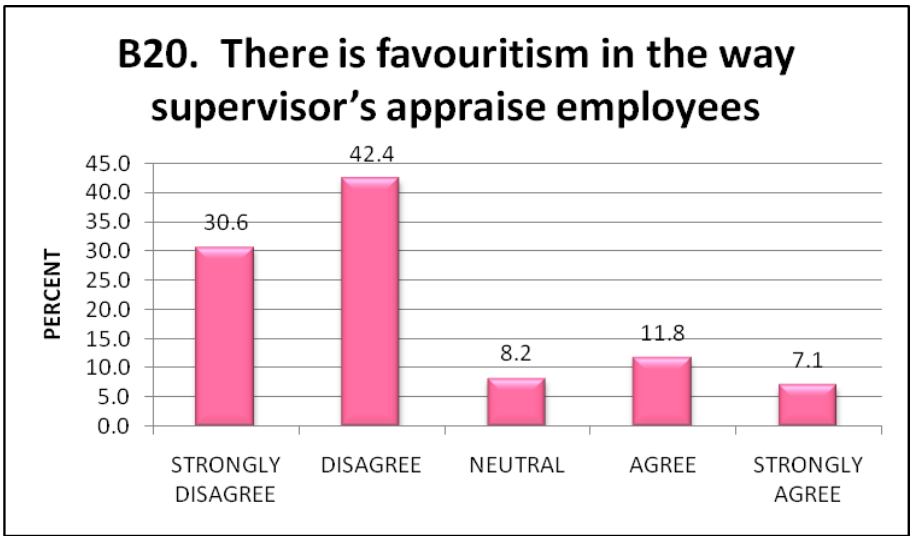


Figure 4.20 above shows that 30.6% of respondents strongly disagreed with the statement, 42.4% disagreed with the statement, 7.1% strongly agreed with this statement, 11.8% agreed

with this statement and 8.2% respondents remained neutral indicating that the majority of respondents disagree that there is favouritism in the way that supervisors appraise employee performance (n = 85). The median measure is 2.00 (agree), with a skewness of 0.964 and a kurtosis of -0.014. This indicates a distribution that is skewed to the right and moderately peaked.

The majority of respondents disagree that there is favouritism in the way that supervisors appraise employee performance, this is a positive effective as the system can prove to be effective. This is consistent with findings from a study that was conducted by Letsoalo (2007:100), where it was reported that 68% and 86% of the respondents in both hospitals respectively stated that there was no favouritism in the appraisal system. Muller et al. (2011:57), states that one of the most common errors in performance monitoring is supervisory bias which may be conscious or unconscious and is not related to job performance rather it stems from personal characteristics or organisational-related characteristics. No correlations were extracted between this variable and any other variable.

4.5.2.7. Utilisation of the Personal Improvement Plan

Figure 4.21: Utilisation of the Personal Improvement Plan

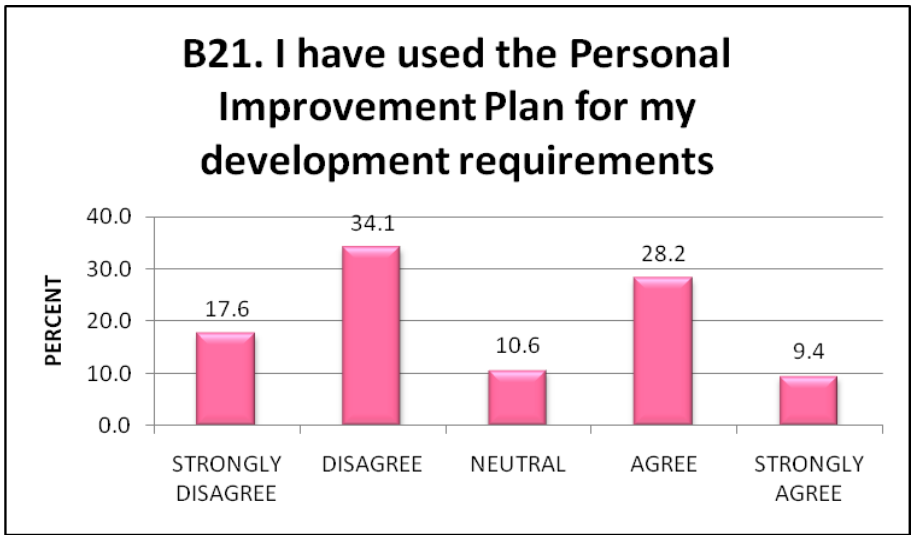


Figure 4.21 above shows that 17.6% of respondents strongly disagreed with the statement, 34.1% disagreed with the statement, 9.4% strongly agreed with this statement, 28.2% agreed

with this statement and 10.6% respondents remained neutral indicating that the majority of respondents disagree that they have used the Personal Improvement Plan previously (n = 85). The median measure is 2.00 (agree), with a skewness of 0.193 and a kurtosis of -1.246. This indicates a distribution that is skewed to the right and flattened.

The EPMDS is not only for rewarding good performance it is also for developing employee's skills that are required for the job. By having the majority of respondents disagree that they have used the personal improvement plan previously proves that the system is not been utilised optimally at MDH. In a study that was conducted in the public health sector in South Africa, it was reported that the training and development procedure was seen to be lengthy and the criteria used to select employees for further training and development was not very clear. Furthermore it was stated that the supervisors/managers were not very supportive of employees wanted to apply for further training and thus these employees struggle to get study leave (Stimie and Fouché, 2004:5).

According to EPMDS (2015:15), a personal improvement plan assists in identifying developmental areas and needs of the employee, as well as methods to improve those identified. In this, the employee and the supervisor are required to take joint responsibility for the achievement of the personal improvement plan with allocated accountabilities clearly recorded on the agreement document. According to Armstrong and Baron (2006:53), performance management must ensure that the employee's boundaries are stretched through an effective programme of personal development. No correlations were extracted between this variable and any other variable.

4.5.2.8. Rating of employee performance

Figure4.22: Rating of employee's performance

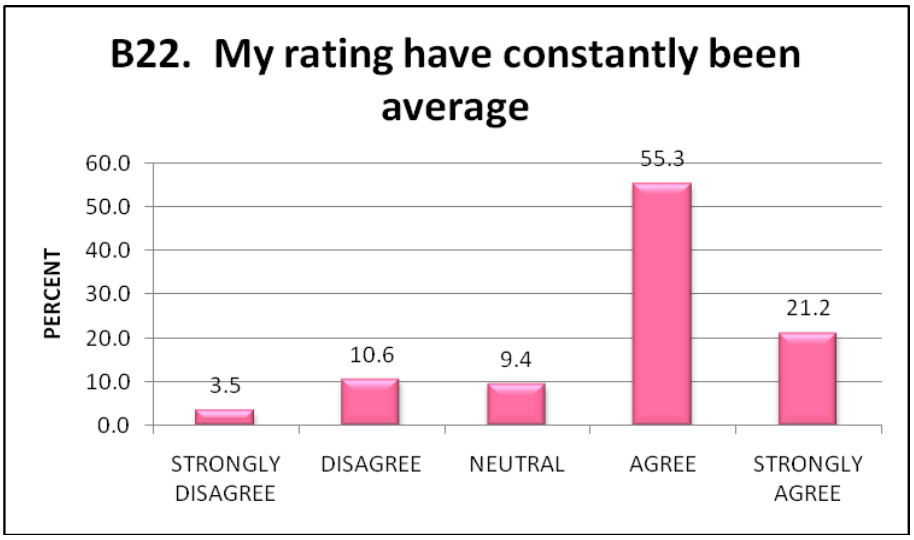


Figure 4.22 above shows that 3.5% of respondents strongly disagreed with the statement, 10.6% disagreed with the statement, 21.2% strongly agreed with this statement, 55.3% agreed with this statement and 9.4% respondents remained neutral indicating that the majority of respondents agree that their ratings have constantly been average (n = 85). The median measure is 4.00 (agree), with a skewness of -1.078 and a kurtosis of 0.824. This indicates a distribution that is skewed to the left and moderately peaked.

The majority of respondents agree that their ratings have constantly been average; this could result in a failure in the rating system thus rendering the system ineffective. This is consistent with a study conducted by Thomas (2015:96), where it was reported that the rating of employees poses another challenge as every employee more or less receives the same score. Employee's performance cannot be evaluated accordingly if employees receive the same score all the time. In such instances, performance assessments put more emphasis on scores than on employee strengths and weaknesses, and as a norm every one scores a three out of five. This subjective scoring gives the impression that there are no real meanings for outstanding performance or any penalties for underperformance (Thomas, 2015:96).

According to a report on the roundtable discussion about the improper management of the EPMDS, it was reported that a culture of entitlement exist amongst employees who feel they

are entitle to receive a merit award if previously allocated it regardless of performance (PSC, 2014:16). No correlations were extracted between this variable and any other variable.

4.5.3. Research Question 3: What is the impact of EPMDS on employee and organisational performance?

4.5.3.1. The effects of EPMDS on organisational performance

4.5.3.1.1. Is the main objective of EPMDS to improve service delivery

Figure 4.23: Objective of EPMDS

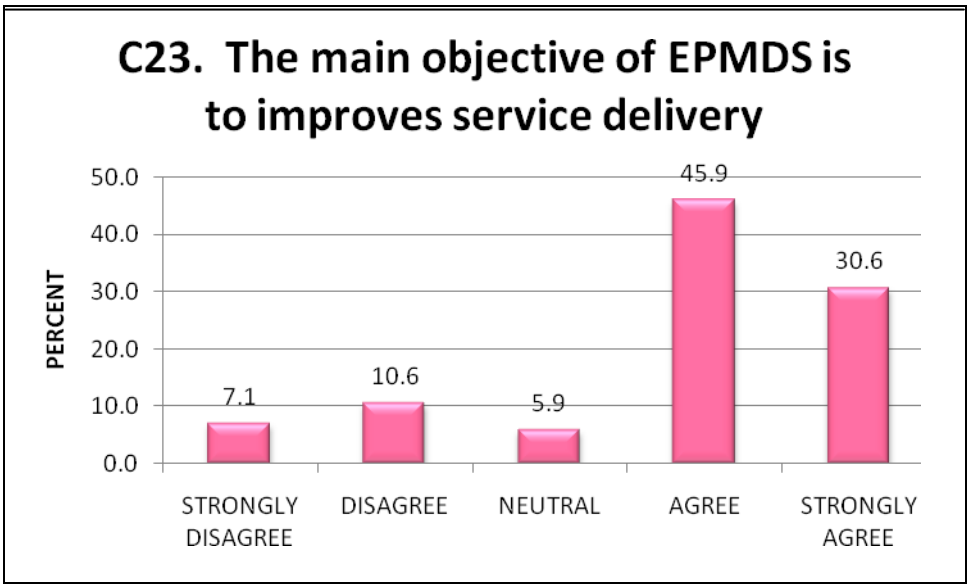


Figure 4.23 above shows that 7.1% of respondents strongly disagreed with the statement, 10.6% disagreed with the statement, 30.6% strongly agreed with this statement, 45.9% agreed with this statement and 5.9% respondents remained neutral indicating that the majority of respondents agree that the main objective of EPMDS is to improve service delivery (n = 85). The median measure is 4.00 (agree), with a skewness of -1.093 and a kurtosis of 0.323. This indicates a distribution that is skewed to the left and slightly peaked.

Mlaba (2005:1) and EPMDS (2015:11) state that one of the main objectives of EPMDS is more effective and efficient service delivery. In the absence of EPMDS, there was a high rate of organisational failure in the public sector and with the adoption of EPMDS; this has made the public sector more effective, efficient and sustainable. EPMDS can thus be seen as an instrument of public service delivery and development (Esu and Inyang, 2009:1).

There is a significant, moderate, positive correlation between the main objective of EPMDS being to improve service delivery (C23), and EPMDS providing clarity to all employees on their role in the achievements of the organisations objectives and goals (C24) ($r = 0.635$, $N = 85$, $p < 0.0001$). This suggests that with an improvement in service delivery through EPMDS there is an associated increase in employees understanding their role in the achievements of the organisations objectives and goals thus improving organisational performance.

There is a significant, moderate, positive correlation between the main objective of EPMDS being to improve service delivery (C23), and EPMDS allowing for better planning and decision making (C26) ($r = 0.522$, $N = 85$, $p < 0.0001$). This suggests that with an improvement in service delivery through EPMDS there is an associated increase in the planning and decision making ability of employees thus improving employee performance.

There is a significant, moderate, positive correlation between the main objective of EPMDS being to improve service delivery (C23), and EPMDS implementation having initiated a communication pathway between employee and supervisor thus promoting performance (C29) ($r = 0.478$, $N = 85$, $p < 0.0001$). This suggests that with an improvement in service delivery through EPMDS there is an associated increase in communication between supervisor and employee thus promoting performance.

4.5.3.1.2. EPMDS provides clarity to all employees on their role in the achievements of the organisations objectives and goals

Figure 4.24: Clarity on employee role in achievement of organisational objectives and goals

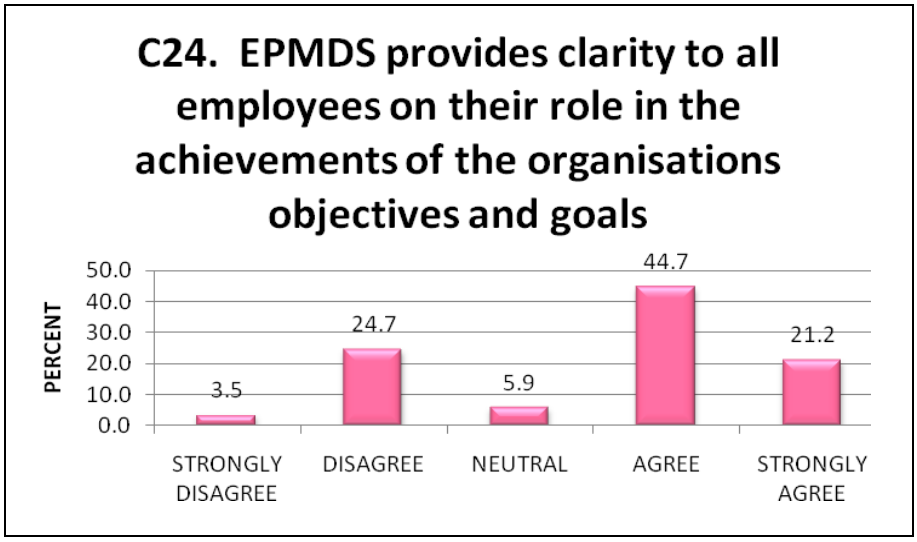


Figure 4.24 above shows that 3.5% of respondents strongly disagreed with the statement, 24.7% disagreed with the statement, 21.2% strongly agreed with this statement, 44.7% agreed with this statement and 5.9% respondents remained neutral indicating that the majority of respondents agree that EPMDS provides clarity to all employees on their role in the achievements of the organisations objectives and goals (n = 85). The median measure is 4.00 (agree), with a skewness of -0.530 and a kurtosis of -0.933. This indicates a distribution that is skewed to the left and flattened.

This yields a positive impact on the organisation by having the majority of respondents agree that EPMDS provides clarity to all employees on their role in the achievements of the organisations objectives and goals. By having employees understand their role in achieving the organisations objectives and goals this can lead to organisational performance. According to Amos, Ristow and Ristow (2004:68) organisational efficiency can be improved by aligning the employee's efforts with the strategic objectives of the organisation. According to Armstrong and Baron (2006:82), PM in the organisation allows for the good image of the organisation as a whole. It also helps in fulfilling the aims and objectives of the organisation and helps to create loyalty among the customers that are being served and thus promotes satisfaction among the employees considering the impact or results of their efforts. No correlations were extracted between this variable and any other variable.

The Kruskall-Wallis K-sample computed that there is a significant difference in respondents gender, and EPMDS providing clarity to all employees on their role in the achievements of the organisations objectives and goals ($H(1) = 6.657$, $p = 0.010$).

Table 4.11: Cross-tabulation between A2 and D24

A2. Gender * D24. EPMDS provides clarity to all employees on their role in the achievements of the organisations objectives and goals Cross-tabulation

Count

		D24. EPMDS provides clarity to all employees on their role in the achievements of the organisations objectives and goals					
		STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	Total
A2. Gender	Male	1	10	3	6	3	23
	Female	2	11	2	32	15	62
Total		3	21	5	38	18	85

Table 4.11 above shows that males were more likely to disagree, and females, agree or strongly agree with this statement. This can possibly be attributed to the fact that there were more females than males in the sample population. This however is not consistent with Geddes and Konrad (2002:4), who state that men are endowed with greater esteem, social worth, and respect than women and therefore enjoy generally higher performance expectations than women.

4.5.3.1.3. Contribution of EPMDS to Retention of Employee by Institution

Figure 4.25: Contribution of EPMDS to retention of employee by institution

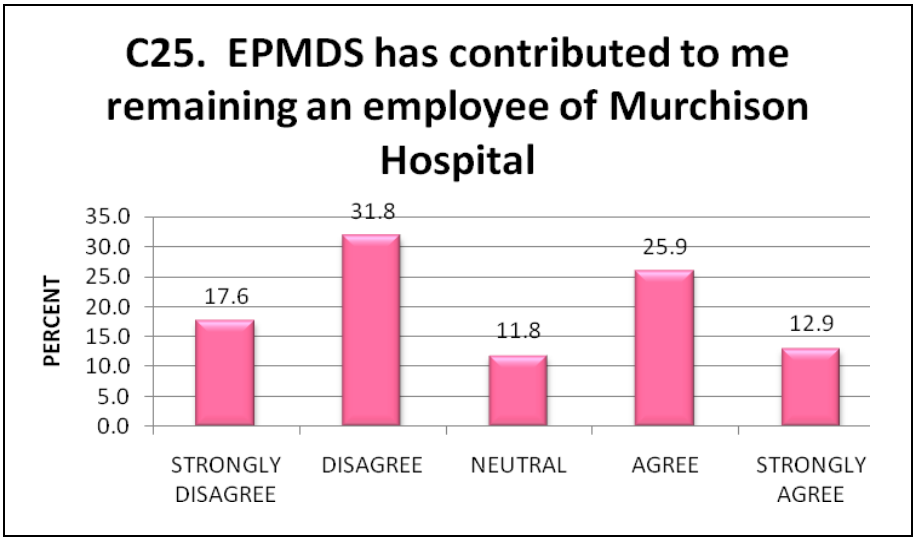


Figure 4.25 above shows that 17.6% of respondents strongly disagreed with the statement, 31.8% disagreed with the statement, 12.9% strongly agreed with this statement, 25.9% agreed with this statement and 11.8% respondents remained neutral indicating that the majority of respondents disagree that EPMDS has contributed in any way to them remaining an employee of the institution (n = 85). The median measure is 3.00 (neutral), with a skewness of 0.165 and a kurtosis of -1.276. This indicates a distribution that is skewed to the right and flattened.

Majority of respondents disagree that EPMDS has contributed in any way to them remaining an employee of the institution, by saying this MDH might have a high turnover of staff, this could negatively impact on organisational performance as new employees might not be well experienced to perform certain tasks. Also the gap between filling a vacant post might take longer than expected as a result organisational performance might suffer. This is not consistent with Armstrong and Baron (2006:82), as they state that one of the benefits of performance management is that it helps to retain skilled employees and provide for continuous improvement and development.

There is a significant, moderate to strong, positive correlation between EPMDS having contributed to them remaining an employee of MDH (C25), and EPMDS having strengthened the relationship between themselves and the institution (C27) ($r = 0.762$, $N = 85$, $p < 0.0001$). This suggests that with an increase employees feeling that EPMDS has not contributed to them remaining an employee of MDH there is an associated increase in employees feeling that the relationship between themselves and the institution is not strong thus indicating that employees do not feel committed to the institution which can affect retention.

4.5.3.2. The Effects of EPMDS on Employee Performance

4.5.3.2.1. Does EPMDS allow employees to better plan and make better decisions

Figure 4.26: The ability of EPMDS to allow for better planning and decision making by the employee

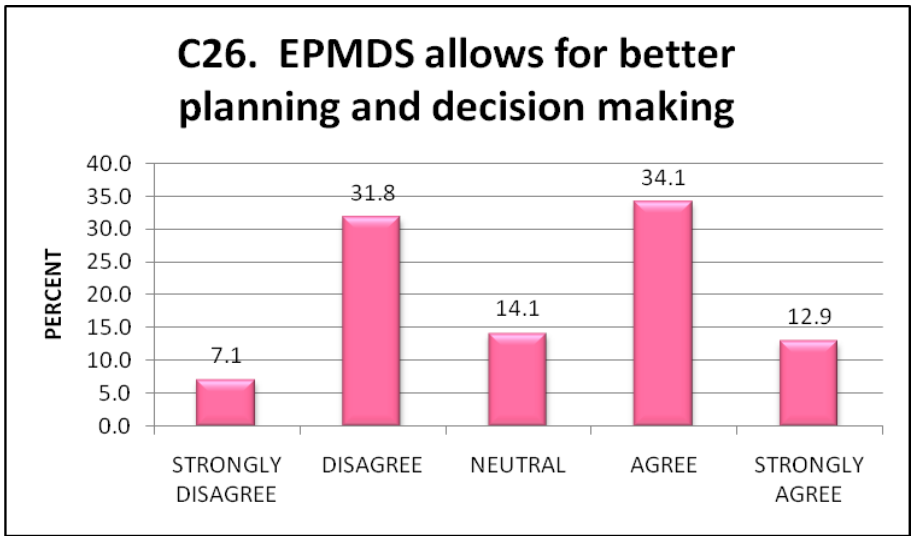


Figure 4.26 above shows that 7.1% of respondents strongly disagreed with the statement, 31.8% disagreed with the statement, 12.9% strongly agreed with this statement, 34.1% agreed with this statement and 14.1% respondents remained neutral indicating that the majority of respondents agree that EPMDS does allow for better planning and decision making on the part of the employee (n = 85). The median measure is 3.00 (neutral), with a skewness of -0.070 and a kurtosis of -1.186. This indicates a distribution that is skewed to the left and flattened.

The utilisation of EPMDS yields a positive result for the organisation as employees can better plan and make better decisions that would directly impact on the employee's performance. According to the Public Service Regulation (2001:33) and (Bezuidenhout, 2011:39), one of the principles of the EPMDS is that the performance management system must be linked to the broad and consistent employee development plans and also be aligned with the departments strategic goals. By having this link employees are able to better plan and make better decisions and this link is only possible through the EPMDS.

This is consistent with findings from other studies. In a study conducted by Mlaba (2005:1), where he contends that performance management can positively impact on the institution by ensuring better planning processes and allowing for improved decision making processes on the part of the employee. In a Nigerian study that was conducted which looked at the need for an EPMDS to be implemented, it was reported that performance management is a comprehensive approach for planning and sustaining improvements in the performance of employees and teams, so as to meet standards (Esu and Inyang, 2009:6). No correlations were extracted between this variable and any other variable.

The Kruskall-Wallis K-sample computed that there is a significant difference in respondents gender, and EPMDS allowing for better planning and decision making ($H(1) = 6.657$, $p = 0.010$).

Table 4.12: Cross-tabulation between A2 and D26

A2. Gender * D26. EPMDS allows for better planning and decision making Crosstabulation

Count

		D26. EPMDS allows for better planning and decision making					
		STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	Total
A2. Gender	Male	3	10	4	4	2	23
	Female	3	17	8	25	9	62
Total		6	27	12	29	11	85

Table 4.12 above shows that males were more likely to disagree, and females, agree or strongly agree with this statement. This can possibly be attributed to the fact that there were more females than males in the sample population. This however is not consistent with Geddes and Konrad (2002:4), who state that men are endowed with greater esteem, social worth, and respect than women and therefore enjoy generally higher performance expectations than women.

4.5.3.2.2. The effect of EPMDS on the relationship between employee and institution

Figure 4.27: The effect of EPMDS on the relationship between employee and institution

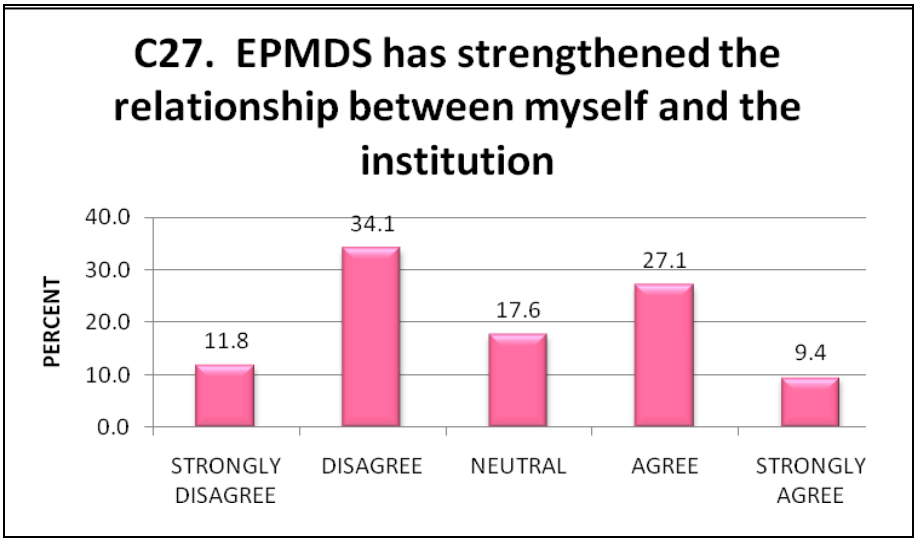


Figure 4.27 above shows that 11.8% of respondents strongly disagreed with the statement, 34.1% disagreed with the statement, 9.4% strongly agreed with this statement, 27.1% agreed with this statement and 17.6% respondents remained neutral indicating that the majority of respondents disagree that EPMDS has strengthened the relationship between employee and the institution (n = 85). The median measure is 3.00 (neutral), with a skewness of 0.148 and a kurtosis of -1.077. This indicates a distribution that is skewed to the right and flattened.

Armstrong and Baron (2006:82), states that one of the benefits of performance management is that it increases employee commitment to the organisation however from this study it is seen that most respondents disagree that EPMDS has strengthened the relationship between employee and the institution. This could be detrimental to the institution in a way where employees are not loyal to their institution and a high turnover of staff occurs as many respondents feel that EPMDS has not strengthened their relationship with their institution. Employee performance could be greatly impacted negatively if employee's relationship with institution is not strengthened.

There is a significant, moderate, positive correlation between EPMDS having strengthened the relationship between themselves and the institution (C27), and feeling that EPMDS is the best way of evaluating employee performance (D30) ($r = 0.682$, $N = 85$, $p < 0.0001$). This suggests that with an increase in employees feeling that the relationship between themselves and the institution is not strong there is an associated increase in employees feeling that EPMDS is not the best way of evaluating performance.

4.5.3.2.3. The effect of bonuses and notch progression on employee performance

Figure 4.28: The effect of bonuses and notch progression on employee performance

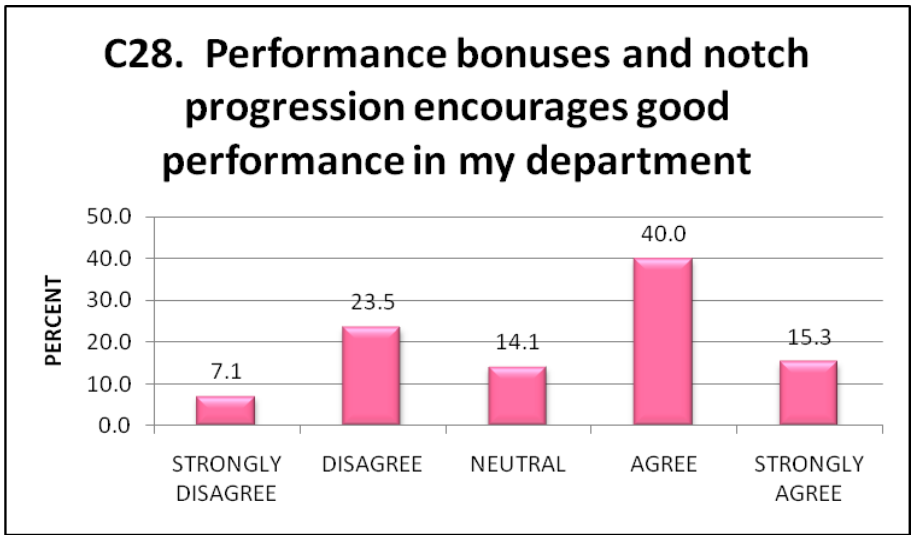


Figure 4.28 above shows that 7.1% of respondents strongly disagreed with the statement, 23.5% disagreed with the statement, 15.3% strongly agreed with this statement, 40.0% agreed with this statement and 14.1% respondents remained neutral indicating that the majority of respondents agree that performance bonuses and notch progression encourages good performance in their department ($n = 85$). The median measure is 4.00 (agree), with a skewness of -0.370 and a kurtosis of -0.962. This indicates a distribution that is skewed to the left and flattened.

EPMDS allows for performance bonuses and notch progression for employees that perform well. This is a positive effective for the organisation and employee as the performance bonuses and notch progression will motivate employees to better perform at their jobs and thus promotes employee performance and organisational performance. This is consistent

with Armstrong and Baron (2005:106), who state that a reward system which is paying for performance, competence or contribution is regarded by many organisations as desirable as it should deliver the message that performance and competence are important and it also should motivate people to perform better or develop their skills and competencies. No correlations were extracted between this variable and any other variable.

4.5.3.2.4. EPMDS initiates a communication pathway between employee and supervisor thus promoting performance

Figure 4.29: EPMDS initiating a communication pathway between employee and supervisor thus promoting performance

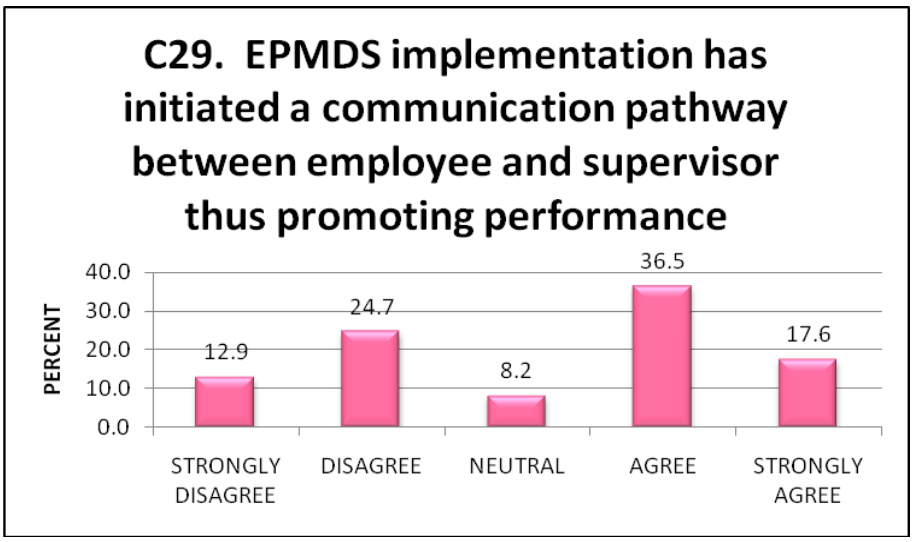


Figure 4.29 above shows that 12.9% of respondents strongly disagreed with the statement, 24.7% disagreed with the statement, 17.6% strongly agreed with this statement, 36.5% agreed with this statement and 8.2% respondents remained neutral indicating that the majority of respondents agree that the implementation of EPMDS has initiated a communication pathway between employee and supervisor thus promoting employee performance (n = 85). The median measure is 4.00 (agree), with a skewness of -0.277 and a kurtosis of -1.264. This indicates a distribution that is skewed to the left and flattened.

This is a positive finding for the organisation as communications between employees and supervisors are vital for promoting performance of the organisation and productivity of the

employee. By having a good communication pathway between employee and supervisor, many misconceptions can be reduces and clarity of what needs to be done can be made clear. This enables the employee to perform at ones optimal level thus increasing employee performance. According to EPMDS (2015:12); an objective of EPMDS is to promote interaction on performance between jobholders and their supervisors. According to Armstrong and Baron (2006:82), one of the benefits of performance management to the employee is that the relationship and communication between employee and supervisor can be seen to improve in many ways.

This is not consistent with the findings from a study conducted by Letsoalo (2007:97), where it was reported that most of the respondents disagreed with this statement and furthermore out of these respondents, 87% were supervisors which showed that the supervisors do not communicate effectively and thus do not value communication. No correlations were extracted between this variable and any other variable.

4.5.4. Research Question 4: What recommendations can be made to MDH to ensure that performance management can be better managed?

4.5.4.1. Respondents view of EPMDS being the best appraisal system for evaluating employee performance

Figure 4.30: EPMDS is the best employee appraisal system

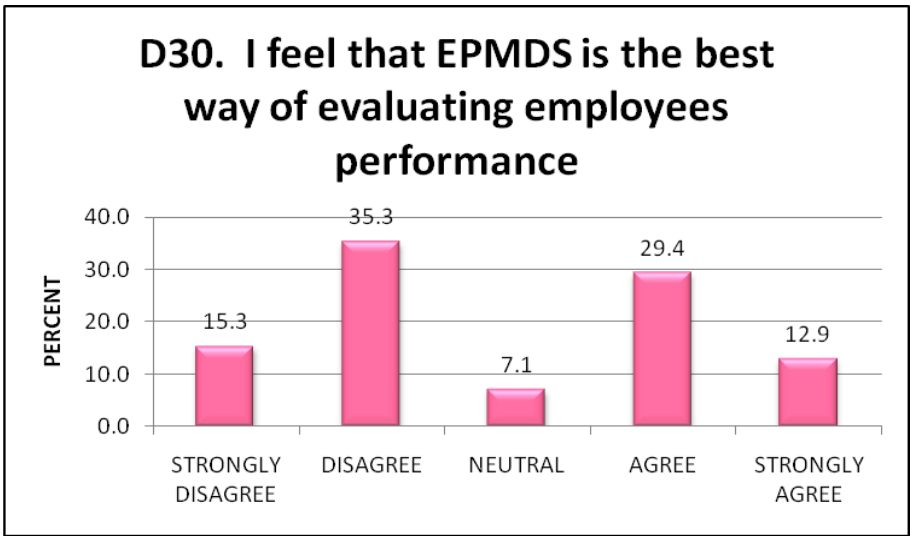


Figure 4.30 above shows that 15.3% of respondents strongly disagreed with the statement, 35.3% disagreed with the statement, 12.9% strongly agreed with this statement, 29.4% agreed with this statement and 7.1% respondents remained neutral indicating that the majority of respondents disagree that EPMDS is the best way of evaluating employee performance (n = 85). The median measure is 2.00 (disagree), with a skewness of 0.277 and a kurtosis of -1.264. This indicates a distribution that is skewed to the right and flattened. This is a result that shows that although employees understand and are in some ways happy with EPMDS, they do feel that it is not the best system that can be utilised for their performance management which will impact on its effectiveness.

This is consistent with Kuppuswamy (2013:1), where it is reported that the present performance management system shows that people have lost faith on the traditional pay-for-performance programs, human resource driven performance appraisals and performance management in general and performance management systems in new age organisation will start to change their emphasis from top-down, individually focussed and pay-for-performance to more bottom-up feedback, recognition and rewards (Kuppuswamy, 2013:1). Therefore these organisation will have motivated and better performing employees that increases the productivity of the organisation (Kuppuswamy, 2013:1).

This is also consistent with Muller et al. (2011:343), who states that managers do not like doing performance appraisals and employees face these appraisals with a sense of apprehension, yet it is accepted that there should be a means by which performance can be measured, monitored and controlled. No correlations were extracted between this variable and any other variable.

4.5.4.1. Employees should rate their supervisors and peers performance as well

Figure 4.31: Rating of supervisors and peers performance by employee

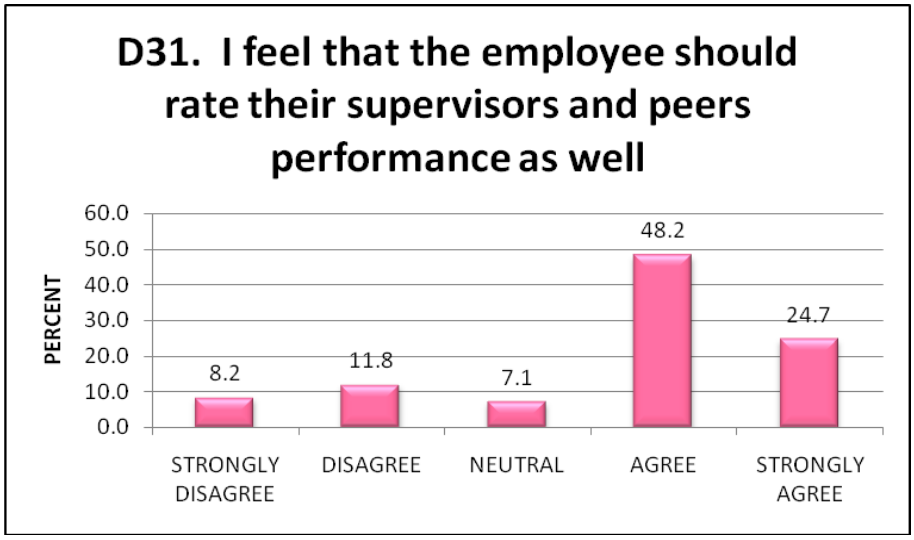


Figure 4.31 above shows that 8.2% of respondents strongly disagreed with the statement, 11.8% disagreed with the statement, 24.7% strongly agreed with this statement, 48.2% agreed with this statement and 7.1% respondents remained neutral indicating that the majority of respondents agree that the employee should rate their supervisors and peers performance as well (n = 85). The median measure is 4.00 (agree), with a skewness of -0.972 and a kurtosis of 1.003. This indicates a peaked distribution that is skewed to the left. This demonstrates that the employees feel that it is important for them to be able to rate their managers and supervisors as well which could mean fairness and equity in their minds.

According to Atkinson and Shaw (2006:16), the 360-degree feedback approach to PM is also referred to as multi-ratter or multi-source feedback. It is the process whereby individuals receive feedback from a variety of stakeholders such as from colleagues, peers, direct reports, managers, supervisors, internal and external customers, as well as the individual about the way they carry out their jobs. The 360-degree feedback system was introduced initially for development purposes, and in this context the aim was to provide constructive feedback, greater awareness and, consequently, individual growth and performance enhancement, leading ultimately to organisational development and change (Atkinson and Shaw, 2006:16). No correlations were extracted between this variable and any other variable

4.5.4.2. Rewarding good performance with money

Figure 4.32: Money as a reward for good performance

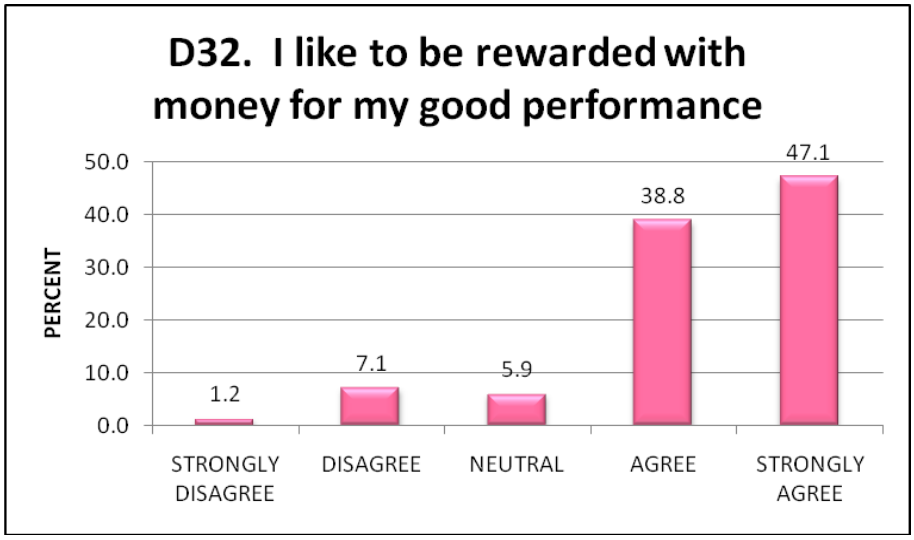


Figure 4.32 above shows that 1.2% of respondents strongly disagreed with the statement, 7.1% disagreed with the statement, 47.1% strongly agreed with this statement, 38.8% agreed with this statement and 5.9% respondents remained neutral indicating that the majority of respondents agree that they like to be rewarded with money for their good performance (n = 85). The median measure is 4.00 (agree), with a skewness of -1.389 and a kurtosis of 1.672. This indicates a distribution that is skewed to the left and highly peaked.

This shows that monetary reward is highly valued in the organisation which is a positive result and it seems to be consistent with a study conducted by Semakula-katende et al. (2013:1), where it was reported that in many public institutions, reward has been given unnecessary prominence over other drivers, such as management and development which had led most key role players to perceive the current EPMDS to be purely for monetary (salary increments and cash bonuses) purposes, which, in turn, compromised its effectiveness. In this study it was concluded that reward and attitudes were found to be the unintended outcomes of an effective performance appraisal and not drivers of the system (Semakula-katende et al., 2013:1).

According to the Commonwealth forum (2009:8-26), the major challenge experienced with the South African performance management system included perceptions among employees that they were entitled to performance bonuses regardless of the level of performance.

There is a significant, moderate, positive correlation between EPMDS having strengthened the relationship between themselves and the institution (C27), and feeling that EPMDS is the best way of evaluating employee performance (D30) ($r = 0.682$, $N = 85$, $p < 0.0001$).

There is a significant, moderate, positive correlation between being rewarded with money for good performance (D32) and performance bonuses and notch progression encouraging good performance in the department (C28). ($r = 0.432$, $N = 85$, $p < 0.0001$). This suggests that with an increase in financial reward for good performance there is an associated increase in the encouragement of good performance in the department thus indicating that financial reward improves performance.

4.5.4.3. Rewarding good performance with recognition, awards and increased responsibility in the workplace

Figure 4.33: Recognition, awards and increased responsibility as a reward for good performance

Figure 4.33 above shows that 3.5% of respondents strongly disagreed with the statement, 4.7% disagreed with the statement, 41.2% strongly agreed with this statement, 44.7% agreed with this statement and 5.9% respondents remained neutral indicating that the majority of

respondents agree that good performance should be rewarded through recognition/awards and increased responsibility in the workplace (n = 85). The median measure is 4.00 (agree), with a skewness of -1.551 and a kurtosis of 2.516. This indicates a distribution that is skewed to the left and highly peaked. This is a positive result for the organisation as it shows that not only financial reward but also other means of recognition seem to have the ability to encourage good performance.

According to EPMDS (2015:35), financial rewards on their own are not always sufficient to motivate staff towards performance excellence. Other more creative ways for recognising performance should need to be explored namely; the acknowledgement and recognition of performance excellence, increased autonomy to organise own work and/or increased resources with which to perform work, public awards of various kinds made by management in recognition of a specific achievement or innovation or for consistent achievement over a specific period and specific access to specialised training and development opportunities. No correlations were extracted between this variable and any other variable.

4.5.4.4. Feedback should be given in a written form

Figure 4.34: Written form of feedback required

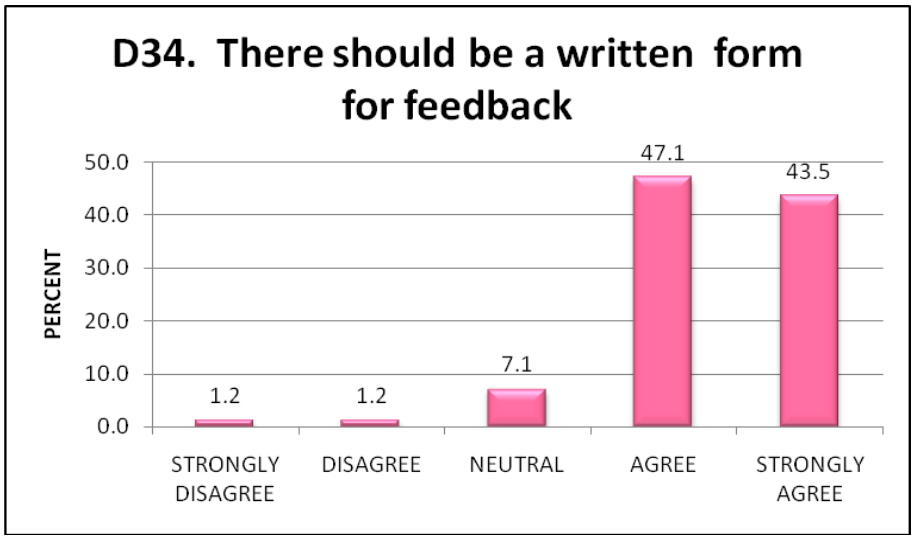


Figure 4.34 above shows that 1.2% of respondents strongly disagreed with the statement, 1.2% disagreed with the statement, 43.5% strongly agreed with this statement, 47.1% agreed with this statement and 7.1% respondents remained neutral indicating that the majority of

respondents agree that there should be a written form for feedback (n = 85). The median measure is 4.00 (agree), with a skewness of -1.424 and a kurtosis of 3.694. This indicates a distribution that is skewed to the left and highly peaked.

According to EPMDS (2015:18), the supervisor must give the employee feedback on performance at least four times a year verbally, if the employee's performance is satisfactory; and in writing if unsatisfactory. Furthermore feedback must also be given at least twice during the six months preceding the employee's annual formal performance assessment; and in writing, for the annual formal performance assessment covering the whole cycle. The majority of employees feel that a written form of feedback is required; this could positively impact the organisation and employees. However, it could have a negative impact, in terms of time constraints as shown with a study conducted by Letsoalo (2007:98), where it was reported that the majority of respondents disagreed with this statement and most of them were supervisors as they felt that they did not have enough time to sit down with employees and detail every objective and remedial action required as they had to deal with staff shortages and did not see this as important. No correlations were extracted between this variable and any other variable.

4.5.4.5. Respondents view of training on EPMDS

Figure 4.35: Training on EPMDS

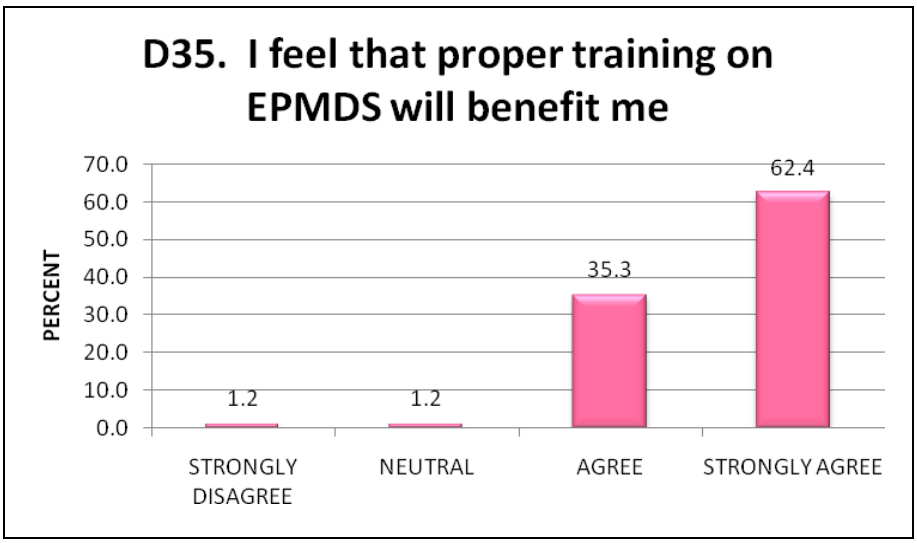


Figure 4.35 above shows that 1.2% of respondents strongly disagreed with the statement, 62.4% strongly agreed with this statement, 35.3% agreed with this statement and 1.2% respondents remained neutral indicating that the majority of respondents agree that proper training on EPMDS will be of benefit to the employee (n = 85). The median measure is 5.00 (agree), with a skewness of -2.354 and a kurtosis of 9.948. This indicates a distribution that is skewed to the left and highly peaked. Although employees have a general knowledge of the EPMDS, majority of employees still feel that they need proper training on the system. Training of employees on the system can have a positive impact on the organisation however, this is not consistent with the findings from a study conducted by Letsoalo (2007:100), where it was reported that more than 90% of respondents disagreed with this statement as they felt that EPMDS is not an effective system and also as they believe that the system will not work whether employees are trained or not.

This is consistent though with a study that was conducted in the North West Province that looked at the general understanding of employees regarding performance management system, the planning prior to implementation of the system, the challenges encountered during implementation and general employees perceptions, the researcher had established that that the major hindrance regarding successful implementation of performance management system was failure from the management to start with a change management process and training of employees prior to implementation of the system (Seotlela and Miruka, 2014:1). No correlations were extracted between this variable and any other variable.

4.6. Conclusion

This chapter presented, analysed and discussed the research findings from the self-administered questionnaire that was distributed to employees. The analysed data were presented graphically in tables.

The results of the study indicated that though the employees understand EPMDS, they have not yet been adequately trained on it. Furthermore the EPMDS system was seen to be effective and efficient in most areas although some shortfalls and gaps were noted including the rating of employees being constantly average and the non-utilisation of the personal improvement plan. A positive effect on the organisational and employee performance was

also noted and recommendations on more effective and efficient strategies can now be evaluated for implementation based on findings from the questionnaire.

The findings were discussed and justified by theoretical support from relevant reviewed literature. The next chapter presents the conclusions of the study, makes recommendations based on the findings and proposes a scope for further research.

CHAPTER 5 - CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarises the findings from the study, which includes both the literature review as well as the research study that was conducted. The researcher will present the linkage between findings from the literature and the study and thus offer recommendations to the management of MDH. Lastly, the identified areas for further research are outlined. The conclusions and recommendations presented in this chapter were linked to the research objectives as well as the research questions.

5.2. Findings from the study

The findings from the study are discussed under two headings namely; findings from the literature review and findings from the primary research.

5.2.1. Findings from the literature review

An extensive review of relevant literature was conducted to establish and present all the information. However, only a summarised report is presented under this heading.

As discussed in the literature review, EPMDS can be seen as an authoritative framework for managing employee performance, which includes the policy framework as well as the framework relating to all elements in the performance cycle, including performance planning and agreement; performance monitoring, review, feedback and assessment (Du-Plessis, 2016:1) (EPMDS, 2015:4). It is also seen as an essential and comprehensive tool for developing and managing employees in the public health sector (Du-Plessis, 2016:1) (EPMDS, 2015:4). The aim of EPMDS is to optimise every employees output in terms of quality and quantity thus improving the departments overall performance and service delivery (EPMDS, 2015:11). In a study undertaken among South African companies, it was established that more that 60% of the organisations surveyed did not have a formal PMDS thus clarifying the importance of a performance management system (Letsoalo, 2007:5). The absence of a PMDS has thus contributed to the high rate of business failures in the public sector (Esu and Inyang, 2009:6).

The performance management system must be linked to the broad and consistent employee development plans and also be aligned with the department's strategic goals and the various departments must manage performance in a consultative, supportive and non-discriminatory manner to enhance organisational efficiency and effectiveness, accountability for the use of resources and the achievement of results (Public Service Regulation, 2001:33). It can be seen as a mechanism to improve service delivery and promote the interaction and communication between employees and their supervisors regarding performance and the management thereof. It also is there to ensure that all employees know and understand what is expected of them so that the employees developmental needs can be identified and managed thus allowing for the fair and objective evaluation of performance (EPMDS, 2015:11).

A key requirement for the successful implementation of the EPMDS is training on the system. This requires managers, supervisors and all employees to be trained in the mechanics of the system and areas such as communication, problem-solving and conflict resolution in order to manage the system more effectively (EPMDS, 2015:9). In a study that was conducted in the North West Province, the researcher had established that the major setbacks regarding successful implementation of PMDS was failure from management to start with a change management process and training of employees prior to implementation of the system (Seotlela and Miruka, 2014:1).

Performance planning is the first and most crucial component of any performance management process and this process should ideally be done by both the employee and supervisor at the beginning of a performance cycle (12 month cycle) by the drawing up of the performance agreement. Performance planning allows supervisors the opportunity to discuss with the employee just how their specific performance objectives should relate to the department's business plans and organisational goals (Colli, 2013:56). The performance goals and objectives should then be established for inclusion in the performance agreement (Muller et al., 2011:357). In a study conducted in the Ugandan public health sector, it was reported that to some extent performance management was implemented in the health sector; however, there were loopholes in its implementation. There were inadequacies in setting performance targets and performance management planning was hardly done. Although many health care workers had job descriptions, the performance indicators and standards were not clearly defined and known to all workers and managers (Lutwama, Roos and Dolamo, 2013:1).

Performance at the individual level must be continuously monitored and feedback must be given both verbally and in writing to enable the identification of performance barriers and changes and to address development and improvement needs as they arise **(**EPMDS, 2015:17). The EPMDS utilises the MBO technique of performance management which was described earlier and the 5- Point Likert Scale as its rating scale with five categories of performance used for the purpose of performance rating, review and the annual assessment of employees **(**EPMDS, 2015:17).

In a study conducted in a public hospital in Johannesburg, it was also reported that with regard to performance management, recognition and feedback, there was no evidence of an effective performance management and feedback system. Employees were of the opinion that they received very little recognition for work done, and that management often took their efforts for granted. The administrative employees in general were of the opinion that their direct managers lacked adequate management skills. Amongst other things they referred to the unsatisfactory way in which managers communicate with them and handle conflict (Stimie and Fouché, 2004:5).

The performance bar of the employee is raised positively if the supervisors control is fair in monitoring them. If the control and attitude is interactive and promoting, then the employees are more productive. It was thus concluded that it is necessary that the manager is unbiased and treats every employee without discrimination (Dieleman and Harnmeijer, 2006:16).

The personal improvement plan is a plan that assists in identifying developmental areas and needs of the employee which is determined through the monitoring and feedback phase. The main purpose of this plan is to identify any performance output shortfall in the work of the employee (EPMDS, 2015:15). In a study that was conducted in the public health sector in South Africa, it was reported that the training and development procedure was seen to be lengthy and the criteria used to select employees for further training and development was not very clear (Stimie and Fouché, 2004:5).

The reward system for good performance can come in many forms, including oral and written praise, awards and rewards plaques, pins, T-shirts, public acknowledgement in front of co-workers, promotion, job enlargement and a salary increment or cash bonus (Colli, 2013:62).

According to Armstrong and Baron (2005:106), a reward system which is paying for performance, competence or contribution is regarded by many organisations as desirable as it is fair and equitable to reward people differentially according to their performance, competence and contribution and it delivers the message that performance and competence are important by motivating people to perform better or develop their skills and competencies.

The major challenges experienced with the South African performance management system included perceptions among employees that they were entitled to performance bonus regardless of the level of performance; challenges relating to performance moderation; and limited trust among employees in the credibility of the system (Commonwealth forum, 2009:8).

Armstrong and Baron (2006:82) contend that there are many effects of performance management on employee performance and some of the more important ones are: a greater insight into ones job and greater clarity of roles and objectives with training and development on areas that need attention; an ability to gain opportunities to participate and raise issues in the planning of one's development and performance management; the employee will be evaluated in a fair manner and will also get feedback on performance; the relationship and communication between employee and supervisor can improve; an increased motivation to perform better as performance management systems effectively provides an avenue for an employee to assess oneself and a high self esteem as the employees feels relevant to the organisation as their contribution is assessed and compensated for which makes them want to contribute more to the organisation.

Armstrong and Baron (2006:82) also contend that some of the important effects of performance management on the organisational performance are that the organisation can benefit from performance management through aligning the organisation, employee and team objectives thus making employees more motivated to perform their tasks and increasing the employee's commitment to the organisation thus being able to retain skilled employees and provide for continuous improvement and development.

The rating of employees poses a challenge to performance management as according to Thomas (2015:96); every employee more or less receives the same score. In such instances, performance assessments put more emphasis on scores than on employee strengths and weaknesses, and as a norm every one scores a three out of five. This subjective scoring gives the impression that there are no real meanings for outstanding performance or any penalties for underperformance (Thomas, 2015:96).

Another challenge noted was knowledge of the system as in South Africa the performance management system was introduced in the public sector in order to improve service delivery, redress the imbalances of the past, bureaucratic system and attitudes (Maluleke, 2011:11)**.** However, managers lack knowledge and skills to implement the performance management system. Because of the above mentioned, managers tend to demonstrate low level of motivation and negative attitudes towards the employees (Maluleke, 2011:11)**.**

Motivation was seen to be another challenge that was documented as it was noted that financial incentives, though important, were not the only reason for the motivation of employees. Other important motivating factors include recognition, appreciation and opportunities for career advancement (Dieleman and Harnmeijer, 2006:16). Factors that related to de-motivation included high workload, lack of equipment and supplies, and a lack of supervision and training opportunities (Dieleman and Harnmeijer, 2006:16).

Rewards and attitudes was also seen to be a critical challenge to the effectiveness of EPMDS as in a study that was conducted on rewards and attitudes were the focus was on the role of reward and attitudes as major determinants in enhancing the effectiveness of performance appraisal systems The attention that the DOH gave to the rewarding of employees during the appraisal process made it appear as the only important determinant of an appraisal's success (Semakula-katende, Schmikl and Pelser, 2013:1).

5.2.2. Findings from the primary research

Findings from the primary research are presented in accordance to the extent in which the research questions were answered.

Research Question 1: What is the employee's level of knowledge of EPMDS?

- The majority of respondents (56.5%) stated that they do sign the performance agreement contract annually whilst a collective 42.3% of respondents stated that the performance agreement contract is signed more often, either monthly, quarterly or half-yearly intervals which signals a problem either in the employees and/ or supervisors understanding of what the performance agreement contract document is.
- The majority of respondents (40%) stated that their performance is evaluated half-yearly while 9.4% and 29.4% stated that their performance is evaluated monthly and quarterly respectively. The collective 21.1% that stated their performance is evaluated either annually or never signals a problem with either the employees or supervisors understanding of the monitoring and evaluation procedure.
- The majority of respondents (48.2%) stated that they receive the cash bonus annually whilst 15.3% stated that they receive it sometimes. Of concern here is the 36.5% of respondents that stated that they have never received the cash bonus signalling that there is a problem with either the completing of the documents in the required time or a problem exists with the capturing system that is being utilised by the Human Resource Development Department.
- The majority of respondents (77.6%) stated that performance is the reason for EPMDS whereas 21.2% stated that bonuses are the reason thus signalling a need for more training on EPMDS and its purpose.
- A collective of respondents 64.7% had stated that they knew what EPMDS is all about whilst 28.3% stated that they did not, with doctors and general workers making up the majority of this percentage (table 4.22). Although the majority stated the positive, the employee understanding of EPMDS may not be sufficient as documented in earlier findings and therefore this requires urgent intervention.
- A collective 54.1% of respondents had stated that they have not been trained on EPMDS, with allied health professionals, doctors and general workers making up the majority (table 4.24); whilst a collective 41.2% stated that they had been trained. This is of concern as without training, employees cannot have complete knowledge of the system.
- A collective 74.1% of respondents agreed that their supervisors had an understanding of EPMDS whereas a collective 22.4% disagreed. Although the majority stated the

positive, the supervisors understanding of EPMDS may not be sufficient as documented in earlier findings and therefore this requires urgent intervention.

Research Question 2: What is the effectiveness of EPMDS currently employed at MDH?

- The majority of respondents (38.8%) had stated that no proper scoring was the major challenge and 27.1% stated that no proper feedback was the major challenge signalling a need for intervention to improve these areas.
- In terms of the fairness of EPMDS, an equal amount of respondents agreed (44.7%) and disagreed (44.7%) with this statement signalling that the systems fairness is questionable and thus it needs to be reviewed and the shortfalls must be identified and corrected.
- A collective 75.3% of respondents agreed that EPMDS is their responsibility and not that of the supervisor and human resources whereas a collective 23.6% disagreed signalling that a shortfall exists and further training on employee responsibilities regarding EPMDS is required.
- A collective 62.3% of respondents agreed that the supervisor is involved in the goal setting phase along with the employee whereas 28.3% disagreed therefore signalling that a shortfall exists and it requires intervention.
- A collective 44.7% of respondents agreed that they receive ongoing feedback from their supervisor whereas a collective 42.3% disagreed signalling a considerable lack of feedback from supervisors which will require intervention.
- A collective 73% of respondents disagreed that there is favouritism from supervisors in the appraisal process whereas a collective 18.9% agreed that there is signalling that although minimal, favouritism and biasness need to be addressed.
- A collective 51.7% of respondents stated that they have not utilised the improvement plan for development purposes whereas 37.6% stated that they have signalling a large gap in the system as it means that performance is only being managed and not development.
- A collective 76.5% of respondents stated that their ratings have constantly been average whereas a collective 14.1% stated that is has not signalling another large shortfall in the system as the scoring of employees is either not linked to their performance or no feedback and development is taking place.

Research Question 3: What is the impact of EPMDS on employee and organisational performance?

- A collective 76.5% of respondents agreed that service delivery is the main objective of EPMDS whereas a collective 17.7% disagreed signalling that the employees are aware of the objectives of EPMDS and as there are other objectives to EPMDS as per policy, it can be concluded that some respondents found those to be more important.
- A collective 65.9% of respondents stated that clarity is provided by EPMDS on their role in implementing the organisations goals and objectives whereas 28.2% stated that this clarity is not evident through EPMDS thus signalling that the system is not being utilised to its full potential.
- A collective 38.8% of respondents stated that it has contributed to them remaining an employee of the institution whereas a collective 49.4% stated that it has not signalling a decreased commitment to the organisation on the part of the employee.
- A collective 47% of respondents stated that EPMDS does allow for better planning and decision making whereas a collective 38.9% stated that it does not thus signalling that the employees are not linking their goals and objectives with planning and decision making thereby compromising performance.
- A collective 36.5% of respondents stated that the relationship between themselves and the institution has been strengthened through EPMDS whereas 45.9% stated that it has not signalling that the employee does not feel committed to the institution and is merely doing the task for their financial needs thereby compromising both organisational as well as employee performance.
- A collective 55.3% of respondents agreed that good performance is encouraged by bonuses and notch progression whereas a collective 40.6% disagreed signalling that although the motivation for employee performance via a reward system is evident, a gap still exists in that a large number of respondents disagreed therefore the various motivators of employee performance needs to be further investigated.
- A collective 54.1% of respondents agreed that a communication pathway exists between supervisor and employee whereas a collective 37.6% disagreed signalling that although a communication pathway is evident there still is a considerable amount of respondents who feel that there is no communication thus compromising employee performance.

Research Question 4: What recommendations can be made to MDH to ensure that performance management can be better managed?

- A collective 50.6% of respondents stated that it is not the best appraisal system whereas a collective 42.3% stated that it is signalling that there is a great concern amongst employees that EPMDS is not the best system for performance appraisal and thus other systems should to be identified or an improvement of the current system should be initiated.

- A collective 72.9% of respondents agreed that they should be able to rate their supervisors and peers as well whereas a collective 20% disagreed signalling a need for a more advanced system of performance appraisal or an improvement of the current system

- A collective 85.9% of respondents stated that they like being financially rewarded signalling that the method of reward as an outcome of good performance has been welcomed by employees.

- A collective 88.9% of respondents agreed that they should be rewarded by recognition and increased responsibility in the workplace signalling that the employee would, apart from financial rewards for good performance, also want a non-financial reward for their good performance.

- A collective 90.6% of respondents agreed that there should be a written form for feedback.

- A collective 97.7% of respondents felt that proper training on EPMDS will be of benefit to them.

5.2.3. Conclusions

The aim and research objectives of this study have been addressed in terms of the research questions. The linkage between the findings of the literature review and the findings from the primary research has been addressed above and an overall conclusion to each research question is provided below:

Research question 1 aimed to determine whether the employees of MDH have knowledge of EPMDS. From the statistical analyses, it was concluded that although most of the respondents stated that they as well as their supervisors understood the system of EPMDS as well as know the reason for EPMDS, there were a considerable percentage of respondents that did not understand the performance agreement contract process as well as the evaluation procedure. An alarming factor here is that most of the respondents stated that they have not been trained on EPMDS and some have never received the cash bonus. This therefore means that knowledge of EPMDS amongst employees and supervisors is inadequate and training on the system is thus a priority in order to ensure that their performance is managed appropriately.

Research question 2 aimed to determine the effectiveness and efficiency of EPMDS that is currently employed at MDH and what are its strengths and shortfalls. From the statistical analyses, it was concluded that the major challenges of EPMDS are no proper scoring and no proper feedback. A considerable amount of respondents also felt that EPMDS was not a fair system of appraisal. With regard to the responsibility of EPMDS, the setting of goals with supervisor involvement and favouritism in the appraisal process, these seem to be the strengths of the system as the majority of respondents answered in the positive. However, there seems to be some shortfalls in the system as a lack of feedback from the supervisor exists, employees have never utilised the personal improvement plan for development purposes and lastly employees also stated that their rating has constantly been average. This therefore means, that although the system has its strengths and is effective and efficient to a certain degree, there are also many weaknesses and shortfalls that have been documented.

Research question 3 aimed to determine the effects of EPMDS on employee and organisational performance. From the statistical analyses, it was concluded that with regard to the effects of EPMDS on the organisational performance, the majority of respondents seemed to contribute positively to the performance of the organisation as they understood their roles as well as the objective of EPMDS. It was however noted that the majority of respondents showed no organisational commitment which could have an effect on the retention of employees which can therefore negatively affect the organisational performance. It was also concluded that with regard to the effect of EPMDS on the employee performance, the majority of respondents felt that it does allow for better planning and decision making and that it has initiated communication between themselves and their supervisor. It was also seen

that the reward system does promote performance. It was however noted that the employee displays no commitment as the majority stated that this relationship has not strengthened and this could have an adverse effect on employee performance as employees could get de-motivated due to their location.

Research question 4 aimed to determine the recommendations that can be made to MDH in order to ensure that performance management can be better managed. From the statistical analyses, it was concluded that although the employee appreciates the financial reward received, they also feel that they should receive non-financial rewards for their good performance as well. The employees also felt that a written form of feedback as well as having the ability to rate their supervisors and peers would enhance the current system as these measures are not currently being done. As the majority of respondents stated that proper training on EPMDS is required, one of the strategies that could be pursued in terms of recommendations is that management look at various strategies that can be used to improve the current system and/or the refinement of current strategies not being utilised effectively and efficiently. The cause for concern here is that the majority of respondents stated that they felt that EPMDS is not the best way to evaluate performance which indicates that another strategy that management could adopt is to amend the system by upgrading it as a change of system cannot be implemented due to policy. These various recommendations will be discussed in detail below.

5.3. Recommendations

5.3.1. The recommendations of more effective and efficient PMDS can be divided into two categories namely:

5.3.1.1. Refining the Current System

It is recommended that the following refinements of the system be made at MDH which are aimed at fostering the improved implementation of the EPMDS

- All departments must ensure that managers and supervisors are trained on PMDS and departments must endeavour to empower employees to understand the purpose of the PMDS and link it to development initiatives (PSC, 2014:16). Training should also be provided to employees to cultivate an understanding that performance bonuses are not an entitlement. This should be coupled with training on change management to assist in changing the attitude of using the system for monetary gain (PSC, 2014:16).

- More attention should be given to the implementation of the performance improvement plan's and employee development should be based on identified needs for individual improvements which should be in line with the area on which the employee is serving (PSC, 2014:16).
- To minimise or avoid grievances employees must take ownership and charge of their performance management and they should seek clarity from supervisors if unsure of their performance objectives and standards (PSC, 2014:16).
- Another area of critical importance is feedback which must be provided on an ongoing basis throughout the rating period. Many managers are not skilled in providing feedback and they frequently avoid providing feedback because they do not know how to deliver it productively in ways that will minimize employee defensiveness (Pulakos, 2016:7). Regular monitoring of performance quality and feedback should be given and this can be done through brief and structured written feedback with discussions mainly reserved for those areas where major disagreements exist (PSC, 2014:16).
- The performance management system can involve a considerable amount of paperwork, writing and exchange of documents. The automation of the system can greatly facilitate the PM workflow and substantially reduce the paperwork associated with this process (Pulakos, 2016:24).

All of the above mentioned recommendation will benefit the employees, supervisors and the organisation. Employees and supervisors will be well trained in the EPMDS and thus can address their performance better and allow for their skills and knowledge to improve where shortfalls have been noted via the personal improvement plan. Improved communication pathways will result from ongoing feedback between supervisors and employees. The overall performance of employees within the organisation will increase and well as the organisational performance. The resources that would be required to meet these recommendations will in most part be an increase in government funding so that training of employees and supervisors can occur. Also time allocated for employees to be away from work in order to benefit from these training courses. Other resources that can be utilised will be computer hardware and software to minimise the amount of paper work involved in the current system.

5.3.1.2. Recommending more effective and efficient performance management systems that can be utilised in combination with the current system

Some of the major challenges that were noted with the current EPMDS were that there is no proper scoring and no proper feedback. Furthermore, respondents stated that they felt that the system was not fair and they also felt that it was not the best system of appraisal. According to EPMDS (2015:10), the institution may adopt the policy framework in its current form but if there are, however, unique circumstances within the institution that necessitate the modification of the policy, it may be customised to suit those prevailing circumstances but these modifications must be submitted to the Public Sector Co-ordinating Bargaining Council for ratification through the Office of the Premier.

The 360-degree feedback approach is a performance management system that can be used in conjunction with the current EPMDS system. It allows for multi-ratter or multi-source feedback whereby employees receive ratings and feedback from a variety of stakeholders such as from colleagues, peers, direct reports, managers, supervisors, internal and external customers, as well as the employee about the way they carry out their jobs. The aim is to provide constructive feedback, greater awareness and, consequently, individual growth and performance enhancement, leading ultimately to organisational development and change (Atkinson and Shaw, 2006:16).

The rationale behind such multiple evaluations is that an individual obtains a breadth of information which would not normally be available, and that other people, beyond the immediate supervisors, who observe or experience an individual's behaviour, are in a strong position, and in some aspects uniquely qualified, to evaluate it. The result is greater validity in the assessment of individual performance (Atkinson and Shaw, 2006:16).

The central feature of the process is a feedback instrument, typically a questionnaire, a common model being one in which the 360-degree instrument examines a number of skill areas or specific competencies or behavioural dimensions. It is suggested that employees should be provided with social support in terms of interpreting feedback and for development planning (Atkinson and Shaw, 2006:16).

Benefits of the 360 degree feedback system (Nel et al., 2011:413):

- Employees benefit from a holistic perspective of their performance
- Strengths and weaknesses can be identified
- Critical KRAs are re-emphasised
- The impact of individuals behaviour on others is highlighted
- A greater insight into how the employee is perceived by others
- An increased organisational effectiveness and receptiveness to change
- Many of the benefits are associated with improved rating reliability and validity using multiple sources over more traditional single-ratter assessments.

The resources that will be required to meet this recommendation is a policy amendment from the DOH, further funding for training on the amended policy and time allocated to employees to attend training courses and workshops.

5.4. Areas for future research

Performance management have been discussed by many authors however there are other areas that still need to be researched:

- There is minimal research of this nature conducted in South African health sector and in KZN in particular, thus the need for more research of this nature is critical.
- The questionnaires were only available in English, thus a requirement of the study was that participants be English first or second language speakers. Future research should include Zulu, Xhosa and Afrikaans in the questionnaire construction phase.
- A study of this nature should be conducted, analysing demographic data with performance management and development.
- The statistical analysis could be extended to consider some of the more complex relationships that may emerge.
- Future studies should include open-ended questions to probe the reasons for participant's selection of certain factors.
- Future studies should include a greater sample population as this would allow for a more in depth analyses structure
- Further studies should include two or more institutions in the target as this will allow for comparisons and other relationships to be documented.

5.5. Conclusion

This study was undertaken to investigate the EPMDS currently employed by MDH and its impact on employee performance. The aim of the study was to assess and analyse the EPMDS currently employed at the institution and its impact on employee and organisational performance.

The EPMDS system is crucial in the management of employee performance and development and this study has provided an in-depth analysis of this system. The employee's knowledge of EPMDS was initially determined followed by the analyses of the effectiveness of EPMDS currently employed at MDH. The impact of EPMDS on employee and organisational performance was then investigated and finally a range of effective and efficient performance management and development strategies were recommended as well. This study can thus allow the management of MDH to utilise these findings to improve on the various policies and procedures of EPMDS and the management thereof and to be able to improve employee as well as organisational performance and also maintain it.

This chapter concluded the study, recommended strategies that will improve the management of performance and development and suggested areas for future research. The aim of this study has been fulfilled by achieving the stated objectives and answering all the research questions.

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Appendix A: Covering Letter to the Employee (Consent Form)

Dear Colleagues

My name is Zakiya Abdool. I am a Master of Business Administration student at Regent Business School. I am doing a research study in fulfilment of the above. My research topic is 'An Investigation into the Employee Performance Management and Development System Currently Employed by the Department of Health and Its Impact on Employee Performance: A Case Study of Murchison District Hospital'.

In order for this study to be a true reflection of the employee performance management and development system at Murchison District Hospital, I am requesting your voluntary participation in this research. Your honest opinion and input will be greatly appreciated. There are no correct answers. The main aim of this study is to assess and analyse the employee performance management and development system currently employed at Murchison District Hospital, noting its effectiveness, shortfalls and its impact on the organisation. The data will be collected using an anonymous questionnaire. The researcher will then analyse the data collected in the survey and will use the analysis results in the fulfilment of a Master's dissertation.

You are therefore being invited to take part in a survey related to the research. If you agree to participate in this research, please complete the questionnaire and return as instructed. Although this questionnaire does not ask you to complete your name or persal number, the information you append will be dealt with in the strictest of confidence. The questionnaire is thus anonymous and all published results will be in summary form. The summarised results will be kept secure and only available to the researcher, statistician, hospital management and the educational institution. This will take no more than 10-15 minutes of your time. Your participation is entirely voluntary and you will be able to withdraw at any time prior to the completion of data collection without any adverse consequences.

In the event of any problems or concerns/questions you may contact the researcher at 082 427 4951, my supervisor Ms X. Linganiso on 031 304 4626 or the Institutional Research Ethics Administrator of the Durban Institute of Technology on 031 373 2900.

Complaints can be reported to the Director: Research and Postgraduate Support, Prof S Moyo on 031 373 2577 or moyos@dut.ac.za .Thank you for reading this. Your time and co-operation is highly appreciated.

Kind Regards

Mrs Z Abdool

Appendix B:

Research Questionnaire

SECTION A: (Mark with an X)

1. Age	18-25	25-35	36-50	>51
2. Gender	Male		Female	
3. What is your level of education?	Primary school	High school	Degree/ Diploma	Post-graduate studies
4. Professional Discipline?	Doctor		Nurse	Artisan
	Administration		Allied Health Professional	General Worker
	Other (Specify):			
5. What salary level are you on?	1>3	4>6	7>8	>9
6. How many years of service do you have?	<1 year	1-5 years	6-9 years	>10 years
7. Which category of staff do you fall within?	Manager	Supervisor	Other	

SECTION B: (Mark with an X)

8. How often do you sign the Performance Agreement Contract?	Monthly	Quarterly	Half- Yearly	Annually	Never
9. How often is your performance evaluated?	Monthly	Quarterly	Half- Yearly	Annually	Never
10. How often do you receive the cash bonus?	Annually		Sometimes	Never	

11. What do you think is the reason for EPMDS?	Bonuses		Training	Performance
12. What are the challenges presently experienced?	No proper scoring	No proper motivation	No proper feedback	No proper knowledge of system

Please indicate to what extent you agree or disagree with each of the following statements below by circling the appropriate number.

STATEMENT	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STONGLY AGREE
13. I know what the employee performance management and development system (EPMDS) is all about	1	2	3	4	5
14. I have been trained on EPMDS	1	2	3	4	5
15. I think that EPMDS is a fair method of appraisal	1	2	3	4	5
16. My supervisor has a good understanding of EPMDS	1	2	3	4	5
17. EPMDS is the responsibility of the Human Resource department and my supervisor and not my responsibility	1	2	3	4	5
18. I am involved in my goal setting with my supervisor	1	2	3	4	5
19. I receive ongoing feedback from my supervisor about my performance	1	2	3	4	5
20. There is favouritism in the way supervisor's appraise employees	1	2	3	4	5
21. I have utilised the Personal Improvement Plan for my development requirements	1	2	3	4	5
22. My rating have constantly been average	1	2	3	4	5

SECTION C

Please indicate to what extent you agree or disagree with each of the following statements below by circling the appropriate number.

STATEMENT	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STONGLY AGREE
23. The main objective of EPMDS is to improves service delivery	1	2	3	4	5
24. EPMDS provides clarity to all employees on their role in the achievements of the organisations objectives and goals	1	2	3	4	5
25. EPMDS has contributed to me remaining an employee of Murchison Hospital	1	2	3	4	5
26. EPMDS allows for better planning and decision making	1	2	3	4	5
27. EPMDS has strengthened the relationship between myself and the institution	1	2	3	4	5
28. Performance bonuses and notch progression encourages good performance in my department	1	2	3	4	5
29. EPMDS implementation has initiated a communication pathway between employee and supervisor thus promoting performance	1	2	3	4	5

SECTION D

Please indicate to what extent you agree or disagree with each of the following statements below by circling the appropriate number.

STATEMENT	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STONGLY AGREE
30. I feel that EPMDS is the best way of evaluating	1	2	3	4	5

employees performance					
31. I feel that the employee should rate their supervisors and peers performance as well	1	2	3	4	5
32. I like to be rewarded with money for my good performance	1	2	3	4	5
33. I feel that my good performance should be rewarded through recognition/awards and increased responsibility in the workplace	1	2	3	4	5
34. There should be a written form for feedback	1	2	3	4	5
35. I feel that proper training on EPMDS will benefit me	1	2	3	4	5

END OF QUESTIONNAIRE

THANK YOU

Appendix C: Permission to conduct research study (Institution)

health
Department:
Health
PROVINCE OF KWAZULU-NATAL

N2 Main Harding / Kokstad Rd, Port Shepstone 4240
Private Bag X701, Port Shepstone 4240
Tel: 039 687 7311 Fax 039 687 7497 Email: maureen.nxumalo@kznhealth.gov.za
www.kznhealth.gov.za

DIRECTORATE:
Chief Executive Officer

Reference: 30/5/1

Date: 11/02/2016

Principal Investigator: Ms Zakiya Abdool

RE: PERMISSION TO CONDUCT RESEARCH AT FACILITY

I have pleasure in informing you that permission has been granted to you by the Chief Executive Officer of the facility to conduct research on "An investigation into the Employee Performance Management and Development System Currently Employed by the Department of Health".

Please note the following:

1) Please ensure that you adhere to all the policies, procedures, protocols and guidelines of the Department of Health with regards to this research.
2) This research will only commence once this office has received confirmation from the Provincial Health research Committee in the KZN Department of Health.
3) Please ensure this office s informed before you commence your research.
4) The facility will not provide any resources for this research.
5) You will be expected to provide feedback on your findings to the facility.

Thanking you,

Sincerely,

Ms MZ Nxumalo
CEO: Murchison Hospital

Fighting Disease, Fighting Poverty, Giving Hope

Appendix D: Approved Ethical Clearance Form from Regent Business School

Regent Business School

ETHICAL CLEARANCE FORM

Section 1 : Personal Details

1.1 Full Name and Surname	Zakiya Abdool
1.2 Student Number	MBA 1120548
1.3 Contact Details: • Telephone Number (H) • Telephone Number (W) • Cell Number • Email:	 0396823351 0396877311 0824274951 z_abdool@yahoo.com
Supervisor's Details: • Name: • Telephone Number • Email	Ms Xolelwa Linganiso 031 3044626. Research3@regent.ac.za

Section 2: Dissertation Description

2.1 Dissertation title An Investigation into the Employee Performance Management and Development System Currently Employed by the Department of Health and its impact on Employee Performance: A Case Study of Murchison District Hospital

1

2.2 Proposed work plan

Steps	Dates
Chapter One	07 March 2016
Chapter Two	04 April 2016
Chapter Three	27 April 2016
Chapter Four	20 May 2016
Chapter Five	03 June 2016

Section 3: Ethical Issues

The RBS Research Ethics Policy applies to all members of staff and post graduate student who are involved in research on or off the RBS campus. In addition any person not affiliated with RBS who wishes to conduct research with RBS students and/ or staff is bound by the same ethics framework.

All students and staff members are to familiarise themselves with and sign an undertaking to comply with RBS's "Code of Conduct for Research"

Question 3.1

Will data collection involve any of the following	Yes	No
Access to confidential information without prior consent of participants		X
Participants being required to commit an act which might diminish self respect or cause them to experience shame, embarrassment or regret		X
Participants being exposed to questions which may be experienced as stressful or upsetting, or to procedures which may have unpleasant or harmful side effects		X
The use of stimuli, tasks or procedures which may be experienced as stressful, noxious or unpleasant		X
Any form of deception		X

If "YES" explain and justify. Explain what steps you will take to minimise the potential stress/ harm.

Question 3.2

Will any of the following instruments be used for purposes of data collection	YES	No
Questionnaire	X	
Survey schedule		X
Interview schedule		X
Assessment instruments		X

If "YES" attach a copy of the research instrument: **ATTACHED**

Question 3.3

Will the autonomy of participants be protected through the use of and informed consent form, which specifies [in language respondents will understand]	YES	NO
The nature and purpose/ s of the research	X	
The identity and institutional association of the researcher and supervisor/ project leader and their contact details	X	
The fact that participation is voluntary	X	
The responses will be treated in a confidential manner	X	
Any limits on confidentiality which may apply	X	
The anonymity will be ensured where appropriate [e.g. coded/ disguised names of participants/ respondents/ institutions]	X	
The fact that participants are free to withdraw from the research at any time without any negative or undesired consequences to themselves	X	

If NO, this needs to be explained and justified. The measures to be adopted to ensure that the respondents fully understand the nature of the research and the consent that they are giving.

Question 3.4

Storage and Disposal of Research Data Data collected must be scanned and copied onto a CD and sent to RBS for storage. This data will be kept by RBS for a period of at least FIVE years.
How will the research data be disposed of? Please provide specific information e.g. shredding of documents, incineration of videos, cassettes etc. Shredding of documents

Question 3.5

In the subsequent dissemination of your research findings – in the form of a finished dissertation, publication etc – how will the anonymity/ confidentiality be protected The completed dissertation will only be available to the researcher, Regent Business School, Murchison Hospital Management and the Health Research and Knowledge Management committee chairperson of the Department of Health.

Question 3.6

Has any organisation/ company participating in the research or funding the project , imposed any conditions to the research : YES/NO
NO If YES, indicate what the conditions are:

SECTION 4: FORMALISATION OF THE APPLICANT

APPLICANT

I have familiarised myself with RBS's Code of Conduct for Research and undertake to comply with it. The information supplied above is correct to the best of my knowledge.
Signature of Applicant: [signature] Date: 22/02/2016
[Ensure that the check list on this form is complete]

SUPERVISOR

Ensure that the applicant has completed the attached check list and that the form is forwarded to the RBS's Research Dept
Signature of Supervisor: [signature] Date: 3/3/2016

RECOMMENDATION OF THE RESEARCH DEPT

The Applicant is:

✓	Approved
	Recommended and referred to the Ethics Committee for further consideration
	Not Approved, referred back for revision and resubmission

Name of Head: N. SASSIM Signature [signature]

Date: 03/03/16

REGENT BUSINESS SCHOOL

RESEARCH DEPT

ETHICAL CLEARANCE APPLICATION FORM

Checklist for Application

[Please tick]

1. The form has been fully completed and all questions have been answered	✓
2. Questionnaire attached [where applicable]	✓
3. Informed consent document attached	✓
4. Approval from relevant authorities obtained [and attached] where research involves data/ facilities or other institutions/ organisations	✓
5. Signature of Supervisor	✓
6. Application forwarded to the Research Dept for recommendation	✓

Appendix E: Approved Ethical Clearance Certificate from Durban University of Technology

DUT DURBAN UNIVERSITY OF TECHNOLOGY

Institutional Research Ethics Committee
Faculty of Health Sciences
Room MS 49, Mansfield School Site
Gate 8, Ritson Campus
Durban University of Technology

P O Box 1334, Durban, South Africa, 4001

Tel: 031 373 2900
Fax: 031 373 2407
Email: lavishad@dut.ac.za
http://www.dut.ac.za/research/institutional_research_ethics

www.dut.ac.za

17 May 2016

IREC Reference Number: **REC 42/16**

Mrs Z Abdool
P O Box 1706
Port Shepstone
4240

Dear Mrs Abdool

An Investigation into the Employee Performance Management and Development System Currently Employed by the Department of Health and Its Impact on Employee Performance: A Case Study of Murchison District Hospital

The Institutional Research Ethics Committee acknowledges receipt of your final data collection tool for review.

We are pleased to inform you that the questionnaire has been approved. Kindly ensure that participants used for the pilot study are not part of the main study.

In addition, the IREC acknowledges receipt of your gatekeeper permission letters.

Please note that FULL APPROVAL is granted to your research proposal. You may proceed with data collection.

Yours Sincerely,

Professor J K Adam
Chairperson: IREC

DUT DURBAN UNIVERSITY OF TECHNOLOGY
2016 -05- 17
INSITUTUTIONAL RESEARCH ETHICS COMMITTEE
P O BOX 1334 DURBAN 4000 SOUTH AFRICA

Appendix F: Permission to conduct research study (District)

health
Department:
Health
PROVINCE OF KWAZULU-NATAL

Physical Address: 41 Bisset Street, Nelson Mandela Drive
Postal Address: P/Bag X 735 Port Shepstone 4240
Tel: 0396883000 Fax: 0396826296 Email: ntokozo.mkhize@kznhealth.gov.za
www.kznhealth.gov.za

DIRECTORATE:
OFFICE OF THE DISTRICT MANAGER

Enquires : Mrs N.C Mkhize

Date: 20/04/2016

To :

Mrs Z Abdool

PERMISSION TO CONDUCT RESEARCH AT MURCHISON HOSPITAL

Dear Mrs Abdool

I have pleasure in informing you that permission has been granted to you by Ugu District Office to conduct research on "An Investigation into Employee Performance Management and Development System Currently Employed by the Department of Health."

Please note the following:

a) Please ensure that you adhere to all the policies, procedures, protocols and guidelines of the Department of Health regarding, to the research.
b) Permission to conduct this research is only limited to areas covered by your provisional approval i.e Piloting/testing of data collection tool.
c) The research on the whole project will only commence once this office has received full approval (ethical clearance certificate) and confirmation from the Health Research And Knowledge Management Committee in the KZN Department of Health.
d) Please ensure that this Office is informed before you commence with your research.
e) The District Office/ Facility will not provide any resources for this research.
f) You will be expected to provide feedback on your findings to the District Office/ Facility.

Thank You

Mrs N.C Mkhize
Ugu District Manager

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Appendix G: Approval letter from the Kwa-Zulu Natal Department of Health

health
Department:
Health
PROVINCE OF KWAZULU-NATAL

DIRECTORATE:
Health Research & Knowledge Management

Physical Address: 330 Langalibalele Street, Pietermaritburg
Postal Address: Private Bag X9051
Tel: 033 395 2805/ 3189/ 3123 Fax: 033 394 3782
Email: hrkm@kznhealth.gov.za
www.kznhealth.gov.za

Reference: 127/16
KZ_2015RP45_204

Date: 10 May 2016

Dear Mrs Z. Abdool
Regent Business School

Approval of research

The research proposal titled '**An investigation into the Employee Performance Management and Development System (EPMDS) currently employed by the Department of Health and its impact on employee performance: A Case Study of Murchison District Hospital'** was reviewed by the KwaZulu-Natal Department of Health.

The proposal is hereby **approved** for research to be undertaken at Murchison Hospital.

1. You are requested to take note of the following:
   a. Make the necessary arrangement with the identified facility before commencing with your research project.
   b. Provide an interim progress report and final report (electronic and hard copies) when your research is complete.

2. Your final report must be posted to **HEALTH RESEARCH AND KNOWLEDGE MANAGEMENT, 10-102, PRIVATE BAG X9051, PIETERMARITZBURG, 3200** and e-mail an electronic copy to hrkm@kznhealth.gov.za

For any additional information please contact Mr X. Xaba on 033-395 2805.

Yours Sincerely

Dr E Lutge
Chairperson, Health Research Committee
Date: 11/05/16

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Appendix H: Murchison Hospital HRD Statistics 2015-2016

health
Department:
Health
PROVINCE OF KWAZULU-NATAL

Main Harding / Kokstad Road, Port Shepstone, 4240
Private Bag X701, Port Shesptone, 4240
Tel: 039 687 7311 Fax: 039 687 0100 or 086 235 36 76
Email:ugesh.pillay@kznhealth.gov.za; www.kznhealth.gov.za

DIRECTORATE:
Murchison District Hospital
Pharmaceutical Services

Appendix:

17 March 2016

To whom it may concern

RE: Completed Performance Agreements (Annexure A) submissions for Employee Performance Management and Development System to the Human Resource Development Department for the year April 2015 – March 2016.

According to our records, the total amount of completed Performance Agreements that have been submitted to the Human Resource Development Department for the year April 2015 – March 2016 were 718 out of a total staff compliment of 845 employees.

It can thus be concluded that 85 % of the employees had submitted and therefore 15% of employees (127) will not be eligible for any pay progression and their performance will therefore not be measured which impacts directly on their development.

Deneo Sekese
Human Resources Practitioner
Human Resource Development (HRD)

Appendix I: Test of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
B8. How often do you sign the Performance Agreement Contract?	0.352	85	0.000	0.752	85	0.000
B9. How often are you appraised?	0.207	85	0.000	0.905	85	0.000
B10. How often do you receive the cash bonus?	0.314	85	0.000	0.719	85	0.000
B11. What do you think is the reason for EPMDS?	0.478	85	0.000	0.517	85	0.000
B12. What are the challenges presently experienced?	0.232	85	0.000	0.823	85	0.000
C13. I know what the employee performance management and development system (EPMDS) is all about	0.325	85	0.000	0.830	85	0.000
C14. I have been trained on EPMDS	0.243	85	0.000	0.852	85	0.000
C15. I think that EPMDS is a fair method of appraisal	0.247	85	0.000	0.871	85	0.000
C16. My supervisor has a good understanding of EPMDS	0.326	85	0.000	0.807	85	0.000
C17. EPMDS is the responsibility of the Human Resource department and my supervisor and not my responsibility	0.327	85	0.000	0.793	85	0.000
C18. I am involved in my goal setting with my supervisor	0.315	85	0.000	0.845	85	0.000
C19. I receive ongoing feedback from my supervisor about my performance	0.231	85	0.000	0.880	85	0.000
C20. There is favouritism in the way supervisor's appraise employees	0.303	85	0.000	0.818	85	0.000
C21. I have had development in my job knowledge or skills through EPMDS	0.243	85	0.000	0.877	85	0.000
C22. My rating have constantly been average	0.343	85	0.000	0.803	85	0.000
D23. The main objective of EPMDS is to improves service delivery	0.324	85	0.000	0.796	85	0.000
D24. EPMDS provides clarity to all employees on their role in the achievements of the organisations objectives and goals	0.306	85	0.000	0.836	85	0.000
D25. EPMDS has contributed to me remaining an employee of Murchison Hospital	0.230	85	0.000	0.882	85	0.000
D26. EPMDS allows for better planning and decision making	0.232	85	0.000	0.883	85	0.000
D27. EPMDS has strengthened the relationship between myself and the institution	0.226	85	0.000	0.896	85	0.000
D28. Performance bonuses and notch progression encourages good performance in my department	0.265	85	0.000	0.879	85	0.000
D29. EPMDS implementation has initiated a communication pathway between employee and supervisor thus promoting performance	0.262	85	0.000	0.868	85	0.000
E30. I feel that EPMDS is the best way of evaluating employees performance	0.252	85	0.000	0.867	85	0.000
E31. I feel that the employee should rate their supervisors and peers performance as well	0.330	85	0.000	0.810	85	0.000
E32. I like to be rewarded with money for my good performance	0.264	85	0.000	0.752	85	0.000
E33. I feel that my good performance should be rewarded through recognition/awards and increased responsibility in the workplace	0.297	85	0.000	0.746	85	0.000
E34. There should be a written form for feedback	0.256	85	0.000	0.746	85	0.000
E35. I feel that proper training on EPMDS will benefit me	0.368	85	0.000	0.608	85	0.000

a. Lilliefors Significance Correction