UNIVERSITY OF KWAZULU-NATAL

Evaluating Employee' Perceptions on the Effectiveness of Performance Management System at Department of Health KZN- Head Office: Finance Unit

By

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A dissertation submitted in partial fulfillment of the requirements for the degree of

Master of Business Administration

Graduate School of Business and Leadership

College of Law and Management Studies

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2017

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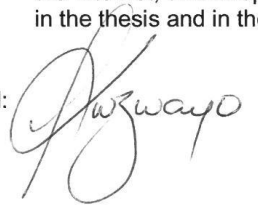
Signed: 

Acknowledgements

Glory to God for the strength and the ability he invested in me to complete this dissertation.

I would like to thank my family especially my daughter Thandolwethu for being patient while I did not have enough time to spend with her, my mother and sisters for their encouragement and support.

I sincerely would like to thank Mr Mahlangu Director: Office of the Premier and Mr Xaba Deputy Director: Department of Health for their assistance.

I also thank my supervisor Dr Dhanesh Rampersad for his assistance and guidance.

Finally, I would like to thank Department of Health management for permission to conduct the study, and a special thanks to employees of Finance Unit for participating in this survey.

Abstract

Public service is the single largest employer in South Africa and constitutes a large portion of the economy. It is a rapidly changing environment in which technology–driven services are becoming the norm and new skills are required to keep pace with these developments. The primary purpose of this study is to expand the extant knowledge and understanding of employees' perceptions towards the implementation of the performance management system in the Department of Health: Finance Unit, KwaZulu-Natal Province. Since the primary orientation of individual performance management is evolving in nature, as it has to provide constructive feedback to unsatisfactory performance and recognition of excellent performance. The researcher sought to capture the perceptions and experiences of employees, with a view to assessing the influence that the performance management system has had on them. To collect relevant empirical data for this research project, a qualitative and quantitative research instrument in the form of a semi-structured questionnaire, comprising of closed- and open-ended questions, was used. The population size of the study was 120 participants, all of whom were Finance Head Office employees. The response rate was 68%; 81 officials responded to the questionnaire. The research findings achieved the objectives of this study, and confirmed that employees in the Department of Health: Finance Unit has a negative perception of the fairness of their organisation's performance management system. The study uncovered loop holes in performance management in the finance unit. Performance indicators are not clearly defined and the performance management process is a compliance exercise as it lacks functional performance feedback and rewarding mechanisms. There is limited career progression. A sound performance management system must be put into place so that the employees exert their maximum efforts towards the realisation of the organisation's objectives.

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CHAPTER ONE

Introduction to Research and Background of the Study

1.1 Introduction

Across the world, the rapid growth in knowledge and technological advancements require individuals to remain competitive. For this reason, people need to constantly update both their generic and technical skills, so that the roles and responsibilities assigned to them are performed effectively. The previous racially discriminatory political dispensation in South Africa resulted in a vast skills deficit, which manifested in the form of low levels of literacy and numeracy. The increasing diversity of the workplace has also forced the provincial governments to constantly retrain and reskill their workforce. The lack of necessary competencies negatively affects the performance of employees in the public sector, thus the South African government has invested in building human capital by allocating budget for the skills development of employees in the public sector across all government spheres.

Defining employees' perceptions of the performance management practice in the Department of Health can help management to effectively tailor this tool in a way that reinforces motivation and work commitment among employees, while eradicating long-standing negative perceptions. In addition it will help to work towards the improvement of employee satisfaction levels, as low levels may compromise the quality of work as well as service delivery targets (Aguinis, et al., 2011). Akinbowale & Lourens (2013) , contended that human nature is in constant need of recognition, and when they are recognised either positively or negatively, it spurs them to do more.

This chapter focuses on examining performance management systems in an organisation, and their effect on employee perceptions. It provides the background rationale and the problem statement of the study undertaken, as well as the main objectives and research questions that guided the researcher when determining the research instruments for the collection of data. The research method of enquiry for this study is also discussed in order to indicate how the process of this research unfolded. In this same chapter, the importance and limitations of a

study such as this one are explained. A brief conclusion of the chapter is then presented, together with the chapter layout of the study.

1.2 Background

According to Landy and Conte (2010) psychologists have devoted a great deal of their research and practice to understanding and improving the performances of workers, as well as to assessing the differences observed between them. This research has highlighted a remarkable degree of variation, which is crucial for an employer who is struggling to survive in a competitive environment.

In today's world, which is characterised by globalisation, advanced technologies and the high speed of communication, service delivery and technological and product differentiation are no longer key competitive advantages for most industries. The question about what makes some organisations more successful and efficient than others thus remains a key question. Aguinis (2009, p.13) argued that the answer lies within the realm of employee management, as "motivated and talented employees offer outstanding service to customers, producing a sustainable competitive advantage". Organisations with happy employees are likely to get and stay ahead of their competitors, even if they offer similar products to those of their competitors. Consumers want the right response at the right time, as well as the products or services they want according to their specifications. Of note, this assessment is not only true for private corporations which have the profit motive as their compass, but also for any organisation that engages in service delivery, including the Department of Health.

In his presentations in 2016 on human resources challenges in the public sector, Pillay mentioned that various studies have revealed serious problem areas in the human resource practices at departmental level in the public sector (Pillay, 2016). There are roles and responsibilities that are viewed as the sole responsibility of human resources instead of being viewed as department-owned processes.

The most relevant one to this research study is the vagueness with respect to the roles and responsibilities of human resource practitioner's vis-à-vis line managers, as line managers are not effectively empowered and capacitated to undertake people management responsibilities.

A minimum framework that ensures quality outputs and uniformity across all public service departments is thus required (Naidoo, 2015).

A performance management system has been in place for a while now, but concerns about its effectiveness have long driven researchers and experts to investigate ways of measuring it. It is vital for any organisation to know and understand the way its employees perceive the efficacy of the performance management system in place, as perceptions influence people's judgement and attitudes towards particular phenomena.

1.3 Motivation for the Study

This study attempts to determine if the performance management system employed in the Department of Health (DoH) is effective. As Aguinis (2009, p. 3) acknowledged, "many organisations have what is labelled a performance management system", when actually what they have are performance appraisals. A performance appraisal is the systematic description of an employee's strengths and weaknesses; without an ongoing effort to provide feedback and coaching so that performance can be improved, it is just a part of performance management, not the whole system. Relating to the current public service practices, many organisations are using the performance appraisal system for formality purposes only, whereas potentially it can be used for providing feedback to the employee (Warokka, et al., 2012). For this reason, it is important to study and understand how finance officials in the DoH perceive the effect of performance management system on them.

The Public Service Commission is an independent institution established in "Chapter 10 of the Constitution of the Republic of South Africa, which has a specific focus on the public service and oversight of public administration" (Public Service Commission, 2007, p.2). The Public Service Commission has highlighted that application of performance management system is still regarded as a capacity challenge within Human Resources Management (HRM) across all government departments, for example performance bonuses are paid to non-deserving employees who have not had performance assessments, which gives rise to the non-identification of important issues such as a lack of skills development, no management of poor performance, and awards for outstanding performance.

For the researcher, who has been employed by the Department of Health since December 2011, various aspects sparked her interest in this study, including:

a) There are financial constraints to training and development. During their assessment period an employee's training needs can be determined, but implementation is still an issue and the rating process is also questionable. Training and development is only provided by other government departments, such as SITA's basic computer courses and the Provincial Treasury's financial courses.
b) Some supervisors are at their levels because of experience not education, which means that some supervisors are threatened by their junior staff's levels of education. This sometimes leads to them giving employees functions that add no value, and creates confusion amongst employees when it comes to them understanding their core functions.
c) Supervisors give an average scoring of three during assessments to avoid writing motivations or justifications for high and low scores. According to Bekele, Shigutu & Tensay (2014, p. 143), this tendency is called "central tendency, which is a common error that occurs when employees are incorrectly rated near the average or middle of the scale". This practice may be encouraged by some rating scale systems that require the evaluator to justify in writing extremely high and extremely low ratings, i.e. the rater may avoid possible criticism by giving only average ratings.

It is the researcher's belief that an effectively implemented performance management system can help eradicate or solve some of these issues in the Finance Unit, as employees in a financial environment need and are expected to keep abreast of any financial developments or changes. Gerrish (2016) also stated that there are still challenges with regard to implementation of perfomance management system, as while public policy researchers have begun evaluating performance management systems within their respective fields, bringing evidence to bear on the impact of performance management, as often as not these studies are isolated within policy subfields.

1.4 Focus of the Study

The National Development Plan – Vision 2030 "requires well–run and effectively coordinated state institutions, with skilled public servants who are committed to the public good and capable of delivering consistently high-quality services"(Office of the Presidency: South Africa, 2012, p.5). One of the expected outcomes is to have a public service which is a career of choice (Pillay, 2016). For public service to become an employer of choice, it is important that it is seen to be providing ongoing opportunities for staff to be developed and groomed.

This study will focus on investigating employees' perceptions of the performance management practices in the Finance Unit within the Department of Health. The unit's main function is financial management, i.e. it has to ensure the application of effective and efficient expenditure, revenue, banking and accounting systems, and practices in the department. Employees in the finance unit need the relevant skills and qualifications to perform their financial obligations, as they must develop, implement and maintain sound financial and supply chain management systems within the department in compliance with the provisions of the Public Finance Management Act (PFMA), Treasury Regulations and Practices.

The study will discuss the performance management processes and their elements in-depth, as well as the benefits of correct implementation and the consequences and impact of incorrect implementation. It will also discuss the factors that give rise to positive perceptions and those that give rise to negative perceptions. The study will target all personnel involved in the process of performance management, including managers, supervisors and administration assistants in the Finance Unit.

1.5 Problem Statement

Employees' perceptions regarding the implementation of performance management systems in the public sector vary according to their specific observations in their respective government departments. Inherent problems experienced by employees regarding how the performance management system is implemented, results in unfavourable perceptions that might affect the performance of their organisations.

Two of the problems associated with the unfair implementation of performance management system are subjectivity and selective performance assessments, as these scenarios give rise to negative employee perceptions and discontent with the performance management process. At times negative employee perceptions of the unfair implementation of a performance management system fuel unfavourable tensions and poor working relationships amongst officials, particularly between some supervisors and their supervisees, which may affect their work performances in their respective key result areas. In a work environment where there are poor relationships amongst employees, discrimination, and favouritism in the performance assessment of employees, the performance assessment exercise as an integral part of the performance management system tends to compromise the prescribed standards and norms, and is perceived by some employees as more of a vice than a virtue. In some instances, this undermines the integrity of the performance management system and the organisation as a whole.

Therefore, in this study, the researcher seeks to determine whether the work performance of employees in the Department of Health is influenced by the implementation of the performance management system, which will be determined by examining the employees' perceptions.

1.6 Aim of the Study

This study seeks to improve the understanding and knowledge of the perceptions of employees regarding the implementation of the performance management system in the Department of Health, and how it influences employees' job satisfaction and work commitment.

1.7 Objectives

The main objective of the study is to examine employees' perceptions of the performance management system and its effect on employees' work commitment. Flowing from the above articulated main objective are the following specific study objectives:

- To determine if there is a relationship between employees' perceptions of the performance management practice and their work commitment.

- To determine if there is a relationship between employees' perceptions of the performance management practice and their respective demographic variables.
- To determine if job satisfaction influences employees' motivation and work commitment.

1.8 Research Sub-Questions

The study seeks to answer the following questions:

- Do employees' perceptions of the performance management system have an effect on their work commitment?
- Is there a relationship between the employees' perceptions of the performance management practices and their work commitment?
- Is there a relationship between the employees' perceptions towards performance management practice and their respective demographic variables?
- Does job satisfaction influence the employees' motivation and work commitment?

1.9 Structure of the study

The chapters of this study are organised in the manner outlined below:

Chapter One: This chapter gives a background to the study, a motivation for the study, the problem statement, the research objectives and questions, the limitations of the study, and a summary of the structure and layout of the dissertation.

Chapter Two: The second chapter provides a literature review which is a theoretical aspect of performance management system; an in-depth analysis of what the performance management system entails; definition and process of performance management system; factors affecting the implementation of performance management system ; impact on work performance; demographic characteristics versus employees' perceptions of the performance management system; as well as the employees' perceptions of the performance management system and the impact it has on their work performance and development.

Chapter Three: This chapter presents the methodology that was used to collect the data. It further outlines the construction of the research instrument, and how pre-testing and validation

of the data were conducted. Data handling and analysis is also explained and the limitations and ethical issues of the study are considered.

Chapter Four: The penultimate chapter offers an analysis and discussion of the results, which were obtained from the respondents through questionnaires and data analysis using the SPSS package. Explanations of the results are given in relation to the literature presented in chapter two and the set study objectives.

Chapter Five: The final chapter presents the conclusion and recommendations of the study, and the researcher indicates if the objectives of the study were achieved. Finally, recommendations for further studies on this topic are proposed.

1.10 Limitations of the Study

- Information attained for this study may not be accurate due to the small sample selected.
- During the testing stage it was difficult to reach all targeted employees, as some work outside the office in hospitals and district offices.
- Diverse replies were received from the participants, as perceptions are particular to every individual's environment.
- Misunderstanding of questions by participants.

1.11 Conclusion

This chapter's focus is to summarise the details entails in the study of performance management system and its effect on employee perceptions, form the background of the study to the limitations of the study

The next chapter focuses on literature relating to performance management system**;** its definition and process, factors that influence the system, demographic characteristics versus employee's perceptions on, the employee perception of performance management system and

the impact it has on work performance and employee development, as well as the emerging theories in job satisfaction and motivation.

CHAPTER TWO

Theoretical Framework of the Performance Management System

2.1 Introduction

This chapter examines the theoretical perspective of the performance management system. The focus is on different aspects of the system, such as conceptualising key ideas and identifying the system's purpose, features and elements. In addition, the chapter will examine all the relevant emerging theories on employee motivation and job satisfaction that impact employees' perceptions of their performance management system, as well as their work commitment.

In this chapter, a reflection on performance management system has been made to inform the case study on employee's perception with regard to performance management practice in order to elaborate on the link between the work performance of an employee, their motivation and their job satisfaction.

2.2 An Overview of Performance Management System

In the literature reviewed on the application of performance management system, it was noted that in some public organisations' performance management systems have not been substantial in performance improvements and impact due to poor execution, ulterior purpose and subjectivity in performance appraisals (Gerrish, 2016; Moynihan, 2014; Hvidman & Anderson, 2014). The authors expressed skepticism about the prospects of the implementation of a performance management system in the public organisation, as they note that performance management system is criticised of being fundamentally misguided due to the replacement of democratic values with technocratic values (Gerrish, 2016).

Furthermore, Kroll and Moynihan (2015, p. 411) postulated that "training and preparation for performance management implementation is attributed to the high rate of perceived effectiveness". Their argument underscores the importance of training employees on the performance management system, and performance management system application as a prerequisite for the effective and successful implementation of a performance management

system in an organisation. In his assessment of the impact of performance management systems, Gerrish (2016, p. 48) claimed that "the act of measuring performance of employees in an organisation may not improve performance but managing performance might improve". In this instance, Gerrish (2016) distinguishes between the act of measuring performance and overall performance management, which includes all elements of a performance management system such as performance planning, performance agreements, performance execution, performance monitoring, performance reviews, and rewards. It is also important to acknowledge the fact that an organisational context and environment are constituted by laws, policies, rules, and values that affect the performances and perceptions of employees, and that all these factors may influence the implementation of a performance management system in a particular way.

2.3 Verification of utilised Concepts in the Study

The context and technical meanings associated with the frequently used concepts in this study need to be verified to create clarity. Included amongst these concepts are: performance management, actual employee work performance, employees' perceptions of performance appraisals, job satisfaction, employee attitudes, employee work commitment, and work motivation.

2.3.1 Defining Performance Management

The conception of performance management varies, and the definitions of performance management are as numerous as the meanings associated with it by the many authoritative writers on the subject matter. There is no single acceptable definition of performance management, but there are some significant elements that can be identified on performance management (Gerrish, 2016). Owing to the wide application of performance management across the public and private sectors, this concept has taken on and assumed various meanings as interpreted by different authors such as the Department of Public Service and Administration (2007), Radebe (2015), Landy and Conte (2010), and Aguinis (2009). For example, the Department of Public Service and Administration (2007, p.5) defines "performance management as a continuous practice directed at managing and developing employee behaviour for the achievement of the organisation's strategic goals".

Radebe (2015) viewed performance management as a process that involves planning, reviewing, rewarding and developing performance. The same concept was understood by Landy and Conte (2010) as being a system that accentuates the link between individual behaviour and organisational strategies and goals, while Aguinis (2009) conceptualised it as a continuous process of identifying, measuring and developing performance in organisations by linking each individual's performance and objectives to the organisation's overall mission and goals. Nowadays it places greater emphasis on "both financial and non-financial to arrive at a fair, holistic and realistic performance system" (Ayandele & Isichei, 2013, p. 3).

Public Service regulations stressed the importance of performance management; the function was decentralised to improve both organisational and individual performance, which is a fundamental enabler to enhanced service delivery (Public Service Commission, 2007).

2.3.2 Employee Performance

Based on performance management theories, the notion of performance management is that it is an act where focus is based on the individual employee, with the intention of leading and improving individuals', and ultimately organisations', performances (Wanjala, Kimutai, Kenyata, 2015). It is clear that there is a relationship between effective performance management system and employee performance. As per the above performance assessment cycle, it is a contributing factor that can impact employee performance positively or negatively. During an assessment period the result may be either positive or negative, which can boost an employee's morale and increase productivity, or demoralise them and decrease productivity (Department of Public Service and Administration, 2007).

2.3.3 Employees' Perceptions

It is vital for any organisation to know and understand the way in which its employees perceive the efficacy of the performance management system in place, since perceptions influence people's judgements and attitudes towards particular phenomena. Any difficulties experienced by employees in the various departments with the performance management

system result in unfavourable employee perceptions that might affect the performance of the organisation.

2.3.4. Performance Appraisal

Firstly, it is important to outline the difference between the two concepts that are used interchangeably even though they are not similar, i.e. the concepts of performance management and performance appraisal. Radebe (2015) differentiated between these two concepts by stating that performance management involves the process of planning, reviewing, rewarding and developing performance, whereas performance appraisal and evaluation is the systematic evaluation of individuals' performance, and an essential component of performance management. In the words of Wanjala, et al. (2015) a performance appraisal is a method of evaluating the behaviour of employees in the workplace, and is part of the process of guiding and managing the career development of an employee. It comprises attaining, evaluating and recording information about the relative worth of an employee to the organisation, so that they will know what is expected of them as well as what they have and can achieve.

2.3.5. Job Satisfaction

Job satisfaction results from the achievement of goals from one's contribution to the job. Factors related to job satisfaction are relevant in the prevention of frustration and low job satisfaction or dissatisfaction, because workers are motivated to work harder and perform better if they are satisfied with their jobs (Nwagu, 2015). Parvin & Kabir (2012) described job satisfaction as the extent to which an individual is content with his or her job. Some studies conversely describe job satisfaction as an employee feeling happy about their jobs and the different aspects of their jobs. In addition, Anderson (2009) contended that job satisfaction consists of five key elements, namely attitude towards work companions, general working conditions, financial benefits, attitude towards the education system and attitude towards supervision. A person's satisfaction in a job acts as a motivation to work and job satisfaction is dependent on work motivation (Nwagu, 2015).

2.3.6. Employees' Attitudes

Employees 'positive attitudes could embrace employees to align their own objectives and goals to the organisation's, which will yield productive behaviour that ultimately benefits the organisation and the individual (Ahmed, Ramzan, Mohammad & Islam, 2011). A job says a lot of things about an individual, and work characteristics are as informative as they convey information about socioeconomic status and provide clues about attitudes (Luchman & Gonzalez-Morales, 2013). For example, a happy employee will praise his or her organisation and a positive attitude is guaranteed.

2.3.7 Employee Work Commitment

Dedicated workers are more open to new information, are more productive, and are more willing to go the extra mile. Furthermore, these workers proactively change their work environment in order to stay involved (Bakker, 2012). "Employees who are engaged in their work are fully connected with their work roles; they are bursting with energy, engaged to their work, and immersed in their work activities" (Bakker, 2012, p. 2).

In Ayandele & Isichei's (2013) view, employee commitment is greatly dependent on the employees' perception of their relevance and the expectation that their personal desires will be met through their continual commitment to the growth and development of the organisation; commitment is all about an employee's drive to actively participate in the organisational activities on an ongoing basis.

Ayandele & Isichei (2013) found that the nature of an organisation's performance management system has a huge effect on employee commitment, as the way employees feel about their organisation is rational in ensuring the existence of the business. This confirms the findings of a study by Gupta &Upadhyay (2012), which noted that performance management has a significant impact on an employee's commitment and satisfaction.

2.4 The Purpose of Performance Management

The purposes of a performance management system are understood and explicated in various ways, for instance, Mansor, Chakraborty, Yin & Mahitapoglu (2012, p. 586) argued that the purpose is three faceted, i.e. it is "strategic, developmental and administrative". The strategic aspect links the objectives of an individual employee and the organisation, which can be achieved by (1) aligning employee performance with organisational goals; (2) clearly articulating the anticipated work ethics; (3) a well-defined description of results and capabilities pointing to just how anticipated outcomes can be attained; (4) guaranteeing that managers' actions and their management styles inspire unrestricted effort; (5) ensuring that the process is simple and understood by all parties, and that any documentation enables all stakeholders to see performance management as part of their daily work (Mansor, et al., 2012).

Furthermore, an administrative purpose focuses on using the performance management system to support personnel decisions, for instance layoffs, merit pay distribution and promotions. On the other hand, when a performance management system is focused on a developmental purpose it improves performance, for example, action planning and feedback. Therefore, the performance management system is also employed as a performance improvement tool under the developmental purpose (Tansky, Heneman & Greenberger , 2009).

The performance of any organisation depends on the performance of its employees, thus a performance management system is a key tool for transforming people's talent and motivation into a strategic business advantage (Aguinis, 2009). This informed the view of Ayandele & Isichei (2013) who stated that the core of a performance management system is to provide an avenue for improved employees performance. The objectives of an effective performance management, as outlined by Ayandele & Isichei (2013) are to: (1) have a high performance culture; (2) align personal objectives with the team, department and organisational goals; (3) encourage and reward employees' efforts; (4) clearly define the employee's impact on the organisation; and (5) ensure consistent employee attitudes that are based on fair, objective and timely feedback on employees' performances.

Overall, the discussion above points to the fact that a performance management system aims to connect the employees' activities to those of the organisation, rewarding the employees and putting in place measures which ensure that the employees' skills are enhanced, with the ultimate goal of meeting the organisation's objectives.

As per Public Service Commission (2007, p. 5), "performance management is intended to be a process that assists organisations in establishing a climate conducive to moving employees to develop and achieve high standards of performance". The above definition is contrary to popular belief, however, as people refer to performance management as an annual occasion, rather than as a continually participative daily process aimed at:

- guaranteeing mutual understanding of performance expectancies;
- continuously advancing employee capabilities and passion to meet performance expectations;
- continuously developing employees; and
- recognising outstanding performances.

2.5 Significance of a Performance Management System

The significance of a performance management system is widely acknowledged by most authors who have a research interest in the application of this concept in organisations. Some of the facts that indicate the importance of performance management system in organisations are explained in the following manner: according to Gerrish (2016) a performance management system helps to link the performance of employees on the identified key performance result areas of the organisation. In their respective studies in the field of performance management systems, Moynihan & Pandey (2010) and Gerrish (2016) concurred that a performance management system is vital as a tool to measure and monitor the commitment, work ethic, performance consistency, motivation and development of employees in the work environment.

In some instances, it is argued that a performance management system assists in directing and guiding the work actions, performance and behaviour of employees (Nengwekhulu, 2009). In

addition, a performance management system helps to regulate the working relationship of supervisors and employees in the workplace, while facilitating and channeling the collective performance efforts of employees towards the achievement of set targets in relation to an organisation's objectives and goals. Writers on performance management systems, such as Radebe (2015) and Landis & Grossett (2014), aver that a performance management system is crucial for an organisation to improve its performance, which in turn may improve productivity, as it offers opportunity for career development and incentives that are meant to motivate employees.

2.6 Key Elements of a Performance Management System

There are many identifiable elements of a performance management system, which work together to make the system functional. Moynihan (2008 cited in Gerrish, 2016), presented seven elements of performance management system in sequential order:

- Setting performance goals or creating performance measures through official sanction, or models.
- Using incentives to achieve performance goals, including monetary rewards.
- Collecting performance information for use in strategic planning.
- Evidence that performance information is used in organisational decision-making.
- Benchmarking current performance to previous performance or performance of other entities, inside and outside of the organisation. Similarly, grading, categorising, or recognising performance from benchmarking.
- Linking agency, departmental, or organisational budgets or autonomy to the achievement of performance goals.
- Publishing performance targets and results for managers, staff, stakeholders, and the public (Gerrish, 2016).

Sole (2009) identified two elements of performance management system, namely performance dimension and use of performance measures. He further sub-categorised these into their respective sub constituencies. Under the performance dimension, Sole highlighted outcomes, outputs, efficiency and productivity as important indicators of the functionality of the

performance management system. In addition to that, the use of performance measures is one of the important elements of a performance management system.

2.6.1 Salient Features of a Performance Management System

The Employee Performance Management Development System Framework issued by the Department of Public Service and Administration (2007) outlines the features that characterise a functional performance management system, i.e.:

- It is regulated and managed through performance management system policy,
- It has annual cycle process,
- The prerequisite for its implementation is planning,
- It is implemented based on the performance management system policy framework that's entails guidelines,
- It involves all categories of employees, including top management, senior management, middle management, and all other officials of the department,
- Performance reviews are done per mid-term and annually,
- There is training and developmental aspects, learning aspect, rewarding aspect for above average performers, good and extra ordinary performances,
- The incentives are categorised into notch equal to 1.5% of the gross income of the employee with average performance,
- It regulates the work relationships of the supervisors and supervisees,
- Performance agreement with specific Key Result Areas (KRA's) and Core Management Criteria (CMC), which is only applicable to SMS members are signed by both the supervisor and subordinates,
- There is constant monitoring of the employees' performance and guidance by the supervisors and support from the supervisors is expected,
- Proper engagements and discussions periodically on the performance by the supervisor and subordinates

2.7 Evolution of Performance Management System in the Public Service

The public service in South Africa consists of three spheres of government, namely national, provincial and local. In 1999 the new Public Service Regulations were launched, allowing departments to develop their own human resources management policies in line with a framework of norms and standards (Public Service Commission, 2007). Furthermore, human resource management functions according to Public Service Commission (2007, p.5) include "training and development, preparing of job descriptions, job evaluations, recruitment and selection, and career development". One of the significant changes over the last decade is the growing need to integrate human resources into the strategy of the organisations, as individuals are increasingly being seen as valuable resources (Landis & Grossett, 2014). Human resources in the public sector is mandated by specific legislative frameworks, i.e. the Constitution (1996), the Public Service Act (1994), the Public Administration Management Act (2014), Public Service Regulations (2016), relevant labour legislation, applicable collective agreements, and other relevant national legislation, e.g. the Basic Conditions of Employment Act (1997).

In the private sector, a performance management system is used as an incentive to motivate employees to improve their performance, which leads to higher profits. This is contrary to the public sector, which uses the performance management system as a tool that facilitates the assessment of both individual performance and organisational effectiveness (Pubic Service Commission, 2012).

The Public Service Commission's (2012) report states that the emphasis on performance management is constantly on the above average performance, although some officials commonly misinterpret the definition, which leads to officials being remunerated for executing their normal responsibilities (average performance). Landis & Grossett (2014) stated that the worker's essential duty is to provide a skilled performance, which should be managed by a system consisting of standards and evaluation tools, including:

- A coordinated performance plan and appraisal system;
- In the case of inadequate performance, a number of improvement measures that are reasonable and appropriate have to be taken, including on-the-job training,

mentoring, coaching, adjustment of objectives, and/or deliverables and training. A reasonable opportunity to improve is to be given with objective mechanisms and timeframes in which to determine progress; and

- Alerting the employee of the consequences of non-improvement in performance.

2.8 Challenges in the Performance Management practice in the Public Sector

Throughout the world, human resource management is widely recognised as being essential for effective government and as the key to sustainable development. Economic development and increased government capacity in BRICS countries (Brazil, Russia, India, China and South Africa) raised hopes of a global trend toward stable, transparent and representative governance (Klingner, Nalbandian & Llorens, 2016).

In South Africa, shortages of skills have been blamed for the slow pace of service delivery and the poor quality of services being rendered, but according to Nengwekhulu (2009) skills shortages alone cannot explain public service delivery inertia, as there are other factors that need to be taken into account such as corruption, nepotism, and interference in the day-to-day management and administration of departments by political principals, such as Ministers.

According to Saunders (2005) another challenge is the appointment of supervisors and line managers as assessors, since South Africa is a developing country. A number of prospective supervisors and line managers whom are appointed as assessors might have low levels of education, poorly developed language skills, and an inability to understand the conceptual elements of what is involved in an assessment process. The ability of the assessor in the implementation of a quality assessment process is vital, thus an organisation has to ensure that an assessor has certain competencies in order to be able to execute his/her duties, to avoid problems such as poor judgement and subjective decisions (Saunders, 2005). Saunders added that there are still limitations to the country's assessment processes due to the legacy of the apartheid era, as some racial groups were disadvantaged in many social and political arenas, which influences fairness in assessments in South Africa. Therefore, more is still to be done in terms of education on what is and what is not fair during the assessment process.

In his study, *Managers' Perceptions of the Performance Appraisal System in the Local Municipality of Gauteng Province in South Africa*, Radebe (2015) stated that even though there are much-admired benefits of performance appraisal systems, the manner in which these systems are developed and implemented in some municipalities is often inconsistent. Hindo (2010) cited in Radebe (2015), added that it is not surprising to find that performance appraisals, in some municipalities, are not effectively developed and implemented, and in some cases are non-existent. The other issue is the difficulty of finding enough empirical investigation on the performance appraisal system of the public service, as the system has been commonly assumed to be ineffective and lacking support from its users (Ikramullar, 2011).

2.9 Effectiveness of the Performance Management System

According to Santhanan (2017) the effective implementation of performance management systems in an organisation is largely detemined by the extent to which the human resources practioners train and capacitate line function managers on the actual method of performance management system implementation in the organisation.

The performance management system employed by any organisation should systematically evolve, starting from the level of employee up to the level of an organisation (Ayandele & Isichei, 2013). A typical performance management system ought to align its goals and objectives to the organisation's strategy, which is a common thread in the aforementioned performance management system definitions, supporting the view of Aguinis (2009) that a performance management system that does not make an explicit link between the employees' contributions and organisational goals is not a true performance management system. The link serves the purpose of establishing a shared understanding about what is to be achieved and how it is to be achieved. It is also crucial to monitor and support employees through the provision of coaching, developing and redefining performance objectives on a quarterly basis (Santhanam, 2017). The author added that infusing the development needs of employees and evaluating employees' performance on an annual and mid term basis subjected to agreed key objectives against actual deliverables is a method of continously sustaining an effective implementation of the performance management system (Santhanam,2017). It is clear from

the above that a performance management system has to bring employees' performance back on track to perform as per the original work plan. In addition, Wanjala, et al. (2015) and Radebe (2015) outlined the importance of an effective, valid and accurate appraisal policy for rating employee performances.

2.10 The Performance Management Process

The Public Service Commission (2007, p. 5) stated that "the intention of a performance management process is to assist organisations to develop a conducive environment to motivate personnel to improve and accomplish high standards of performance".

The public service performance cycle is an ongoing process between employees and supervisors, which coincides with the financial year (1 April to 31 March). A performance agreement is signed at the beginning of each year between the employee and employer (supervisor). The employee is assessed twice a year, with a half yearly review (end of September) and annual review (end of March). All assessments should determine the performance of employees, i.e. whether they are progressing or not. The supervisors' feedback is crucial; in cases of poor or average performance, training and development should be provided, with progress being monitored and recorded, and rewards offered for outstanding performances (Department of Public Service and Administration, 2007).

The cycle has four phases:

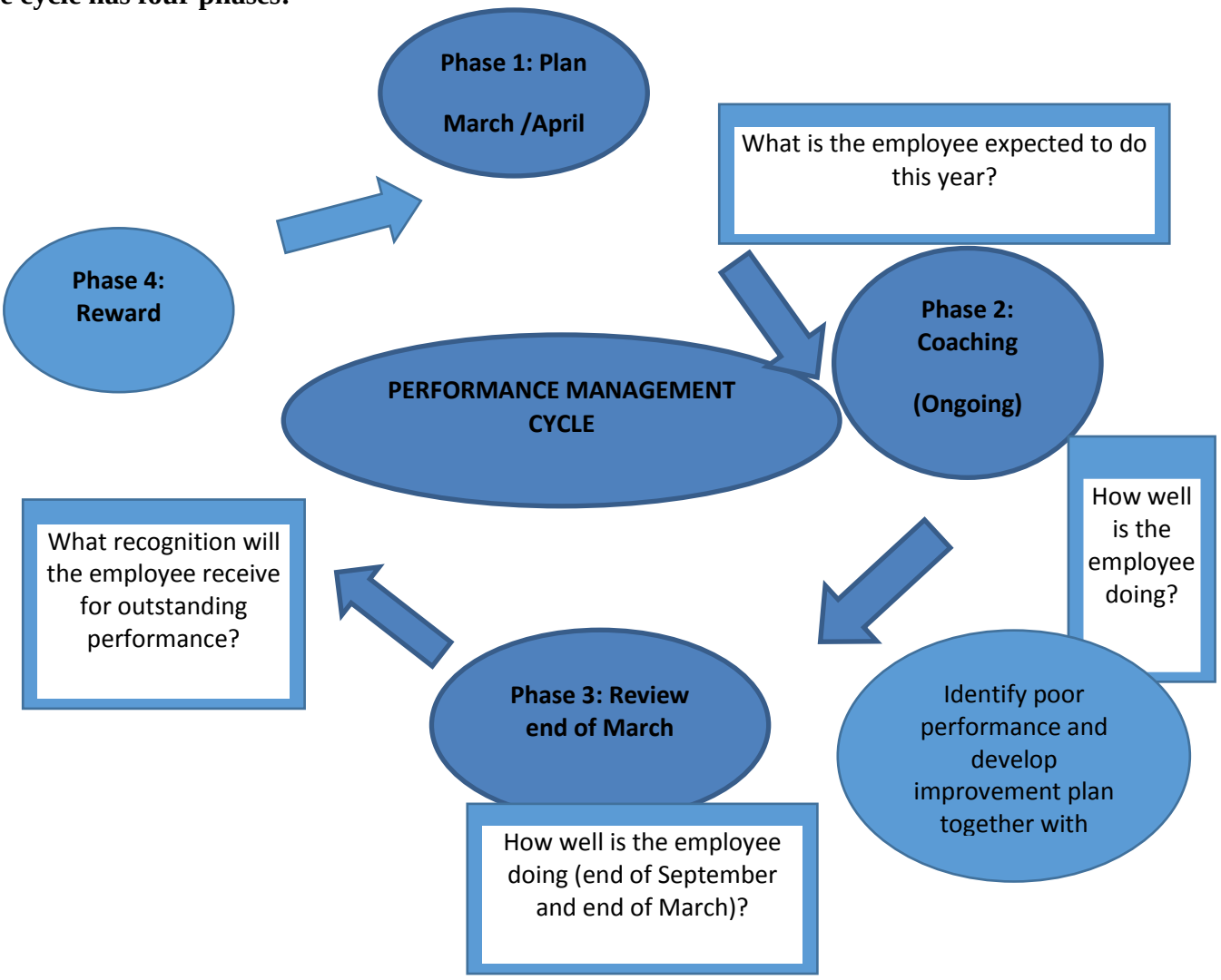

Figure 2.1 Performance Management Cycle

Source: Author

This process requires the commitment of both employers and employees at all stages. Studying performance ratings can provide a good amount of data from which to identify the desires and expectations of employees in terms of development needs. Evaluators can also use the information to identify what development needs exist to help employees achieve their potential. The current ratings employed by the Department of Health are: 1 and 2 indicate a poor performance and a need for training and development, while 4 and 5 see a reward being offered, depending on the employee's salary level. According to Radebe (2015) the school of thought offers a different perspective as it argues that all human beings have things that they

are motivated to do and that the skills lies in matching what has to be done by organisation with what the individual wants to do and is good at.

2.11 Measuring Work Performance of Employees

The task of measuring an employee's work performance in an organisation is a technical exercise that is done in accordance with a set policy framework and regulatory guidelines. Bond & Fox (2015, p. 5) argued that "the most difficult aspect of a performance management system, is to accurately and objectively measure the employee performance". The complication and difficulty is due to criteria, its technical nature, and the need to measure employee performance with precision. According to Rudman (2011), measuring performance encapsulates the evaluation of the key tasks and achievements of employees completed in given time period, against the strategic objectives set at the beginning of the period.

Fletcher & Barley (2013) posited that a precise and efficient performance measurement underpins accurate employee performance reviews, and provides insight so that a determination and measurement can be made with respect to an employee's potential. To reinforce the above argument regarding measuring the work performance of employees, Bond & Fox (2015) stated that measurement is one of the determining factors of implementing a sound and efficient performance appraisal and performance management policy in an organisational setting. According to the authors, factors to be considered when measuring employee performances are: organisational outcomes and goals; feedback about employee performance through multi-point feedback and self–assessments; technical and generic competencies; skills, knowledge; and the ability of employees to accomplish organisational goals (Fletcher & Barley 2013; Bond & Fox 2015).

The views of Aguinis (2009) are that the effective measuring of employee performance requires timely, regular and periodic reviews, with a focus on the determined objectives, targets, indicators, actual achievement, progress and performance.

Effective measuring of employee performance requires proper planning and clarification of the organisation's strategic objectives and agreement on the Key Results Areas (KRAs), and the performance targets between employees and their supervisors. Moreover, there should be consistent communication to ensure that there is no confusion and false impression created by employees. Aguinis (2009, p. 2) argued that "managers and employees should agree on performance expectations in advance of the performance appraisal period". Furthermore, he stated that employees cannot function effectively when they do not understand what they are being measured against. According to Radebe (2015), employees' performance expectations include duties, responsibilities, and the manner in which they should perform their work effectively as prescribed in their job descriptions. In terms of Landis & Grossett (2014), performance measurement covers the quality of the achievements, the compliance with required standards, the costs involved, and the time taken to achieve results on the tasks or projects prescribed.

2.12 Factors Influencing the Implementation of Performance Management

The effective implementation of a performance management system in the public sector to yield intended objectives is attributed to a number of factors. Writers such as Sole (2009) classified these determinants factors into internal and external factors, with internal factors including leadership and management commitment, internal resources, a performance-oriented culture, employee engagement, and the maturity of the performance management system. External factors, meanwhile, comprise citizens and elected officials, labour unions, and law requirements. Both internal and external factors influence the implementation of a performance management system, and are discussed in detail below.

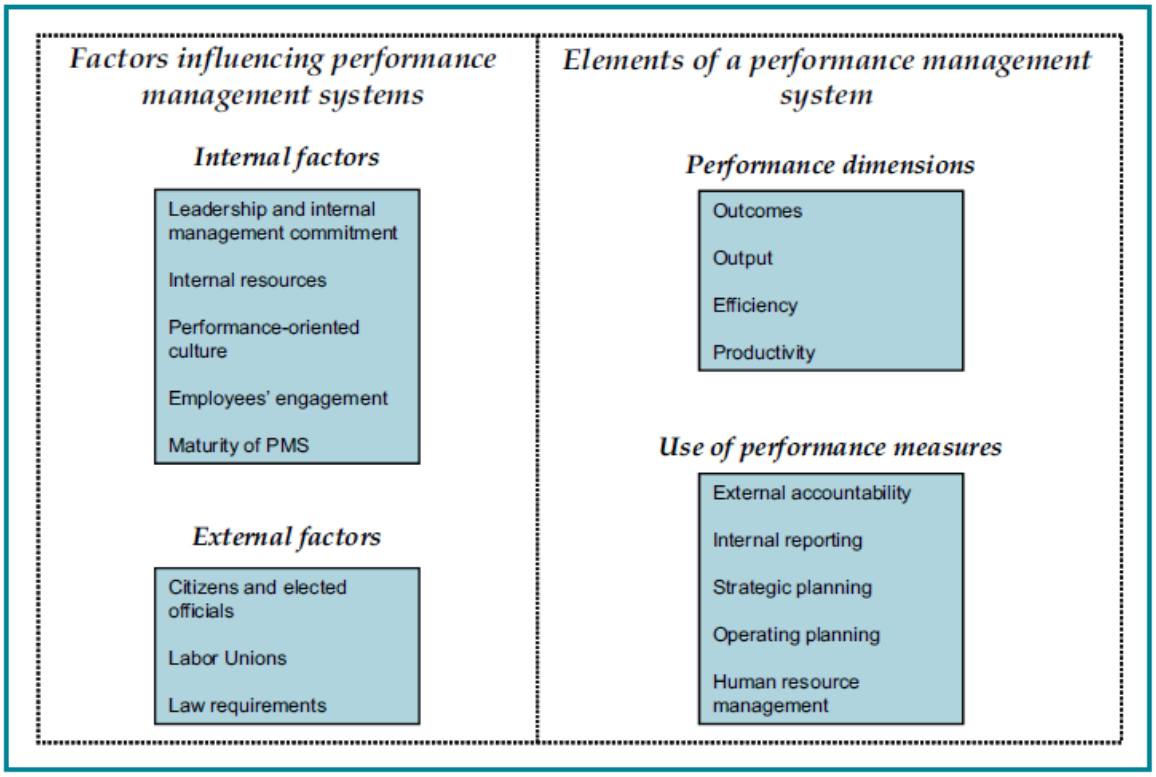

Figure 2.2: Different Factors that Influence Performance Management

Source: Sole (2009, p. 9).

2.12.1 Internal Factors

2.12.1.1 Leadership and Internal Management Commitment

According to Anthony (2017), management is the process of working with and through people to accomplish organisational goals, and the main function of management is to establish rules, regulations and plans in order to fulfil the goals of a particular organisation. As organisations are led and managed from the top, it is critical to have a leadership team that has the individual and collective capability to position the organisation appropriately in its competitive landscape (Bussin, 2014). Quality leadership by top management has been emphasised and supported by many researchers as the basis for proper quality management in order to achieve customer

satisfaction, quality service delivery, continuous improvement and employee job satisfaction (Anthony, 2017).

Leadership exists at various levels, however the work of leaders at these levels differs, as do the skills required (Bussin, 2014) . In a public sector environment, leaders and managers are also employees, and in this capacity they are expected to make a positive contribution towards meeting the objectives of the department. Gerrish (2016) emphasised that support from managers for performance management is associated with both adoption and implementation of performance management system.

Sanger (2008) contended that for a performance management system to be successful, a dedicated leadership with substantial skills and willingness to offer significant managerial investment and rewards is necessary. For this reason, senior executives and managers ought to partake in designing and implementing a performance management system. This was echoed by Poister (2010), who suggested that the commitment of internal management could bring formality to performance management and could positively influence the employees' commitment to achieving the set targets and enhancing their overall work performance. From this viewpoint, a performance management system that is implemented in isolation of the executive management might not guarantee an effective system of performance management.

2.12.1.2 Internal Resources

Another contributing factor to the effective implementation of performance management system is the existence of a functional Performance Management Unit within the Human Resources Department. The Unit functions involve facilitating and monitoring the implementation and the process of performance management system, due to the fact that it requires an investment of time and effort, particularly in the development and planning phase (Martinez, et al., 2008). Apart from committing to skill development and rewards for employees, management should be willing to commit their time and effort towards an effective implementation of the performance management system.

According to Anthony (2017), management should also ensure that an organisation's management system is reviewed frequently in order to ensure continuing suitability, adequacy,

efficiency and effectiveness. The review should include assessing opportunities for improvement and the need for changes in the system.

2.12.1.3 Employee Engagement

The participation of employees during the development process of the performance management system is key, and could result in a significantly positive impact on its success as it can enhance employees' accountability, learning, and feeling part of the organisation, and ultimately motivates them (Anthony, 2017). This is a crucial aspect because when employees feel empowered, it results in quality work which in turn enhances continuous improvement. However, Gerrish (2016) had a different point of view, as he stated that voluntary performance management adoption might lead to 'buy-in' and greater improvements. He argued that management should not view the implementation of a performance management system as a unidirectional process whereby goals and objectives are imposed on the workers, i.e. they should rather treat or view the process as a bidirectional communication process whereby employees are part of the process, as this inevitably motivates employees to achieve the set targets.

Chelladurai and Kerwin (2017), agreed that for an appraisal to reach its potential and be of benefit to all involved there needs to be a higher level of employee involvement in the system. One of the key factors of a performance appraisal is to have the manager and employees jointly identify ways to improve the employee's performance, and establish a development plan to support the employee in achieving their goals.

2.12.1.4 Performance-Oriented Culture

According to some literature, organisational culture is one of the substantial intangible forces that affect performance, and in a service organisation it has strategic 'value (Acar & Acar, 2014). On the other hand, Taylor (2014) defined organisational culture as "being what is important to an organisation and can affect how organisation members feel and behave to change the values, assumptions, and behaviour's in public organisations" (Taylor, 2014, p. 3).

Attempts to understand the effects of performance management in an organisation should, therefore, take the organisation's culture into account.

In this context, culture is conceived as the beliefs, ideologies, behavior's and values that are dominant in an organisation, and ultimately influences the power of relationships between all relevant stakeholders as well as their responses to change within an organisation (Ayandele & Isichei, 2013). In addition, the key factors which characterise a performance-oriented culture are as follows: "a focus on the end result for citizens and users; employees' empowerment in taking responsibility without fear of blame; and a positive approach to performance management through employing it as a tool for improvement exercise", Sole (2009, p. 9). The fidelity of employees depends on the knowledge and awareness of culture that advances the performance of an organisation.

Culture is located between internal organisation focus and stability/control dimensions; a hierarchical culture reflects the values and norms associated with bureaucracy (Landy & Conte, 2010; Acar & Acar, 2014). Performance management essentially requires leaders of public organisations to use culture as a tool to turn the bureaucratic paradigm. It is argued that organisational culture is a pertinent factor in ensuring that performance management systems are effective; as the employee performance is denoted as the pillar of the organisation as it leads to organisational development (Landy & Conte, 2010).
In their findings, Acar and Acar (2014) noted that organisational culture that deliberates stability and order are in a relatively advantageous position over organisations with a flexible, choice- driven and dynamic organisational culture.

2.12.1.5 Maturity of a Performance Management System

The level of maturity of a performance management system has an impact on its effectiveness and consequently its outcomes (Martinez, et al., 2008). Contextually, maturity refers to the experience of a performance management system and performance management process generally, for instance, confidence in the application of data obtained during the appraisal process to achieve improved performance solutions for employees, and strategic and operational improvement. In other words, an experienced management team could pave the

way for the successful implementation of a performance management system, compared to an inexperienced one (Radebe, 2015).

2.12.1.6 Training and Awareness

Other factors influencing the successful implementation of a performance management system are when employees are trained in, and made aware of, the set objectives (Fakharyan, Jalilvand, Dini & Dehafarin, 2012). This does not solely help in equipping employees with the skills required when performing daily tasks, but helps them to accept the changes that would have taken place in the workplace. With that in mind, there must be effective communication between management and subordinates for the purposes of successful implementation of the performance management system (Kroll & Moynihan, 2015). Although the aforementioned internal factors could influence the performance management system, there are also some external factors that will be discussed in the following section**.**

2.12.2 External Factors

2.12.2.1 Citizens and Elected Officials

Support from elected government officials may play a significant role in, and have an effect on, the implementation of a performance management system in public organisations, that is, the performance management system might not function effectively if the elected government officials have no patronage in the organisation or are not involved in the day-to-day activities of the institution (Pubic Service Commission, 2012). For instance, if the elected officials do not assist with the provision of cash and non-cash remuneration of public service employees, it becomes difficult to motivate the employees to work towards meeting the goals of the organisation, which is the ultimate goal of the performance management system (Destler, 2014).

According to Heikkila & Isset (2007), several policy scholars and political theorists have argued that direct citizen participation in government, particularly through public deliberation, is fundamental to establishing a responsive and accountable democracy. Other writers proclaim, however, that public participation is certainly not always beneficial, due to various

reasons such as that the effort can be costly, time consuming, and indecisive in reaching agreement on any problems (Heikkila & Isset, 2007).

2.12.2.2 Labour Unions

Most public service employees are members of trade unions and may adversely influence the implementation of a performance management system. Unions may either mobilise their members against or in support of it, for example, if workers are not satisfied with anything work-related, a labour union representing personnel working in the public department may organise a protected strike, which could result in disruptions and negatively affect service delivery (George, 2016). On the other hand, protection and representation of employee grievances by the labour unions could be a motivating factor and yield job satisfaction. As a consequence, this would potentially lead to improved work performance and contribute to the success of the performance management system.

2.13 Employee Perceptions of Performance Management Systems and their Impact on Work Performance

Perception, as described by Warokka, Gallato & Moorthy (2012) is a process by which individuals organise and interpret their sensual impressions in order to give meaning to their environment. The intentions often differ since every individual has different behaviours and thoughts. Generally, employees' perceptions are confined by the organisational justice in the workplace, and if they perceive the performance management system to be unjust or unfair, it is likely to negatively impact on their work performance and vice versa (Ketelaar & Koenig, 2007; Warokka, et al., 2012). Consequently, individuals will only be satisfied with a performance appraisal process that accomplishes the criteria of fairness, which is expressed by many researchers as organisational justice (Warokka ,et al., 2012).

Supervisors also have to take into consideration that an employee who is under review can become defensive, and if he/she is rated less than the level at which the employee personally perceives his/her contribution, the manager is often viewed as being biased (Wanjala, et al., 2015). Negative feedback from a performance appraisal not only fails to motivate the typical employee, but can also cause employees to perform worse (Wanjala, et al., 2015).

Generally, the fairness of a performance management system could be categorised under distributive fairness, interactional fairness and procedural fairness, as shown in Figure 2.3.

Figure 2.3: Organisational Justice and Organisational Performance
Source: (Hornibrook, Fearne & Lazzarin ,2009)

The description of the components of fairness draws heavily on the research and literature in the area of organisational justice. To handle the issue of managing organisations effectively, it is thus important for senior managers to create an accurate performance appraisal system and meet the employees' sense of fairness (Warokka, et al., 2012).

As shown in Figure 2.4, if employees perceive that there is distributive, procedural and interactional fairness in the performance management system, employees potentially become motivated, which could improve their performance and ultimately achieve the organisation's objectives (Warokka, et al., 2012). Therefore, if employees have a positive perception of the fairness of the performance management system, it can enhance outcomes relevant to their particular organisation, such as commitment, job satisfaction and organisational performance. Further, when employees believe that there is fairness and justice in the implementation of the performance management system, this can result positively on employees' attitudes and beliefs (Ahmed, et al., 2011). Positive attitudes could include employees aligning their own objectives and goals to the organisation's, which will yield productive behaviour that ultimately benefits the organisation.

The discussion in the following sub-section will divide the concept of fairness into three primary forms, i.e. (i) distributive justice, where fairness of the outcomes of a particular decision is the main consideration; (ii) procedural justice, which is concerned with the fairness of the processes that lead to the outcome; and (iii) interactive justice, which is concerned with fairness in the interpersonal treatment that employees receive at the hands of superiors while performing organisational practices and distribution of outcomes. The discussion will also try to connect employees' perceptions of fairness and their work performance in a public sector department (Heffernan, 2012).

2.13.1 Distributive Justice

Distributive justice, as defined by various writers, "exists when expectations for outcomes correspond with the actual outcomes" (Clay-Warner, et al., 2007, p. 90; Heffernan, 2012, p. 5). Perceived inequality has the potential to have strong implications in an organisational context, where distribution of outcomes are frequent and play an integral part (Heffernan, 2012). Due to the focus of distributive justice on outcomes, it is predicted to be related mainly to cognitive, affective and behavioral reactions to particular outcomes. Consequently, if a certain consequence is alleged to be unfair, it is bound to disturb individuals' emotions and ultimately their behaviour, including performance (Radebe 2015; Chang & Hahn, 2008). With that in mind, employees' perceptions of distributive justice could potentially have strong implications in the context of an organisation where distributions of outcomes play an integral part. In this view, employees are likely to become prone to social problems like internal conflicts when they perceive distributive injustices in the performance management system. For instance, employees could compare the working hours and benefits of fellow workers, and if their perception is that the benefits are not commensurate, this could induce job dissatisfaction and demotivation, which potentially impacts negatively on the work performance.

2.13.2 Procedural Justice

Procedural justice is defined by various writers as the perceived justice of an organisation's procedures and processes employed to define individuals' outcomes. (Forret & Love, 2007; Heffernan, 2012). According to Heffernan (2012) people evaluate the fairness of procedures

according to their level of consistency, bias suppression, accuracy, correctability, ethicality, and the degree to which they allow voice and input. He continued by outlining and explaining the six rules considered to yield fair procedures, i.e. "the consistency rule, this rule states that allocation procedures must be consistent across persons and over time; (ii) the accuracy rule, which refers to the goodness of the information used in the allocation process; (iii) the representativeness rule, which states that the needs, values, and outlooks of all the parties affected by the allocation process should be represented in the process; (iv) the correctability rule, which deals with the existence of opportunities to change an unfair decisions; (v) the ethicality rule, according to which the allocation process must be compatible with fundamental moral and ethical values of the perceiver; (vi) the bias-suppression rule, which states that personal self-interests of decision-makers should be prevented from operating during the allocation process" (Heffernan 2012, p.5). Therefore, procedural justice is more organisational orientated as its process lead to certain results that are alleged to be practical, workers' responses are anticipated to be focused at the entire business.

It is important for the management of any organisation to keep in mind the perceptions of employees while designing or modifying the appraisal system. Heffernan (2012) states that procedural justice is strongly linked to people management issues such as trust in management, job satisfaction, employee commitment, staff turnover, work effort and work pressure. The findings of a study conducted by Warokka, et al. (2012) revealed that interactional justice has more influence than any type of organisational justice in evaluating employees' performances, although this is contrary to other writers. Employees are more concerned about interactions during and after the evaluation process, e.g. being informed of how they were evaluated after the performance appraisal process. This provides strong support for the relationship between employees' perceptions of organisational justice in a performance appraisal system and work performance (Warokka, et al., 2012). Consequently, the perception from a procedural justice perspective is that injustice could result in negative perceptions and result in counterproductive behavior's (De Cremer, 2005; Collett, 2008). On the contrary, if the employees' perceptions of procedural justice are positive, it is argued that this increases their feelings of being valued (Van Prooijen, 2009).

2.13.3 Interactional Justice

The final element of organisational justice concerns the quality of the interpersonal treatment employees receive at the hands of decision-makers/supervisors, with a focus on social sensitivity and informational justification (Heffernan, 2012). In the interpretation of Narcisse & Harcourt (2008), interactional justice is about the value of good conduct during interactions between employees and senior management, particularly the ones who enact formal organisational procedures and policies. Additionally, there are three factors pointing to the perceptions that employees have on interactional justice; deception levels of superiors; preserving employee's privacy; and the language use during communication with employees (Chiaburu, 2007). Interactional justice is determined by the interpersonal behaviour of management's representatives. Interactional justice is considered to be related to cognitive, affective and behavioral reactions toward these representatives, that is, direct supervisors or the source of justice (Goldman & Taylor, 2000).

Therefore, when a worker observes interactional injustice from senior management, a negative reaction towards them is expected, rather than reacting negatively towards the organisation as with procedural injustice (Cohen-Charash & Spector, 2001). For instance, if employees in an organisation perceive that the management of the organisation is characterised by disrespect and the infringement of privacy, employees could lose trust, become defensive, and become less engaged in their work, which culminates in job dissatisfaction and demotivation. This means that for the effective implementation of a performance management system, management ought to interact with their subordinates in such a way that yields job satisfaction and motivation, since this indirectly enhances their work performance, all else being equal. Contrary to the above, Heffernan (2012) studied interactional justice in performance appraisal settings and found that unfavourable ratings were more likely to be perceived as fair if satisfactory reasons were provided. Interactional justice has been shown to impact employee outcomes such as job satisfaction and commitment Masterson, et al. (2000, cited in Heffernan, 2012).

Based on the above, if the employees perceive the system of performance management to be fair, i.e. interactive, distributive and procedural, they are motivated and this could produce enhanced work performance (Heffernan, 2012). It has, however, been argued that the employees' perceptions of the performance management system could be somewhat influenced by demographic factors and not solely by the manner in which the performance management system is implemented by the management (Heffernan, 2012). Campione (2014) postulated that every single person has an array of social identities, including race, age, gender, and others, and these identities affect and are affected by an individual's perceptions and experiences. Against this backdrop, the subsequent discussion points to the role that demographic characteristics play in employees' perceptions of performance management systems.

2.14 Theoretical Perspective on Employees' Performance

There are various theories of motivation to explain the behaviour and attitude of employees (Teng-Hong, 2011). These include content theories, which are based on the assumption that people have individual needs which motivate their actions. Theorists such as Maslow (1954), Herzberg (1966) and McGregor (1960), are well-known for their works in this field. In contrast to the content theories, this study will look at a process theory that identifies relations among variables, i.e. Vroom's Expectancy Theory (1964).

2.14.1 Maslow's Hierarchy of Needs

Maslow (1943, cited in Pride,Hughes &Kapoor, 2013) developed a theory of a "hierarchy of needs", which highlights five primary needs as per Figure 2.5 below.

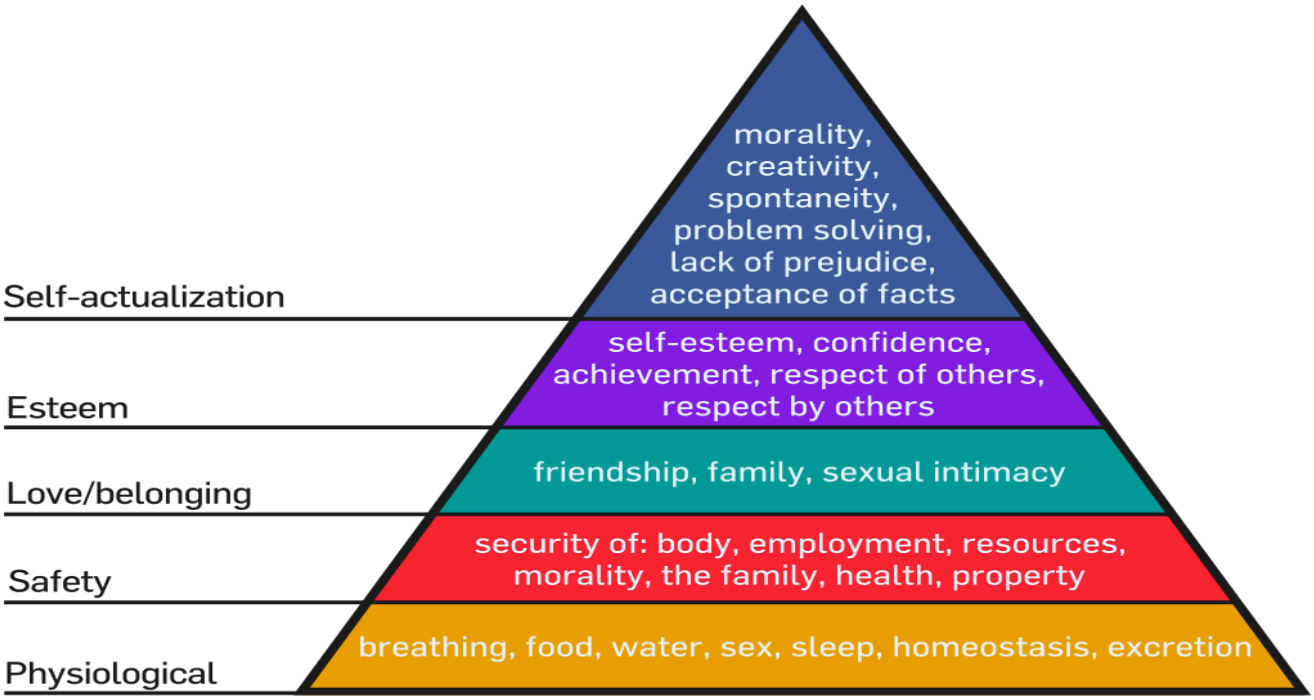

Figure 2.4: Maslow's Hierarchy of Needs

Source: Pride, et.al (2013)

With reference to the above, the physiological needs are 'biological needs', which comprise the need for food, sex and shelter, amongst other related things. It is Maslow's (1943, cited in Pride, et al., 2013) opinion that an employee first considers these physiological needs to attain satiation, such that the deprivation of such needs result in job dissatisfaction. After all one's physiological needs are sated and no longer control the behaviour and thoughts of an employee, the need for security becomes activated. In a workplace, safety entails the job security of an employee (Maslow, 1943, cited in Pride, et al., 2013).

Maslow also stated that once their physiological and safety needs are met, employees begin to seek to overcome their emotional state of loneliness and isolation, with the mission of obtaining a sense of belonging and affection. Thereafter, the need for esteem can potentially become overriding, which implies that workers derive job satisfaction from both self-esteem and the esteem a person acquires from workmates. As a consequence, fulfillment of the need for esteem yields self-confidence and ameliorates the employee's perceived value amongst his

or her workmates (Maslow, 1943, cited in Montana and Charnov, 2008). Finally, once all above-mentioned necessities are fulfilled, then the need for self-actualisation is stimulated; "self-actualization is a person's need to be and do what the person was born to do" (Nwagwu, 2015, p.2).

However, not everybody agrees with Maslow's (1943) theory, as some authors argue that it is difficult to empirically authenticate. In addition, his supposition that the lower needs must be satisfied before a person can achieve their potential and self-actualisation is not always the case, which misrepresents the hierarchy of needs. In his study, Hofstede found that it is fruitless to universalise the notion that meeting higher order needs will improve people's quality of life, since there are diverse cultures with diverse hierarchies of needs. He continued to state that Maslow's hierarchy of needs achievement motivation theory is ethnocentric, and applies mainly to North America (Nwagwu, 2015).

2.14.2 Hertzberg's Two-Factor Theory

Hertzberg's (1966) theory, as defined by Teck-Hong and Waheed (2011), is an internal force that is dependent on the individual's needs that drive him/her to achieve. As per Figure 2.6 below, Hertzberg (1966, cited in Greenberg & Baron, 2007, p. 156) introduced the two-factor theory, identified as the Motivator-Hygiene theory, which emphasises the factors that lead to the satisfaction and/or dissatisfaction of employees. According to Hertzberg (1966, cited in Mullins, 2010, p. 647), the characteristics related to job satisfaction (i.e. 'motivators') include advancement, the work itself, recognition, growth, responsibilities and achievement. Employee dissatisfaction can result from different factors, i.e. "hygiene factors", which include working conditions, salaries, supervision, interpersonal relationships, administration, and the policies of a company (Stello, 2011). Stello added that the presence of these hygiene factors does not have a positive influence on motivation, but can prevent dissatisfaction.

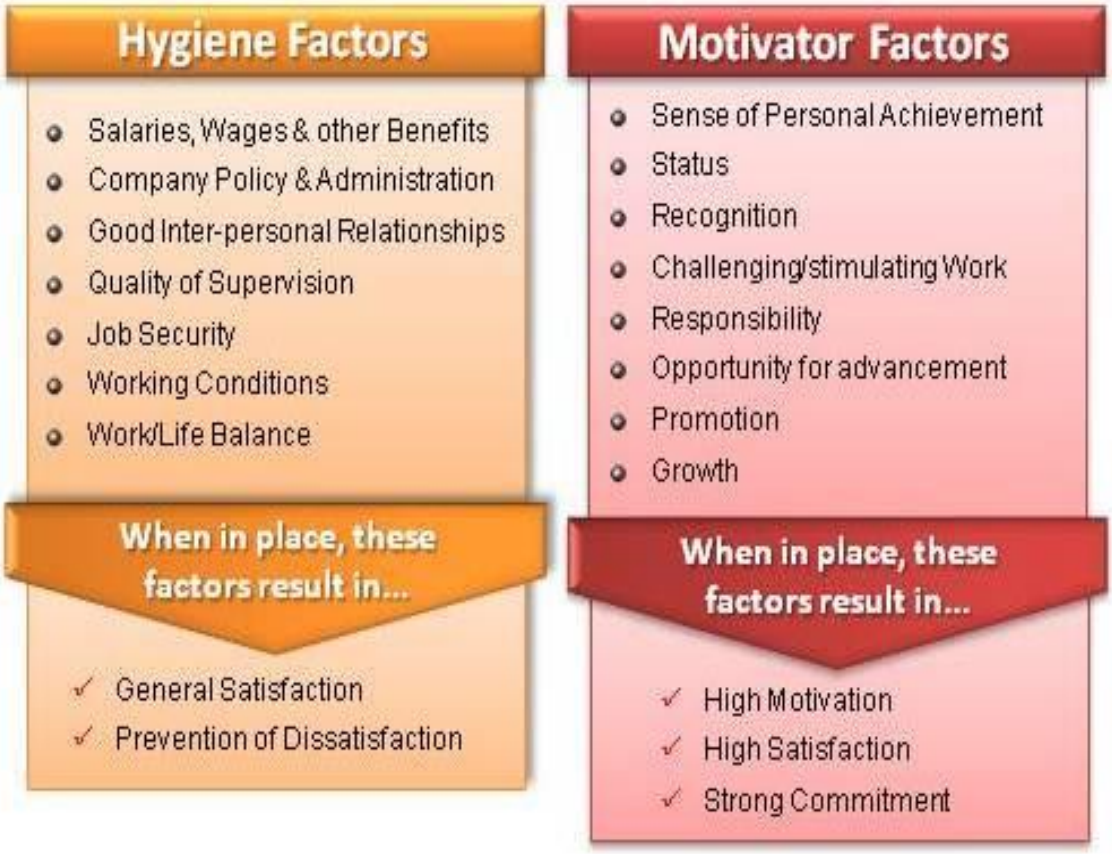

Figure 2.5: Hertzberg's Two-Factor Theory

Source: (Mullins, 2010)

Ultimately, the aforementioned 'motivators' could result in increased motivation, high satisfaction, as well as strong commitment amongst employees, leading to increased work performance, while the absence of these motivators could potentially lower employee performance (Mullins, 2010). Moreover, the model does not specify how the 'motivators' and 'hygiene' factors are gauged. On the other hand, (Stello, 2011, p. 7) argued that "the theory does not account for individual personality traits that could provide a different response to a motivator or hygiene factor". Finally, what motivates one individual might be a de-motivator for another.

2.14.3 Job Characteristic Theory Model (JCT)

The Job Characteristic Theory was developed by Hackman and Oldham in 1980, and describes the relationship between job characteristics, i.e. "skill variety, task identity, task significance, autonomy and feedback" (Ghosh, et al., 2015, p. 1021). Ghosh, et al. (2015) postulated that the Job Characteristics Theory also stipulates the job conditions in which individuals are predicted to do well in their work, and includes individual difference variables (i.e. knowledge and skills, and context satisfaction) as moderators of the relationship between job characteristics and the outcome variables.

According to Luchman & Gonzalez-Morales (2013), a job says a lot of things about an individual; work characteristics are particularly informative as they convey information about socioeconomic status and provide clues about attitudes, for example an employee can be proud and praise the organisation they are working for, which can reflect positively on job satisfaction, commitment and other work characteristics.

The theory specifies the task condition in which individuals are predicted to prosper in their work. This model can be expressed diagrammatically as shown below:

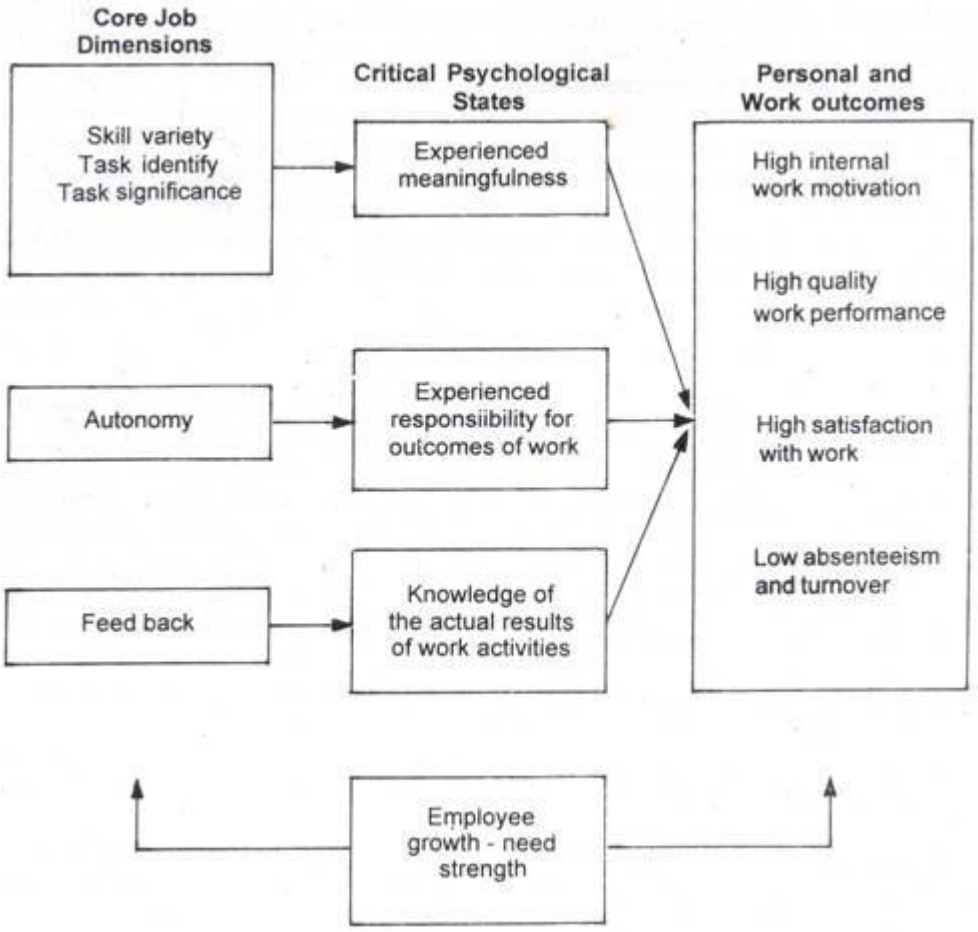

Figure 2.6: Thematic Diagram of the Job Characteristic Theory

Source: Ghosh, et al. (2015)

As per Figure 2.6, the Job Characteristic Theory is segmented into five key dimensions that are defined as follows:

- Skills variety: denotes the degree to which the job requires a variety of different activities in carrying out the work involving the use of a number of different skills and talents of the person.
- Task identity: the degree to which the job requires the completion of a whole, identifiable piece of work that is doing a job from beginning to end with visible outcome.

- Task significance: the degree to which the job has a substantial impact on the lives of other people whether those people are in the immediate organisation or in the world at large.

- Autonomy: the degree to which the job provides substantial freedom, independence, and discretion to the individual in scheduling the work and in determining the procedure to be employed in carrying it out.

- Job feedback: the degree to which carrying out the work activities required by the job provides the individual with direct and clear information about the effectiveness of his or her performance (Ghosh, et al., 2015).

Similar to Hertzberg's (1966) two-factor theory, a connection can be made between the Job Characteristic Theory and driving factors behind employee motivation and work performance. As per the JCT, employees might be dissatisfied if their work is characterised by monotony, for instance repeatedly compiling and capturing payment journals in the Expenditure Section within Finance, without the opportunity for development or more challenging administrative tasks. Also, employees could become motivated if feedback is provided by senior management in terms of the department's progress, such as comparing departmental goals against actual performance (Key Results Areas) on the performance agreements.

2.14.4 McGregor's Theory X and Theory Y

From a different dimension, McGregor (1960) developed a philosophical view of humankind with his Theory X and Theory Y. These are two opposing perceptions about how people view human behaviour at work and organisational life (Anthony, 2017). This theory explains the two diverse leadership styles or approaches, whereby Theory X managers approach their jobs believing that those who work for them generally "dislike work, lack ambition, are irresponsible, are resistant to change, and prefer to be led rather than to lead"(Griffin, 2010, p. 43). In contrast to Theory X, Theory Y managers believe that employees are "willing to work, capable of self-control, willing to accept responsibility, imaginative and creative, and capable of self-direction" (Griffin, 2010, p. 43).

Usually, Theory X leaders do not allow employees to express themselves, which creates less motivation for employees to achieve personal goals. Inversely, juniors of leaders with Theory Y perspectives normally enjoy more job participation, independence and accountability (Schermerhorn, 2011). Figure 2.8 below shows the differences in terms of attitude, direction, responsibility, motivation and creativity.

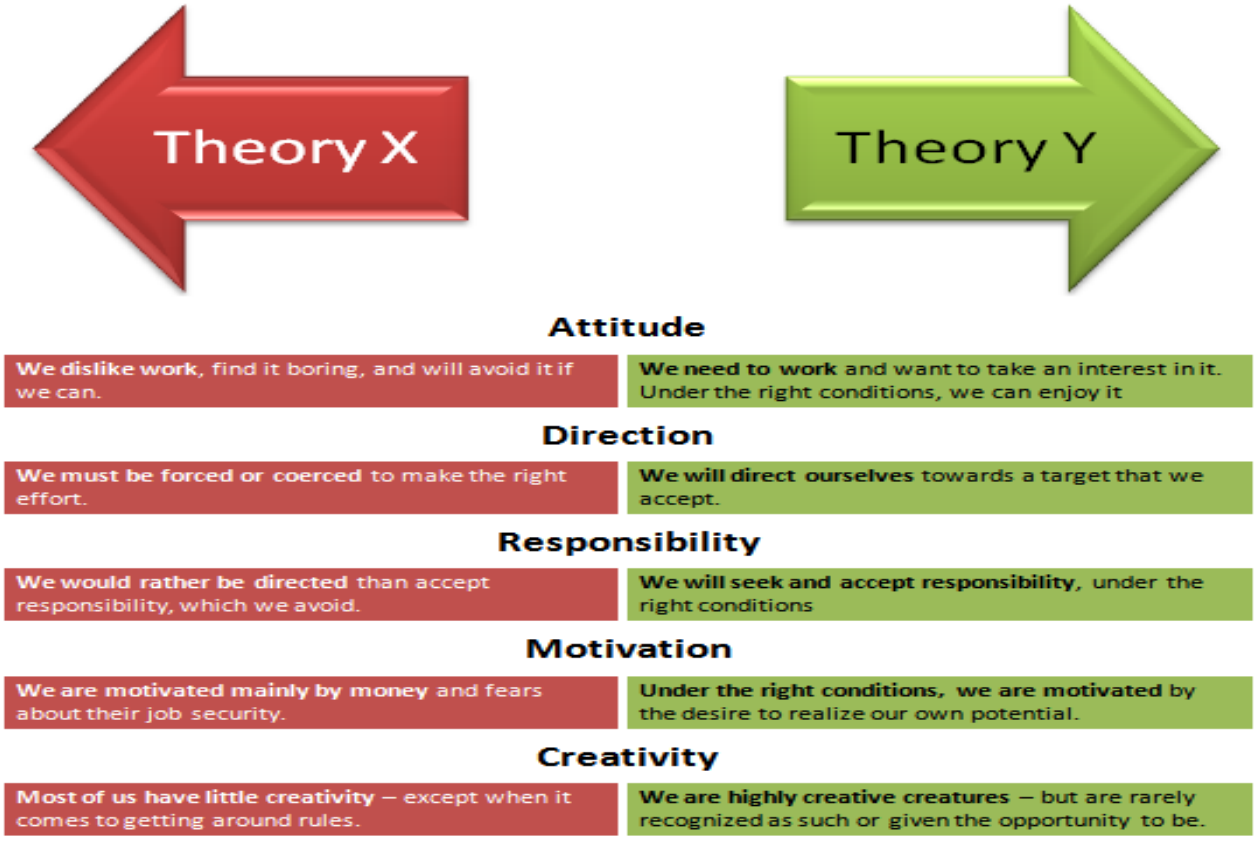

Figure 2.7: McGregor's Theory X and Theory Y

Source (Schermerhorn, 2011).

As with the foregoing theories, the understanding by managers of McGregor's Theory X and Theory Y is relevant to any organisation, including the public sector, since leadership styles could have a positive or negative impact on employee motivation, attitude, direction, responsibility, creativity, and ultimately work performance. The Theory X management style is autocratic and power or control is centralised, which can lead to employee dissatisfaction as there is minimal employee participation and involvement in the decision making, planning and development of a performance management system as required. This style also does not

recognise an employee's work input (Anthony, 2017). Theory Y's style of management, on the other hand, is the total opposite of Theory X; the management style is participatory and workers are part of the decision-making team, although the authority to implement is a management function.

2.14.5 Vroom's Expectancy Theory

While Maslow (1943) and Herzberg (1966) were looking at the relationship between internal needs and the causal factors to accomplish them, Vroom (1964) looked at the separate efforts that arise from motivation, performance, and outcomes. The expectancy theory places an emphasis on the process and on the content of motivation as well, and integrates needs, equity and reinforcement theories (Theunissen, Butler & Akleker, 2015).

Vroom's expectancy theory assumes that behaviour results from conscious choices among alternatives, whose purpose it is to maximise pleasure and minimise pain (Ardoin, et.al. 2015). Vroom realised that "an employee's performance is based on individual factors such as personality, skills, knowledge, experience and abilities" (Theunissen, et al., 2015, p.2). He indicated that effort, performance and motivation are linked in a person's motivation if an employee perceives that their performance may not lead to a desired reward or if the type of reward is not valuable to them, the employee may not feel motivated to maintain the same standard of work performance (Theunissen, et al., 2015). (See Figure 2.8 below.)

Expectancy theory identifies three antecedents that motivate individuals to put forth effort in order to attain an outcome, i.e. expectancy, instrumentality, and valence. The motivational force, as defined in expectancy theory, "is the amount of effort a person will put forth in trying to attain a specific goal" (Hsu, 2014, p.121).

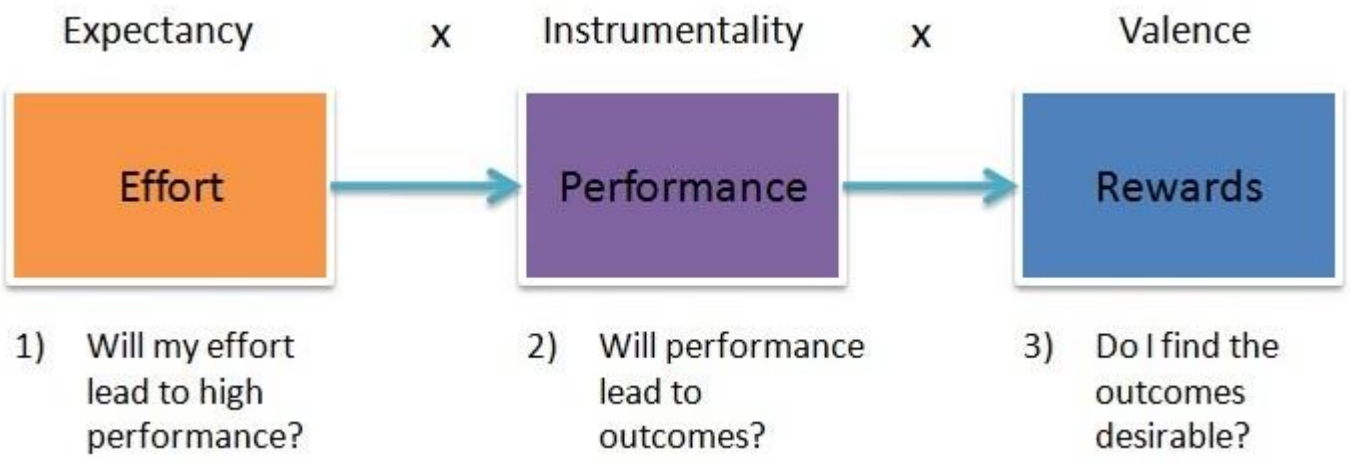

Figure 2.8: Vroom's Expectancy Theory
Source: (Hsu, 2014)

Expectancy is a belief that greater effort will lead to greater performance, although hard work is affected by certain issues such as:

- Availability of the right and relevant resources.
- Possession of the right skills to perform the task.
- Office support to perform work duties, e.g. supervisor support (Hsu, 2014).

Instrumentality is a belief that a good performance will result in something positive, meaning if outstanding work is done, something positive is received in return. The following affects the above:

- Precise knowledge of the link between performance and consequences.
- Faith in the management team, e.g. a supervisor's assessment of an employee.
- Transparency of the process (Hsu, 2014).

Valence is the value of an expected outcome to an individual. For it to be positive, the individual must desire to reach the outcome (Hsu, 2014).

Vroom's expectancy theory involves perceptions; even if the business offers everything with regard to motivation, it does not mean that everyone will be accommodated in the department

as different views will be experienced. Vroom's expectancy theory is more concerned about the relations employee creates towards anticipated outcomes, as well as the input needed towards achieving these outcomes (Theunissen, et al., 2015).

2.15 Employees' Perceptions of Performance Appraisals

In the organisational justice literature, various scholars are of the view that an employee's level in the organisation impacts their fairness perceptions; employees at higher levels in an organisation have higher perceptions of distributive, procedural and interactional justice (Ikramullar, et al., 2011).

In a study conducted by Monis and Sreedhara (2010), almost 70% of the respondents were satisfied with the manner in which their performance appraisals were conducted. Although the study did not directly investigate the link between the perceived fairness of the performance appraisals and employee performance, it could be suggested that such positive perception motivates employees to work towards fulfilling the goals of the organisation (Monis & Sreedhara, 2010). In his study Ahmed, et al. (2011) examined the relationship between perceived fairness of performance appraisals and employees' behaviour, along with institutions' commitment. The results disclosed that employees in the banking sector were neutral about perceived fairness in performance appraisals and institution commitment. In this context, the institutions' commitment is derived from job satisfaction, which has a chain effect that influences the benefit system through improved performance. In other words, similar to Monis and Sreedhara's (2010) findings, the research tacitly suggests that there is a positive and significant relationship between employee perceptions of performance appraisal and worker performance (Ahmed, et al., 2011).

Boachie-Mensah and Seidu (2012) investigated the impact of employee perceptions on a performance appraisal system, and found that employees of the institutions perceive that the performance appraisal system is subjective and influenced by some errors. Further evidence supporting the positive relationship between work performance and perceived fairness in the performance appraisal may lie in the findings of Fakharyan, et al. (2012), who conducted a study on employees' perceptions about the effectiveness of performance appraisals in an

organisation in Pakistan. The findings in the study suggested that the sampled employees were satisfied with the performance appraisals at their workplace, thus work performance and organisational commitment was high.

Bekele, et al. (2014) also assessed the perceptions of performance appraisals on employees and their impact on work performance. As with Ahmed, et al. (2011); and Monis & Sreedhara (2010), the findings of the study were that the average employee has poor perception of the performance appraisal practice.

In conclusion, it can be seen from the various surveys that the general consensus is that work performance is enhanced when the employees are satisfied with the manner in which a performance appraisal is conducted.

2.16 Does Performance Management System Improve Employee Performance?

In his assessment of the impact of a performance management system on employees' performance, Gerrish (2016) concluded that most public organisations adopt and implement performance management system as per policy instrument to improve the effectiveness and efficiency required to achieve organisational goals. On the contrary, Radebe (2015) had a different view regarding the adoption of a performance management system improves the performance of employees or not. According to Gerrish (2016) there is some evidence for the previous studies undertaken, which indicate that in both public and private organisations, a performance management system may be assessed by some officials for purposes other than those it is designated to address.

However, if a performance management system is understood, implemented, managed and monitored efficiently, with the primary focus being on how employees actually perform in their Key Result Areas and Core Management Criteria, i.e. consistently in their respective line functions, the intended results could be achieved. This argument resonates with the research findings of Courty & Marshe (2004) cited in Gerrish (2016), who inferred that the values of a performance management system encourages employees to behave in a manner that increases measured performance. For the performance management system to be effective in its implementation and yield expected outcomes, the commitment of the top management and

executive authority in public organisations is imperative (Pubic Service Commission, 2012). The involvement and commitment demonstrated by the top management and executive's authority in the execution of a performance management system in their departments has a spillover effect on the attitudes and perceptions of employees and how they carry out their key responsibilities. This point was confirmed by Ayandele and Isichei (2013) whose research findings made it clear that performance management system impacts on employee commitment. In addition to the above factors, the working relationships of employees and their supervisors are crucial and need to be managed properly. There needs to be clarity between employees and management that the performance management system is managed and regulated by the rules and policies, rather than the emotions, feelings and attitudes of individuals.

2.17 Demographic Characteristics vs. Employee Perceptions of a Performance Management System

This literature review highlights the various emphases given by different demographic characteristics on employee's perceptions (Maheshwari, et al., 2014). It is the view of Campione (2014) that demographic characteristics, for instance gender, race, and age, may impact on fairness perceptions through self-centeredness or egoistic prejudice. In South Africa, for instance, an Affirmative Action programme was designed to address workplace imbalances by ensuring that qualified people from certain designated groups (i.e. previously disadvantaged, which includes Africans, women of all races, and disabled persons) are granted equivalent opportunities in the workplace, but the views with regard to the programme differs from race to race, as those benefiting from it regard it as a fair programme, while others do not.

Due to demographically driven social identity effects, demographically similar individuals tend to view each other as in-group members, whereas dissimilar ones are more likely to perceive someone else as an out-group member (Carter, et al., 2014; Maheshwari, et al., 2014). Therefore, demographic differences between supervisors and subordinates can affect the tenor of their relationships, mitigating the development of strong ties between them. Junior

staffs are more likely to experience anxiety and feel psychologically threatened when interacting with supervisors who are dissimilar to them (Carter, et al., 2014).

Likewise, such characteristics can affect perceptions of fairness differently, depending on the emphasis specified by diverse demographic and personality groups (Ahmed, et al., 2011). For instance, in his findings, Maheshwari, et al. (2014) showed that when it comes to gender dissimilarities, females respond less intensely than males to unbalanced income. Kulik, et al. (1996, cited in Campione, 2014) study on procedural justice assessed whether women are more sensitive to personal matters, and if males are sensitive to quantifiable consequences, i.e. do females perceive processes that favour social harmony as just, while men are highly influenced by favorable consequences? These predictions were a contradiction to what was found by Kulik, et al. (1996, cited in Campione, 2014), as women emphasise outcomes more than men, i.e. gender differences are complicated when compared to other theoretical perspectives.

Maheshwari, et al. (2014), in reference to the similarity-attraction paradigm, stated that the perception is that when individuals are demographically similar they consider themselves similar, which in turn results in mutual attraction, and this attraction can influence the relationship between members both in general and during performance appraisals. Therefore, when the assessor and the assesse are similar in demographic characteristics, it will be expected that there will be a positive rate of perception.

2.18 Summary

Several studies on the impact of employees' perceptions on the implementation of performance management systems were reviewed. As can be expected, there is overwhelming evidence from the reviewed studies corroborating the notion that work performance is enhanced when the employees are satisfied with the manner in which performance management is conducted. Turning to organisational justice, it could be concluded that employees tend to have greater sensitivity to procedural and interactional justice as opposed to distributive justice. That is to say, distributive justice has less influence on employees' perceptions regarding the implementation of the performance management system, based on the empirical studies reviewed. There were, however, differing perceptions regarding the impact that demographic variables have on employees' perceptions, as some studies have

found that gender has an impact, whilst other studies failed to find a relationship between gender and employees' perceptions. Therefore, it has remained inconclusive whether gender impacts employees' perceptions or not. Nonetheless, on the basis of the evidence currently available, similarity in race between the assessor and the assesse has influence over the employees' perception regarding the performance management system.

Of note, the studies reviewed have primarily focused on organisations domiciled in America, Asia and Europe, but very few case studies were on employees working in Africa. Thus, it could be argued that the results and conclusion reached might be relevant to the Department of Health, as it is a place where the study is conducted. The discussion in the following chapter points to the methodology that will be employed for the purposes of the current study, in line with the set objectives.

CHAPTER THREE

Research Methodology

3.1 Introduction

This chapter provides an overview of the methodology adopted in this study. It further outlines the research design, sampling strategy, study instrument, data collection procedure and data analysis adopted. Details on the study setting, i.e. the location and participants of the study, are then outlined, as well as the population and sample size, and a discussion on the survey instrument is presented (Anderson, 2009). The researcher will then provide details on the reliability and validity of the survey instrument. In conclusion, issues regarding the questionnaire administration and data analysis will be addressed.

In order to address the research questions, the researcher developed a questionnaire based on the literature reviewed (Leedy & Ormrond, 2010). The questionnaire sought to determine employees' perceptions of the performance management practice currently employed by the Department of Health: Finance, and to determine if there is a relationship between those perceptions and the employees' respective demographic variables (Hesse-Biber & Leavy, 2010).

3.2 Research Design

The study is mixed in nature. A research design is the overall guideline or plan that a researcher utilises to demonstrate how they propose to achieve the aims and objectives of their research (Leedy & Ormrond, 2010; Anderson, 2009; Landy & Conte, 2010). Research design can be divided into two phases: 1) the identification and development of the research procedures required to undertake the study; and 2) the quality and effectiveness of procedures to ensure validity, objectivity and accuracy (Leedy & Ormrod, 2010). Based on the research paradigm, a research approach is selected followed by a selection of a research methodology based on the assumptions of the research paradigm a research design is selected.

As Sekaran and Bougie (2013) stated, several scientific approaches are available for use when conducting research. These include surveys, observation, case studies, grounded theory, action

research and mixed methods. The selected research design for this study was a mixed method, which takes both quantitative and qualitative methods into account in one study. Quantitative research involves measurements and is expressed in terms of numbers, whereas qualitative research relies on the views of participants, as broad and general questions are asked.

This study sought to determine if the change of one variable has an impact on another variable, i.e. it aimed at determining the relationship between the variables under study. These variables were the perceptions based on the demographics, and the impact of the implementation of the performance management system on the department and the employees. The relationship could either be positive or negative. It is understood that the perfect correlation would almost never occur. The perfect correlation varies between – 1.0 and +1.0; its aim is to predict or support theory, and/or even to measure test-retest reliability. In this study, the aim was to predict the causal factor behind the perceptions of the success of the performance management system implemented in the Department of Health.

3.3 Study Setting

The study focused on the KZN Department of Health: Finance Unit (Head Office) employees only. This department was selected due to convenience for the researcher. The study had to be conducted in the Financial Management Unit, as the implementation of a performance management system in any organisation has financial implications that need to be considered and understood by both employees and managers. The head office employees provide financial support to the entire KwaZulu-Natal Department of Health. The section is comprised of the office of the CFO, Budget Management and Control, Accounts Payable, Central Revenue, Banking and Reporting.

3.4 Population, Sample Size and Survey Sampling

3.4.1 Population

A group of potential respondents to whom a researcher desires to generalise the results of their study is called a population. The population in this study was the internal employees of the KwaZulu-Natal Department of Health: Finance Unit (Leedy & Ormrod, 2010). According to the Department of Health's personnel records, the employee population was 120 at the time of

conducting the study. All of the targeted employees formed part of the study, as all employees provide transversal financial support services across all other units/sections in the Department of Health throughout the province. The designations of the employees included Directors (Level 13), Deputy Directors (Levels 11 & 12), Assistant Directors (Levels 9 & 10), Administrative Officers (Levels 7 & 8), and Administration Assistants (Level 4, 5 & 6).

3.4.2 Sample Size

In view of the small number of the research population the whole population was included in the survey, which implies a 100% sample.

3.4.3 Survey sampling

Survey sampling was implemented by the researcher, and was informed by the nature of the method itself. This technique is probabilistic in nature, as every member of the population has a potential probability to be included in the survey. However, it is also argued that this technique is not excluded from bias. One advantage of this technique is that it is less expensive to conduct (Hesse-Biber & Leavy, 2010) .

3.5 Research instrument

A self-administered survey questionnaire was employed to collect primary data from the respondents at the Department of Health KZN-Head Office: Finance Unit (See Appendix 1). A questionnaire is a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives (Sekaran & Bougie, 2013). The rationale for using the questionnaire was that the research project covered many issues that the respondents might not have felt comfortable discussing with an interviewer. The questionnaire consisted of both closed- and open-ended questions.

Certain fundamental principles have to be considered when a questionnaire is formulated, such as the appropriateness of the content of the questions, wording of the questions, level of complexity, type and form of questions asked, sequencing of the questions, and the personal data sought from the respondents.

A total of 21 questions were asked in the questionnaire - five related to work commitment; five related to organisational commitment; four related to job satisfaction; four related to the impact of demographics on employees' perceptions on organisational justice; four related to employees' perceptions on procedural justice; one related to employees' perceptions on interactional justice; two related to employees' perceptions on distributive justice; and finally three open-ended questions (see Appendix 1). The questionnaire was divided into three parts:

Part A - the researcher requested personal data that was only relevant and directly linked to the required outcomes. The purpose was to show a basis of diversity within the Finance Unit, and to provide data on the demographics of the respondents within the sample, which was critical in the analysis of data (Sekaran & Bougie, 2013).

Part B - question were asked that aimed to measure the variables of the study, employing a five-point Likert scale (Warroka, et al., 2012; Bekele, et al., 2014).

Part C - the final section included open-ended questions to assess the appealing factors not specified in Part B. The different levels of literacy amongst participants were considered so the questions were simply worded, i.e. they were short questions that required direct answers and left no possibility of ambiguity. The closed parameters of the data needed were confined to tick boxes.

3.6 Data Collection and Research Method

The self-administered survey questionnaires were issued to targeted respondents at the Department of Health KZN - Head Office: Finance Unit.

For the purpose of this study, the survey research method was used. A researcher, when using a survey, may use quantitative methods, qualitative methods or a combination thereof (Leech & Onwuegbuzie, 2009). In this study both a quantitative and qualitative approach (also referred to as a mixed method approach) was followed, using a semi-structured questionnaire to collect data. The researcher opted for this method in order to draw strengths from, and minimise the weaknesses of, both approaches in this particular research study (Landy & Conte, 2010). The qualitative approach gave the participants an opportunity to express their views openly and according to their experiences, whereas the quantitative approach limited the

respondents' answers. According to Leech and Onwuegbuzie (2009, p.20), "mixed methods research involves collecting, analysing, and interpreting quantitative and qualitative data in a single study or in a series of studies that investigate the same underlying phenomenon".

In quantitative research methodology, the researcher asks specific, narrow questions and collects quantifiable data from respondents (Hesse-Biber & Leavy, 2010). The analysis is using statistics. In qualitative research, however, a researcher seeks to arrive at an understanding of a particular phenomenon from the perspective of those experiencing it (Vaismoradi, Turunen & Bondas, 2013). In qualitative research methodology, not everything that can be counted counts, and not everything that counts can be counted. The researcher relies on the views of participants, as broad and general questions are asked (Hesse-Biber & Leavy, 2010). In this study, the questionnaire had both structured and unstructured questions.

There are several advantages to justify this choice, as listed below:

- The questionnaire was easily distributable.
- Qualitative data are usually rich and insightful in addressing the issues not covered by the structured questions.
- In terms of costs, the administration of the questionnaires was relatively economical.
- The questionnaires provided anonymity, which most employees insisted on.
- Respondents answered at their own pace. As the finance unit is always busy, this factor was critical given the minimal availability of respondents.
- The survey allowed for the information to be protected and the analysis to be generalised.

3.7 Administration of the Questionnaire

There are numerous ways to administer a questionnaire, either personally or by employing the technological options available. The researcher chose to administer the questionnaire personally, by printing hard copies and hand delivering them to individual participants. The advantages of this were that the participants could respond in their own time, the researcher was able to introduce the topic and expectations to the participants beforehand, and there were no technological problems.

The data collected via the structured questions were loaded on the SPSS package system for analysis without manipulation by the researcher, whereas the data collected by the unstructured questions used a qualitative content analysis.

This proved to be an inexpensive and effective means of administrating a questionnaire for the targeted respondents. The targeted population was all in head office, so it was easy for the researcher to distribute and collect the questionnaires. The questionnaire was sent out on the 28th April 2016 and the participants were given a week to respond. Thereafter the researcher went door to door to issue reminders, and all responses were collected after two weeks.

3.8 Reliability, Validity and Bias

3.8.1 Reliability

Reliability and validity are fundamental concerns in quantitative research. In this methodology, the researcher asks specific, narrow questions and collects quantifiable data from respondents (Maxwell, 2013). The quest for reliability and validity is expressed by using more mechanical techniques, as the quantitative researcher attempts to eliminate the human factor with a view to improving objectivity (Neuman, 2011). In a qualitative methodology, however, the trustworthiness of a qualitative content analysis is often presented by using terms such as credibility, dependability, conformability, transferability, and authenticity (Elo, et al., 2014). There is an ongoing demand for effective and straightforward strategies for evaluating content analysis studies; several articles have been published on the validity and reliability of quantitative content analysis over qualitative content analysis (Elo, et al., 2014).

Reliability is a matter of whether a particular technique applied repeatedly to the same object would yield the same result each time (Maxwell, 2013). In other words, reliability concerns the extent to which an experiment, test or any measuring procedure yields the same results in repeated trials .A method that is commonly used as a measure of reliability is Cronbach's Alpha, which was measured in this study and found to be above 0.70, which is acceptable.

3.8.2 Validity

Sekaran and Bougie (2013) referred to validation as the level to which a survey instrument was effective in producing the necessary data that were relevant and substantial to the study. This can be measured in different ways, including content validation, criterion-related validity, and construct validity.

As Cooper and Schindler (2009) noted, pretesting is viewed as the final step towards improving survey results, as it aims to test and subsequently revise the data collection instrument as and when needed. It also ensures that there is no ambiguity in the survey instrument, and it provides numerous additional advantages as it allows the researcher to easily create new means of increasing participants' interest. Additionally, it allows the researcher to identify and prevent any glitches that may be evident in areas of question wording, content, and sequencing of questions**.** The pretesting for this survey was done by sending the questionnaire to firstly one the directors in the CFO's office, and afterwards to another two Assistant Directors to review. The pretesting proved to be of assistance as the respondents highlighted some vagueness in the questionnaire**.** The questionnaire was thus revised but the content remained unchanged.

3.8.3 Bias

"Bias usually occurs when there is a flaw in the survey's research design", explained Maxwell (2013, p. 124). This is generally an anonymous or unrecognised error that has been created during the design, measurement or sampling procedure of choice of the problem studied. Bias occurs when a systematic error is introduced into the sampling or testing by selecting or encouraging one outcome or answer over others (Serakan & Bougie, 2013). Selection or sampling bias was eliminated in this survey by sending the questionnaire to the total population of 120 employees, while testing bias was eliminated by sending the questionnaire during the pretesting stage. Analysis bias was eliminated through the utilisation of the SPSS system, which analysed the data without manipulation by the researcher.

3.9 Limitations of the Study

Every research study has its own limitations that a researcher must deal with, and in certain cases must accept. The limitations of this study are as follows:

a) Even though the self-administered questionnaire was issued manually/in a hard copy, follow ups had to be conducted by the researcher as some respondents were reluctant to fill in the questionnaire.

b) The targeted population was only partially involved in the whole system of performance management; they are mostly involved in the performance appraisal process, and not in the development and implementation of the performance management system. The views and experiences of the Human Resources Employee Performance Management Development System Section and Labour Relations were not taken into account.

3.10 Ethical Considerations

Gatekeeper permission was granted by the Provincial Health Research and Ethics Committee of the Department of Health and the Acting Chief Financial Officer (Reference Number: 111/16) (see Appendix 2). Ethical clearance for the study was granted by the Humanities and Social Sciences Research Ethics Committee of the University of KwaZulu Natal under Protocol Number: HSS/0206/016M) (see Appendix 3). Participants were informed that participation in the study was voluntary and that anonymity would be maintained, as the self-administered questionnaire did not require the names of the respondents and the data collected were to be used for educational purposes only, and will only be shared with the UKZN Graduate School of Business and Leadership and the Department of Health. The data were stored in a protected spreadsheet by password and the questionnaires were stored in a locked cabinet in the researcher's office.

3.11 Data Analysis

The data collected were analysed statistically using SPSS. SPSS was used for effective data management, as it offers a wide range of options with which to analyse statistical data and a vast selection of methods, graphs and charts. Descriptive statistics frequencies, graphs, percentages and cross tabulation tables are used to present the results. A Correlation Chi-square was also used, which is commonly used for testing relationships between categorical variables (Serakan & Bougie, 2013). The null hypothesis of the Chi-Square test is that no relationship exists on the categorical variables in the population; they are independent.

The use of qualitative descriptive approaches such as descriptive phenomenology, content analysis, and thematic analysis is suitable for researchers who wish to employ a relatively low level of interpretation (Vaismoradi et.al. 2013). For this study, a thematic analysis was used.

3.12 Summary

This chapter provided a background on the methodology, i.e. mixed method that was adopted in conducting the survey, as well as the target population. All of targeted population of 120 was part of the study. A self-administered questionnaire aimed to fulfill the research objectives. Subsequent to the reliability and validity tests, univariate analysis, regression analysis and correlation analysis were employed for data analyses. The findings of the study are presented in the following chapter.

CHAPTER FOUR

Results and Discussions

4.1 Introduction

This chapter presents the results based on the descriptive statistical analysis and correlation analysis performed using SPSS.

4.2 Characteristics of study participants or participant demographics

4.2.1 Gender

Respondents' Gender	No. of Respondents	Percentage
Male	28	35%
Female	53	65%
Total	**81**	**100%**

Table 4.1: Gender of the Respondents

It is evident from Table 4.1 that the largest numbers of respondents were females, as they were the most represented in the population.

4.2.2 Ethnic Group

Table 4.2: Ethnic Group of the Respondents

Race Group	No. of Respondents	Percentage
African	54	67%
White	7	9%
Indian	15	18%

Coloured	5	6%
Total	**81**	**100%**

Table 4.2 shows diversity in the representation of ethnic groups.

4.2.3 Age Groups

Table 4.3: Age Group of the Respondents

Age Groups	**No. of Respondents**	**Percentage**
18 to 30	25	31%
31 to 40	24	30%
41to 50	26	32%
51 and above	6	7%
Total	**81**	**100%**

Table 4.3 indicates that the age group 41 -50 was most common in the Finance Unit. The findings of a study by Gupta (2012) revealed that there is no major differentiation as far as age is concerned when to comes to the effectiveness of a performance management system and commitment.

4.2.4 Education Level of the Respondents

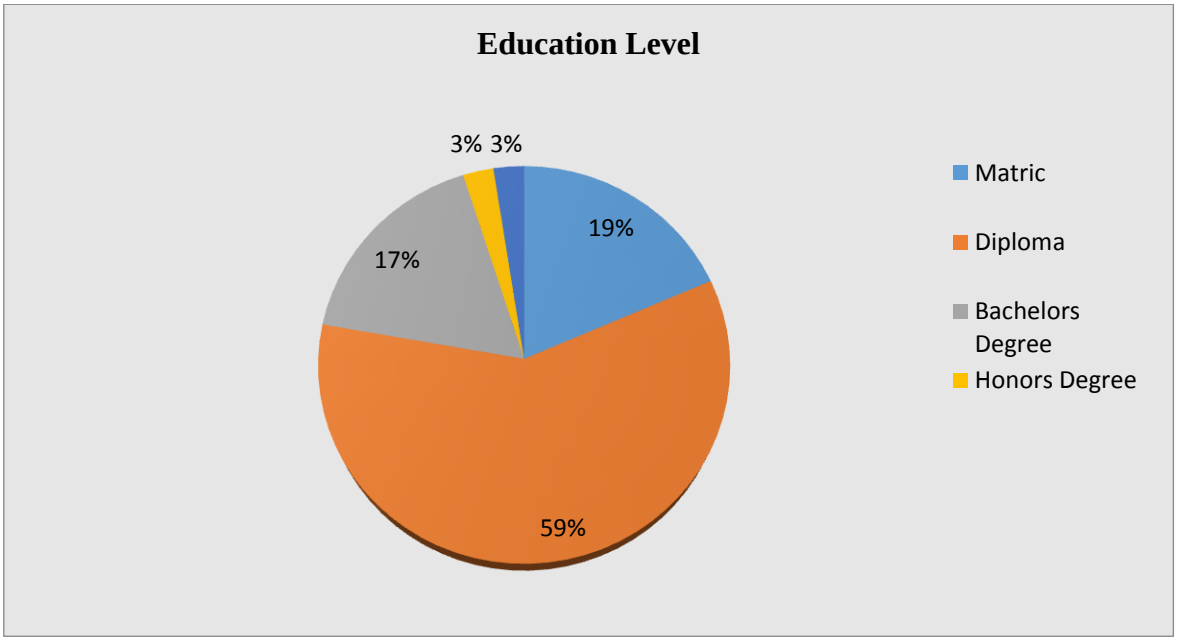

Figure 4.1

Figure 4.1, displays that the majority of the participants had a post matric qualification.

4.2.5 The Working Service of the Respondents

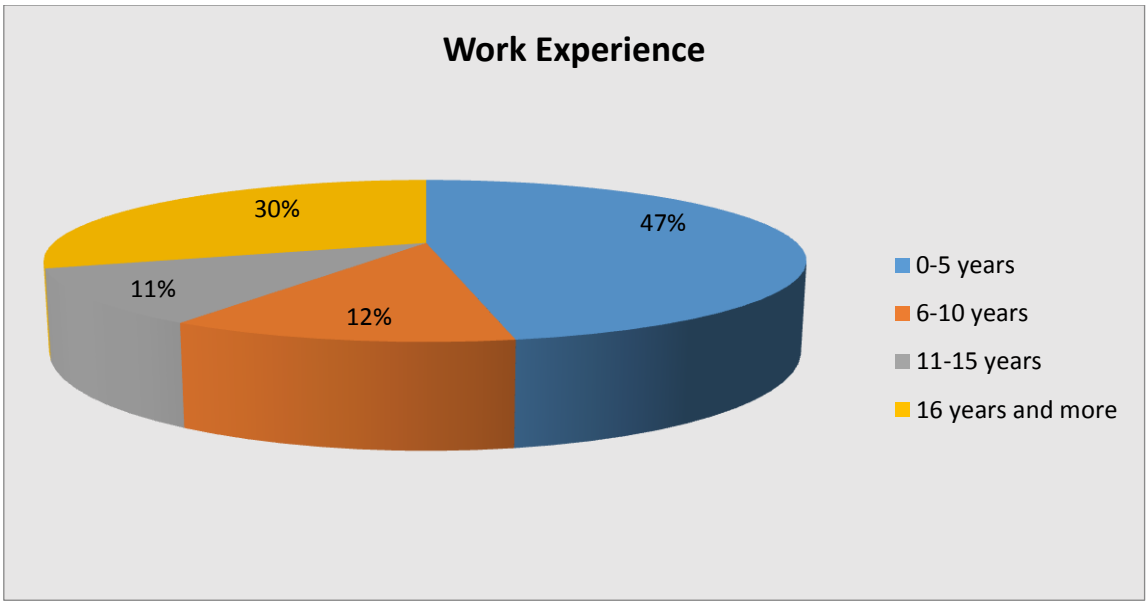

Figure 4.2

Figure 4.2, majority of the respondents has been in the department for less than five years.

4.2.6 Positions of the Respondents

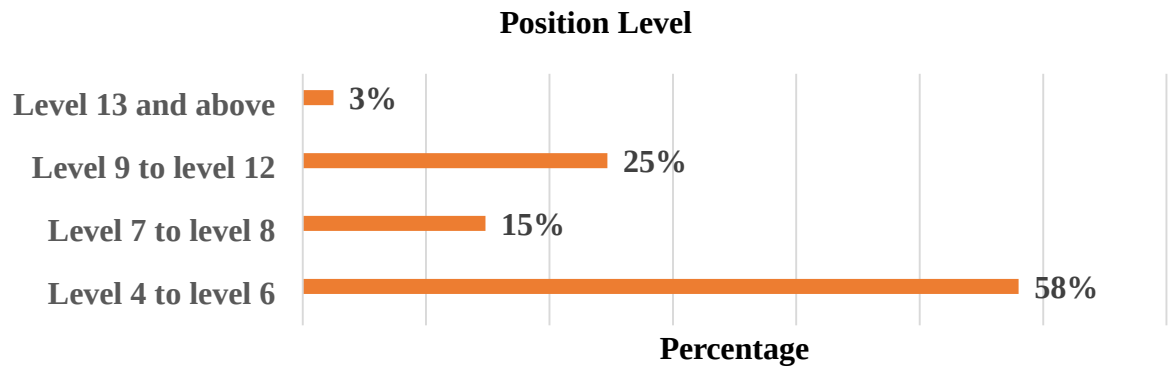

Figure 4.3

Figure 4.3 shows diversity amongst the finance staff, as all positions are represented.

4.3.1 Objective One: To analyse employees' perceptions towards the performance management practice and its effect on employees' work commitment

4.3.1.1 Job Descriptions

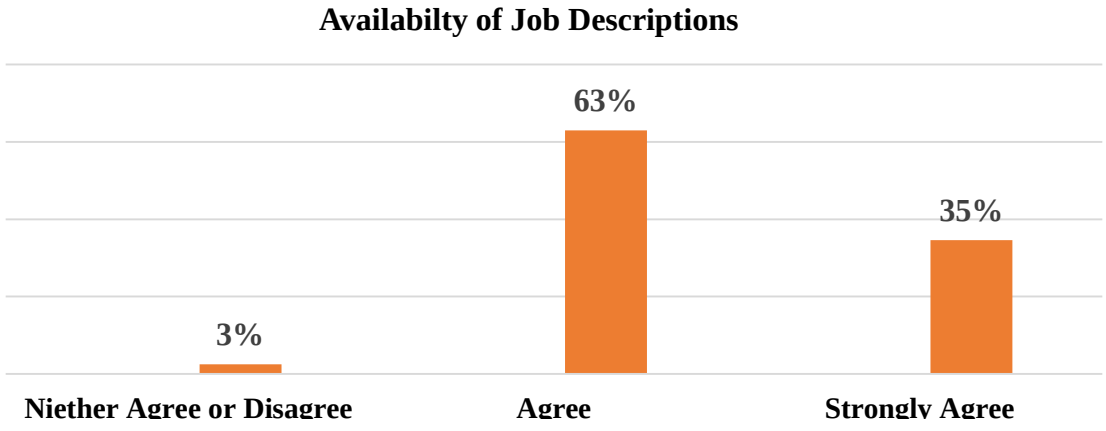

Figure 4.4

The participants were asked if they have job descriptions. It is evident from the results that most finance employees do have job description, as per Figure 4.4. This is consistent with Radebe's (2015) finding, i.e. that the practice of providing job descriptions would help employees to understand their role in the organisation.

4.3.1.2 Defined Key Result Areas

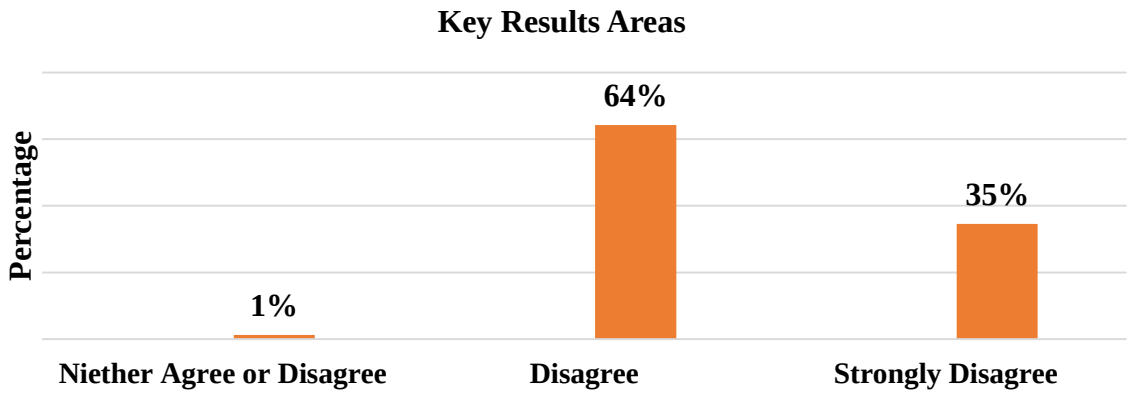

Figure 4.5:

Figure 4.5 illustrates that the current job descriptions used in the finance unit do not clearly define the key result areas where employees' performances are rated.

4.3.1.3 Understanding the Purpose of the Performance Management System

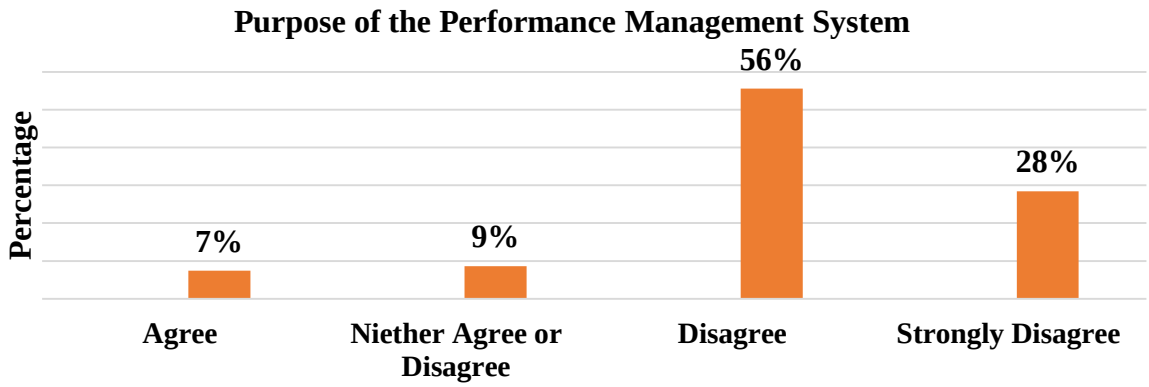

Figure 4.6

The participants' responses show that the purpose of performance management is not understood by employees in the Finance Unit.

4.3.1.4 Performance Management System Process

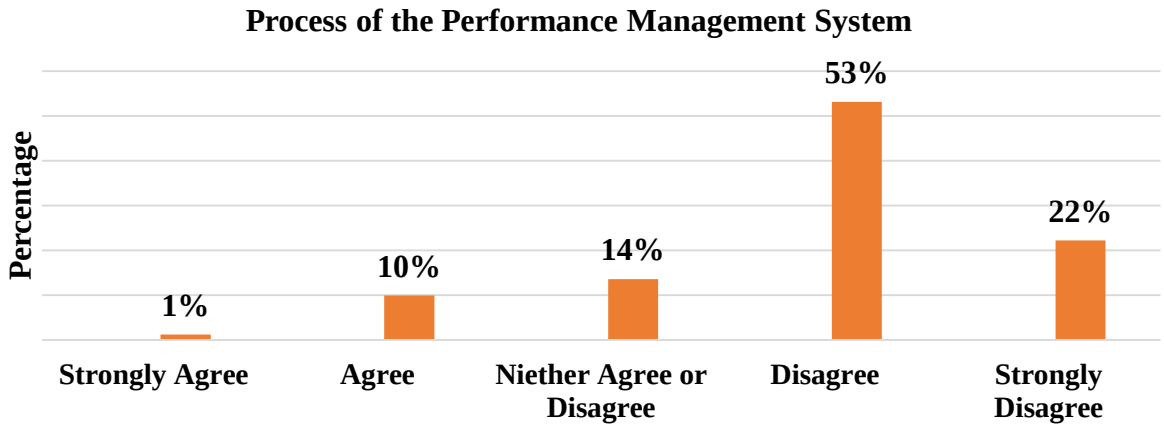

Figure 4.7

The respondents were asked to indicate if the performance management system process was clearly defined. The responses presented in Figure 4.7 show that most employees claimed that the performance management system was not clearly defined.

4.3.1.5 Long-term Career Commitment in the Department of Health

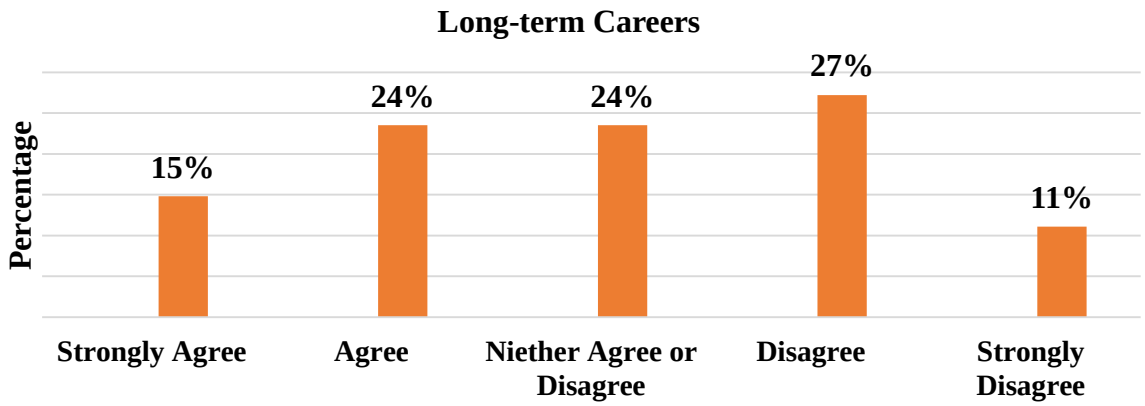

Figure 4.8

The respondents were asked to indicate if they were pleased to devote the rest of their career to the Department of Health. The responses presented in Figure 4.8 show that a similar percentage of those who see a future in the department is almost the same as those who do not. There is no other literature to support this finding, however, i.e. it is unique to the study and therefore adds to the body of knowledge in the field.

4.3.2 Objective two: To determine if there is a relationship between employees' perceptions of the performance management practice and their work commitment

4.3.2.1 Understanding of Policy and Procedures

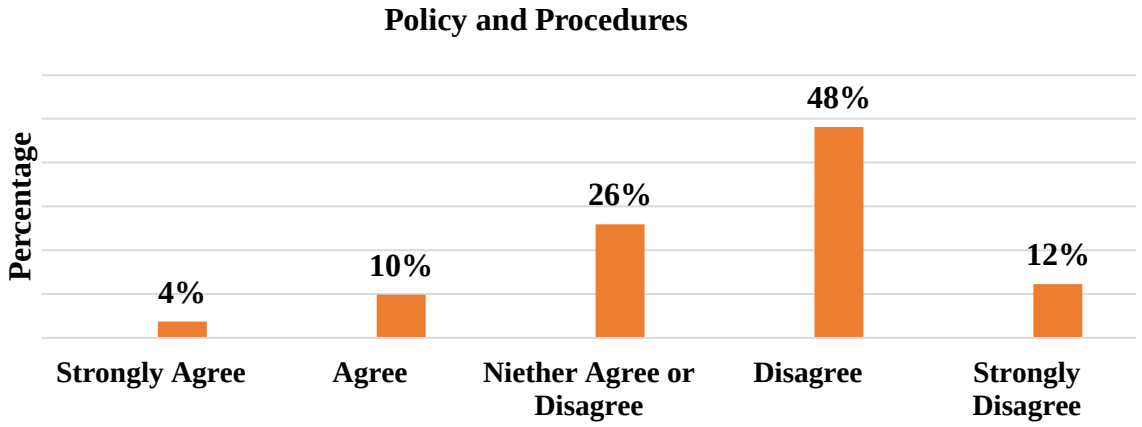

Figure 4.9

The respondents were asked to indicate if the performance management system had enhanced the way they work in terms of their understanding of policy and procedures of the Department of Health. The responses presented in Figure 4.9 show that most employees are not clear and familiar with the policies and procedures.

4.3.2.2 Understanding Advancement Opportunities

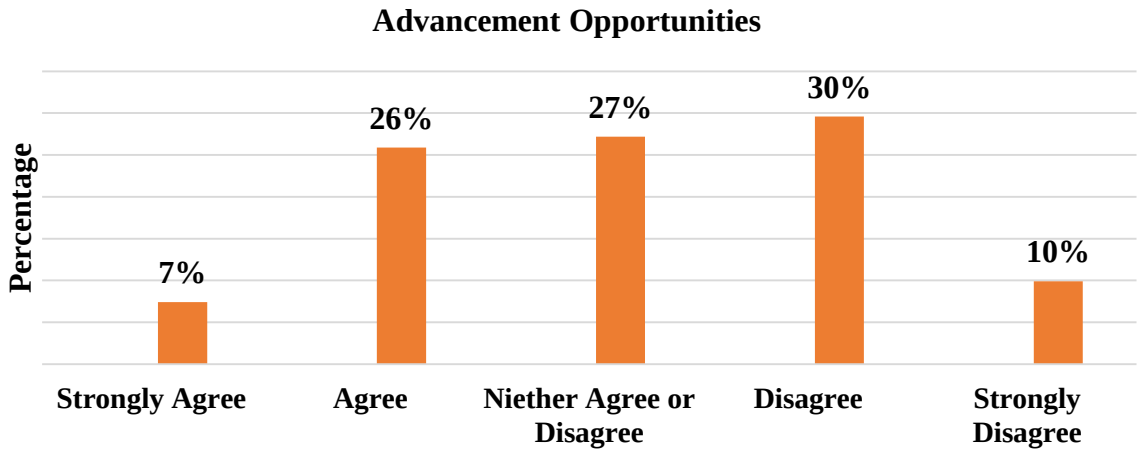

Figure 4.10

The respondents were asked to indicate if the performance management system had enhanced the way they work due to advanced opportunities provided by the performance management system in place. The employees' responses presented in Figure 4.10 show that 40% disagreed that the performance management system has enhanced their understanding of advancement opportunities created by an effective performance management system.

This supports the views of Armstrong and Taylor (2014) and Shields, et al. (2015), who argued that during the implementation of a performance management system, developmental rewards associated with personal learning, development and career growth should also be taken into consideration.

4.3.2.3 Decision Making Opportunities

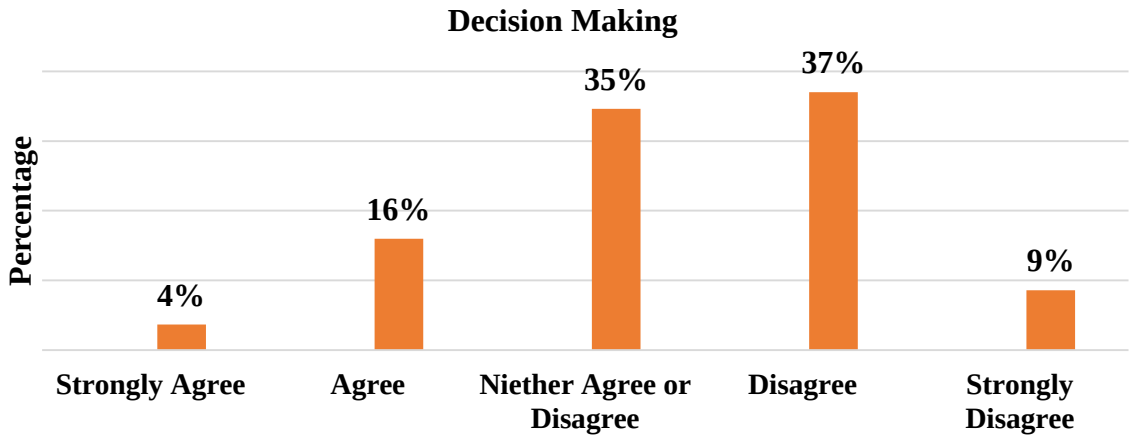

Figure 4.11:

The respondents were asked to indicate if the performance management system in place had enhanced the way they work in terms of decision making. The responses presented in Figure 4.11 show that most employees disagreed with the statement. This is consistent with Nyembezi's (2009) findings, that during the development and planning phase of a performance management system, supervisors and subordinates are involved, as well in the decision-making process.

4.3.2.4 Training Opportunity for Growth

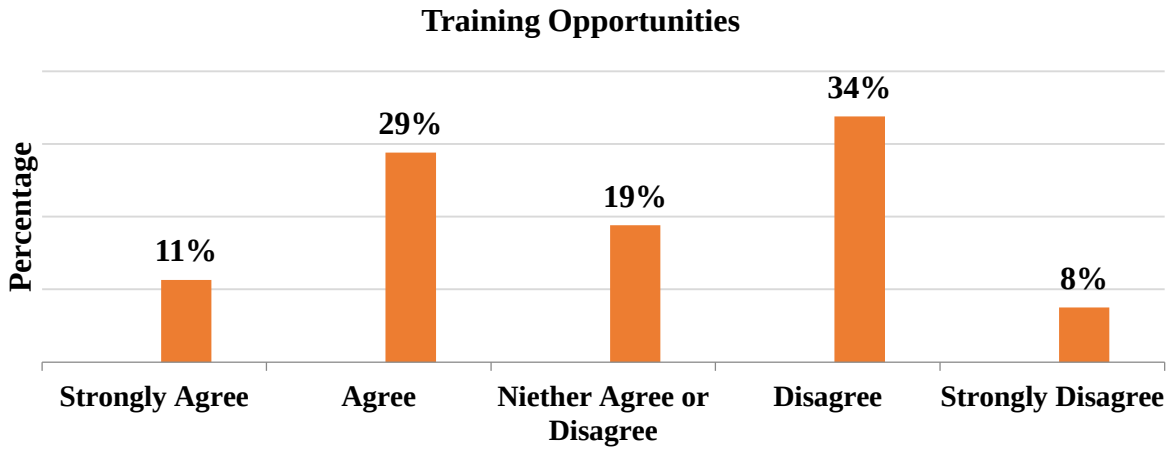

Figure 4.12:

The respondents were asked to indicate if the performance management system in place had enhanced the way they work in terms of the providing training opportunities for growth. Figure 4.12 shows that 42% disagreed, yet previous research by Kroll & Moynihan (2015) found that actual evidence about training is scarce in public sector settings in general .

4.3.2.5 Performance of duties as per job description

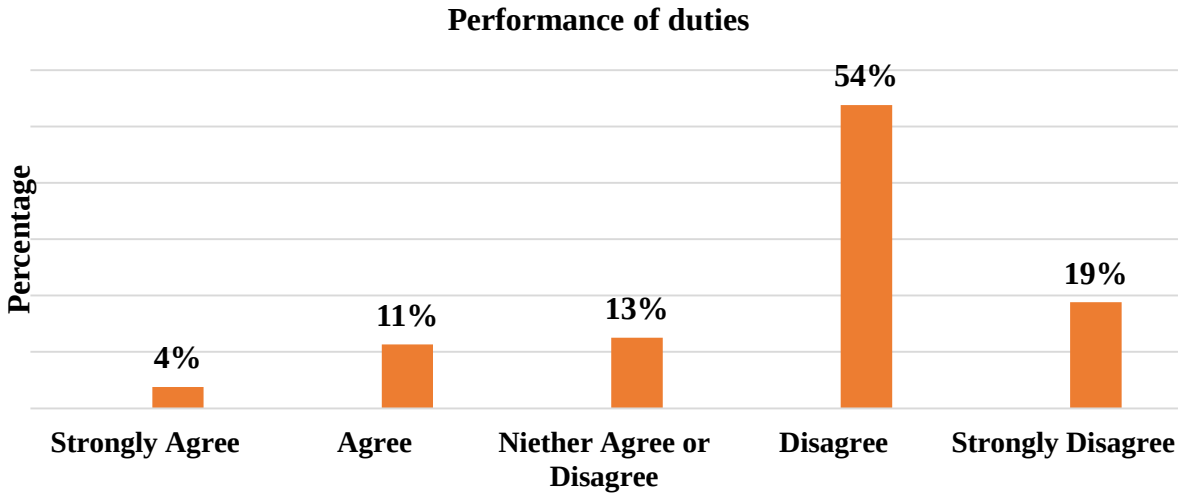

Figure 4.13

The respondents were asked to indicate if the performance management system had enhanced the way they work in terms of the performance of their duties as per their job descriptions. The rresponses presented in Figure 4.13 show that most employees disagreed, meaning that the current performance management practice does not enhance the way employees work.

4.3.3 Objective three: To determine if there is a relationship between employees' perceptions of the performance management practice and their respective demographic variables.

4.3.3.1 Interaction with seniors and subordinates of same gender

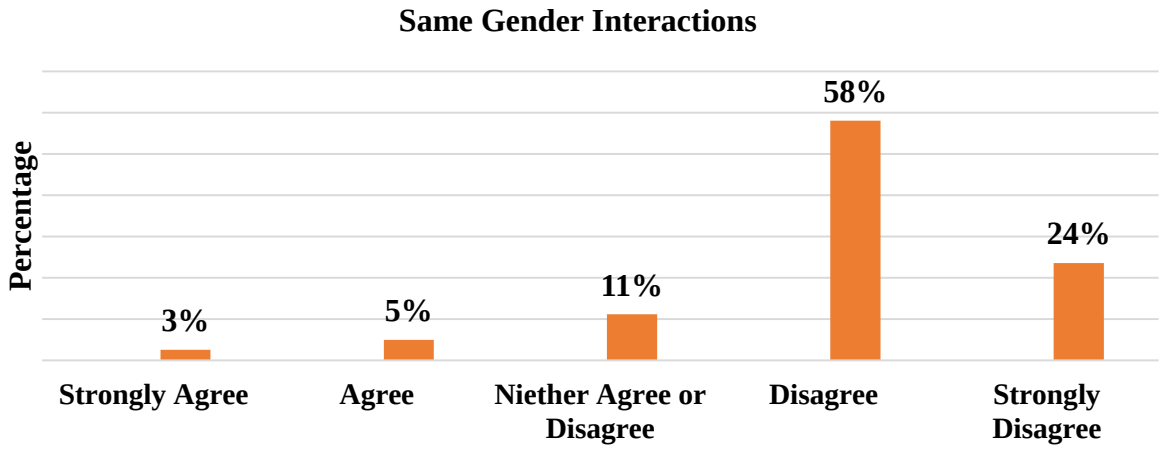

Figure 4.14:

The respondents were asked to indicate if they interacted with seniors and subordinates of the same gender. The responses presented in Figure 4.14 show that 82% of employees disagreed, yet there is no other literature to support this finding. It is unique to the study and therefore adds to the body of knowledge in the field.

4.3.3.2 Unfair assessment by seniors and subordinates with lower qualifications

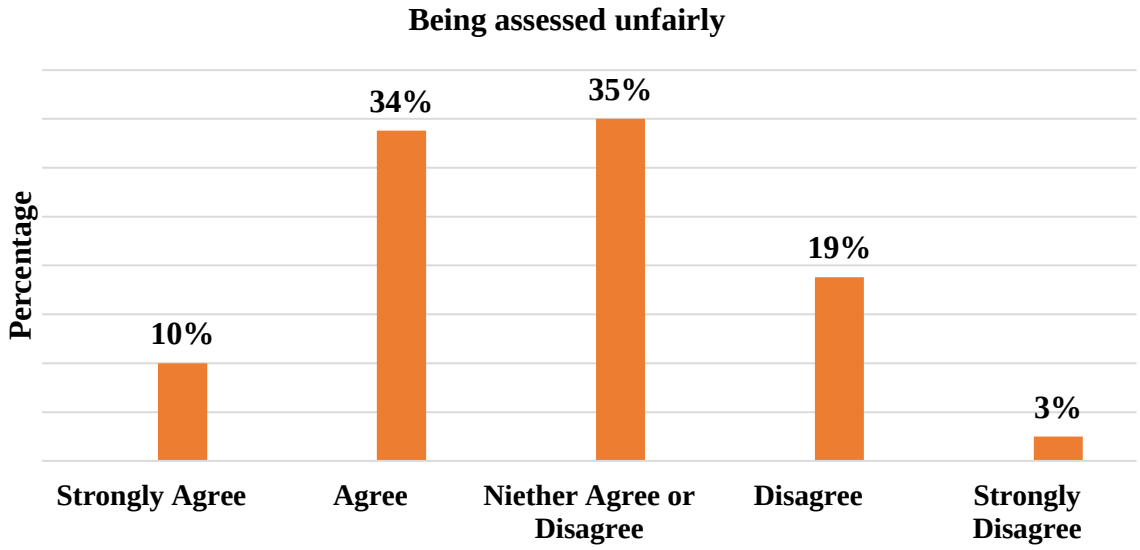

Figure 4.15:

The respondents were asked to indicate if they were treated unfairly by seniors and subordinates with lower qualifications during assessments. Their responses presented in Figure 4.15 show that most employees agreed with this statement. There is no other literature to support this finding, thus it is unique to the study and therefore adds to the body of knowledge in the field.

4.3.3.3 Interaction with seniors and subordinates of different races

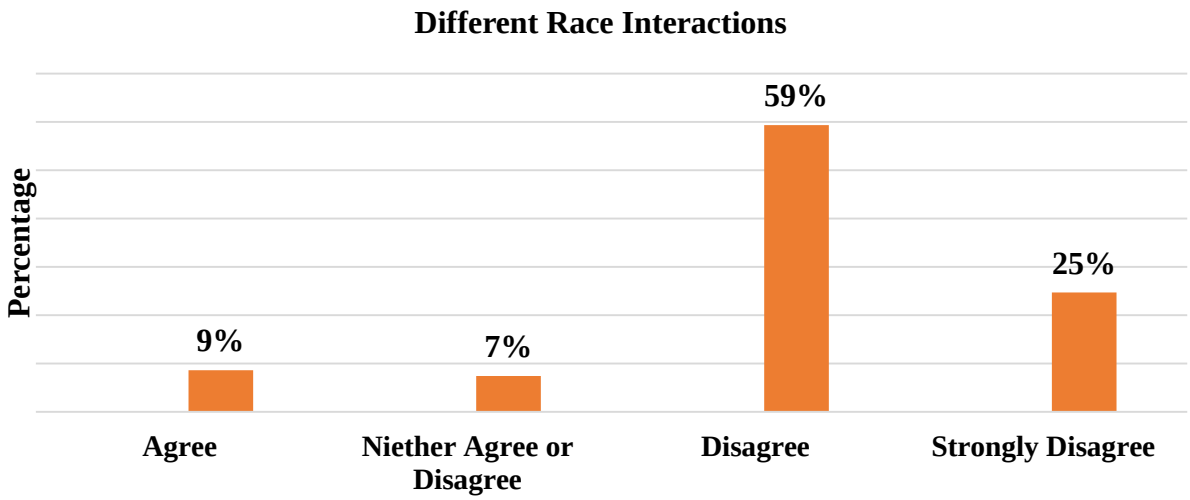

Figure 4.16

The respondents were asked to indicate if they interact well with seniors and subordinates of different races. The responses presented in Figure 4.16 show that most employees disagreed. There is no other literature to support this finding, i.e. it is unique to the study and therefore adds to the body of knowledge in the field.

4.3.3.4 Interaction with seniors and subordinates of the same age

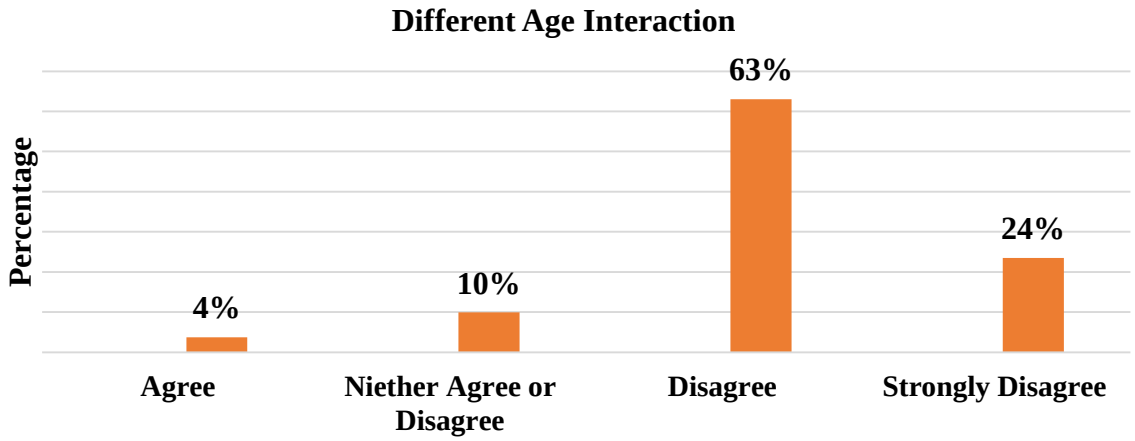

Figure 4.17

The respondents were asked to indicate if they interact with seniors and subordinates of the same age. The response was that they do not interact with seniors and subordinates of the same age are presented in Figure 4.17. There is no other literature to support this finding, thus it is unique to the study and adds to the body of knowledge in the field.

4.3.4 Objective four: To determine if job satisfaction influences employees' motivation and work commitment

4.3.4.1 Satisfaction with Work Environment and Duties

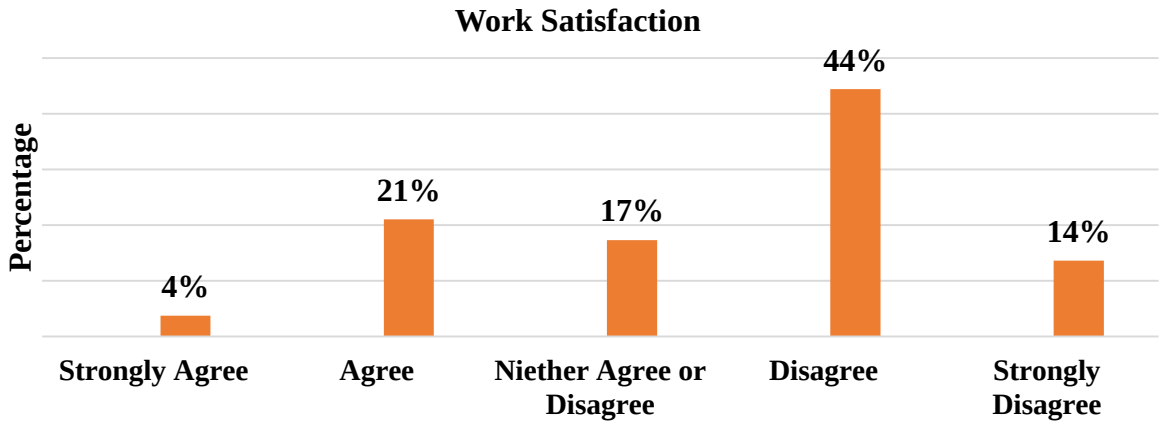

Figure 4.18

The respondents were asked to indicate if they were satisfied with their work environment and duties. The findings are presented in Figure 4.18. The responses to this question support the findings of a study by Beck, et al. (2010), i.e. that negative perceptions of one's working conditions negatively impact one's level of job satisfaction. The physical environment of a worker is a key determining factor in an employee's satisfaction.

4.3.4.2 Influence of Job Satisfaction on Motivation and Commitment

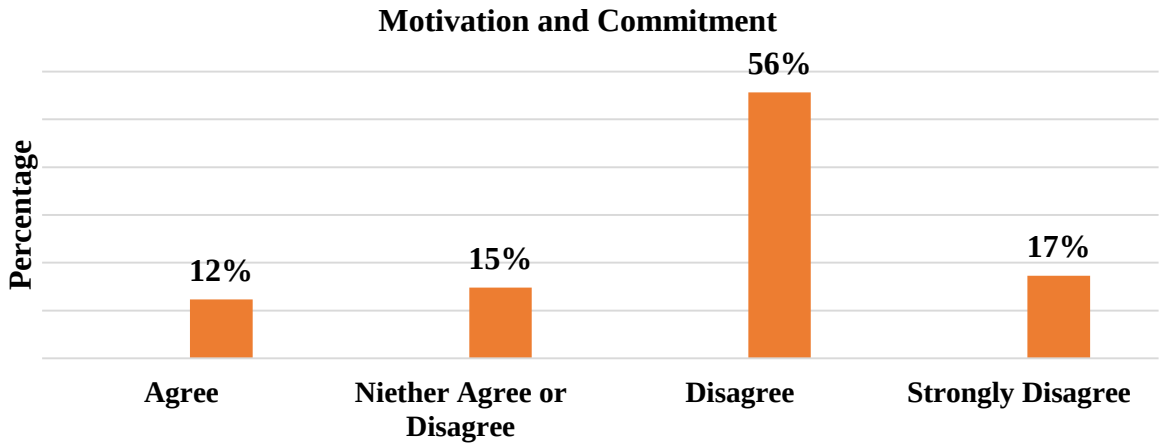

Figure 4.19:

The respondents were asked to indicate if job satisfaction influences their job motivation and work commitment. The study responses presented in Figure 4.19 contradict the findings of previous studies, which concluded that an effective performance management system is one system to build the loyalty index of the employee in an organisation (Gupta, 2012). This is also consistent with McShane and Glinow's (2005) argument that job satisfaction is composed of present and past oriented satisfying feeling that is yielded, when one evaluates his or her role in the workplace.

4.3.4.3 Expressing Opinions Regarding Appraisal Outcomes

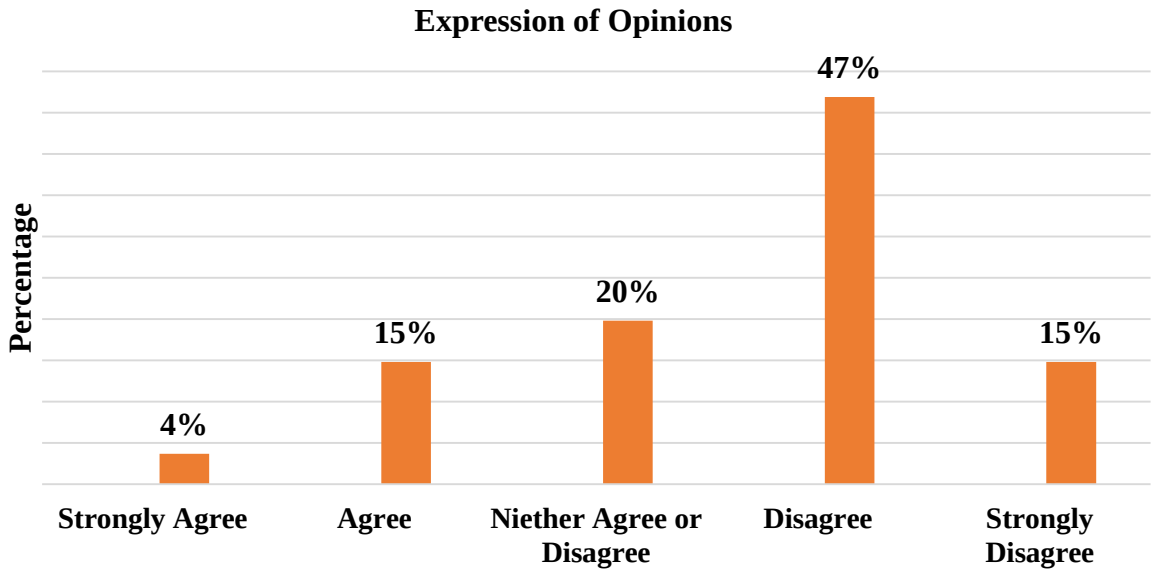

Figure 4.20:

The responses in Figure 4.20 show that finance employees are unable to express their sentiments during the assessment period. The findings of this study are similar to those of Bekele, et al. (2014), who indicated that employees' different perceptions of performance appraisals is a factor that affects employee work outcomes.

4.3.4.4 Contentment with Management and Supervision

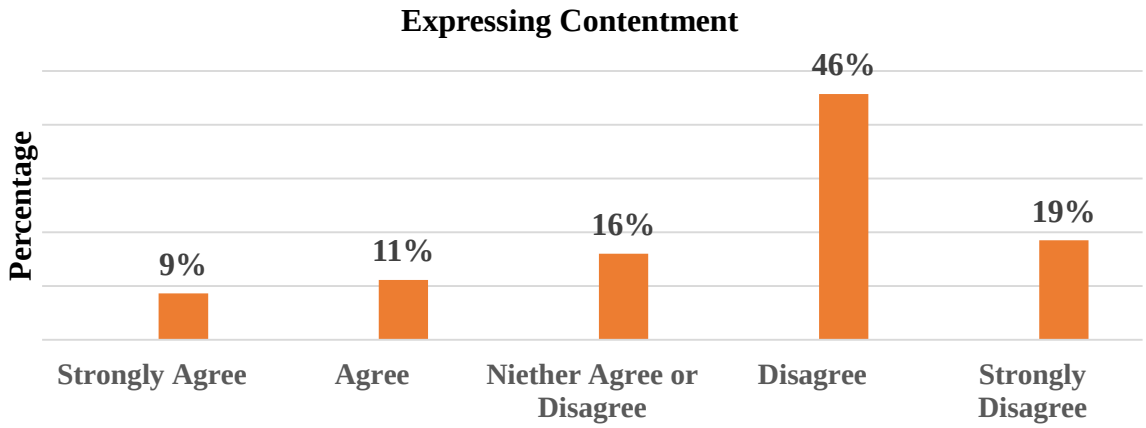

Figure 4.21:

The respondents were asked to indicate if they were happy with the overall quality of management and supervision from their superiors. The responses presented in Figure 4.21 support the findings of a study of Maheshwari, et al. (2015), which discovered that managers still have challenges with regard to demographic factors like age, gender and education when it comes to enabling organisations to plan better human resources interventions to retain and understand organisations' workforces. The study also discovered that organisations are not able to engage Generation Y employees.

4.3.4.5 Satisfaction with the Current Assessment Process

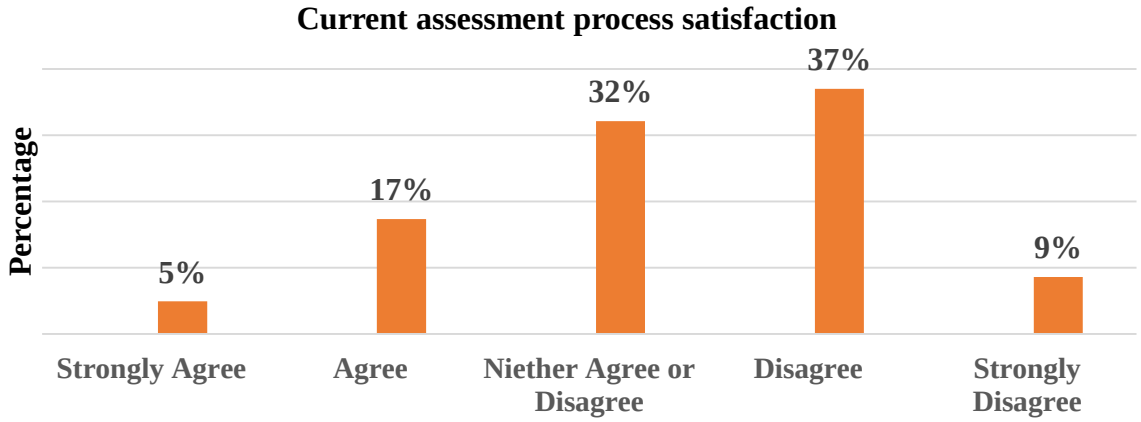

Figure 4.22: Satisfaction with the current assessment process

The respondents were asked to indicate if they were satisfied with the current assessment process. Their responses are presented in Figure 4.22. The finding supports Hornibrook, et al. (2009) argument that if employees have a positive perception of the fairness of the performance management system, it can enhance outcomes relevant to a particular organisation such as commitment, job satisfaction and organisational performance.

4.3.4.6 Rewarding of Performance

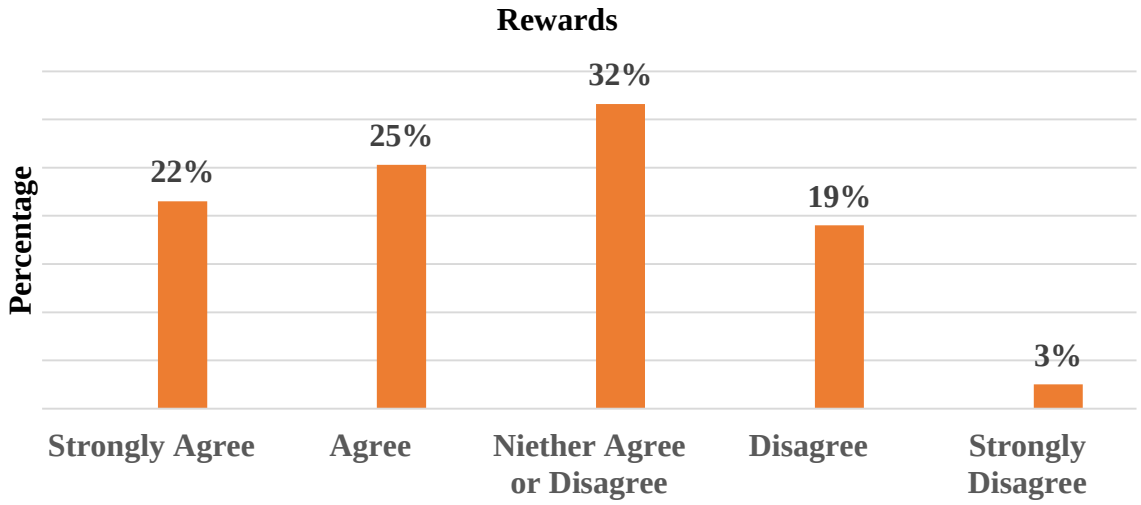

Figure 4.23: Rewards

The respondents were asked to indicate if excellent performance was rewarded. The responses presented in Figure 4.23 support the findings of Kim and Bak's (2016) study, which stated that financial incentives can be effective at encouraging employee performance. The study results of Jacobsen and Anderson (2017), however, indicated that this is a plausible mechanism for the relationship between transactional leadership and organisational performance, but it should also be noted that there is no direct, significant relationship between the use of contingent rewards and organisational performance, although both are positively associated with self-efficiency.

4.3.4.7 Identification of Poor Performance and Assistance

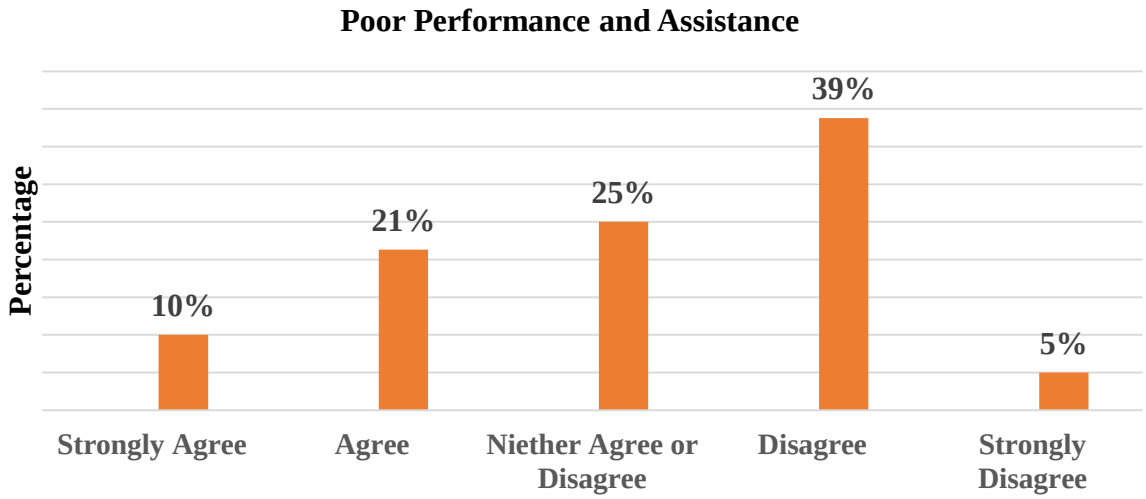

Figure 4.24:

The respondents were asked to indicate if when poor performance is identified, if assistance is provided to bring about an improvement. Figure 4.24 show that most respondents disagreed with the statement. There is no other literature to support this finding, thus it is unique to the study and adds to the body of knowledge in the field.

4.3.4.8 Fair Assessment and Understanding

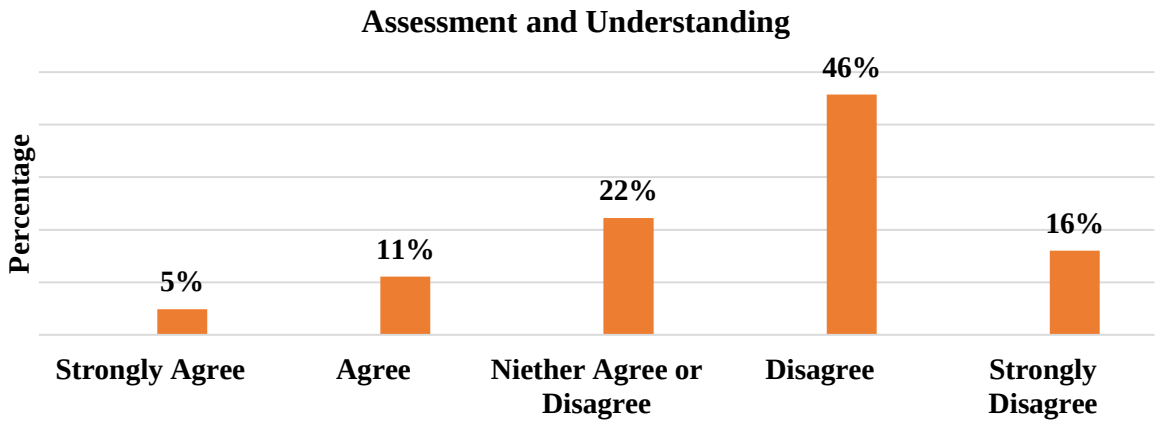

Figure 4.25

The respondents were asked to indicate if their assessors/supervisors are always fair and understand their employees' roles. The responses presented in Figure 4.25 support the study by Warokka, et al. (2012) who revealed that the interactional justice has more influence than any other types of organisational justice in evaluating employees' performance. Moreover, the results provided strong support for the relationship between employee perception of organisational justice in performance appraisal and work performance.

4.3.4.9 Interaction with Supervisor

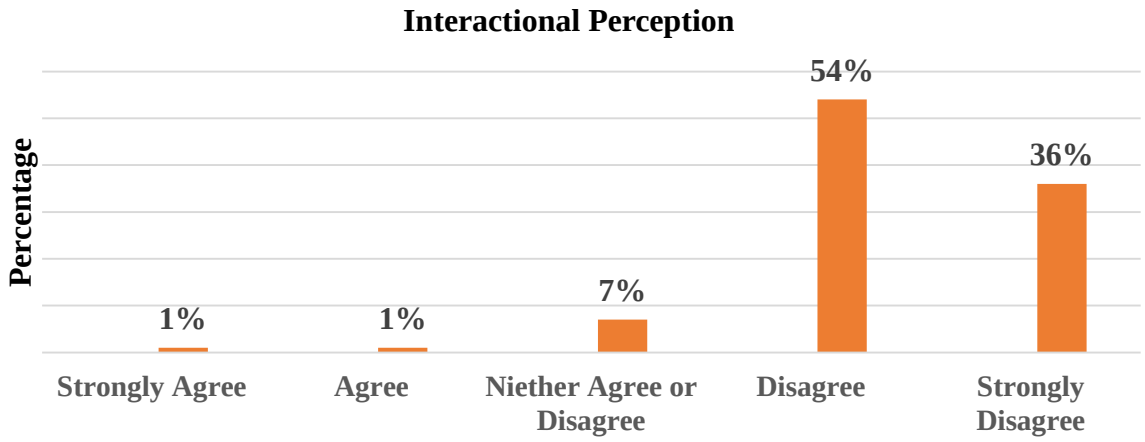

Figure 4.26

The respondents were asked to indicate if they are able to interact with their supervisors at any time. A study by Inoue (2012) discovered that establishing a fair and open decision-making style in a company or workplace, as well as fair and respectful attitudes of supervisors, is positive for employees' perceptions. The findings of this study reflect that some Department of Health employees are unable to interact with their supervisors.

4.3.4.10 Contentment with Job Responsibilities

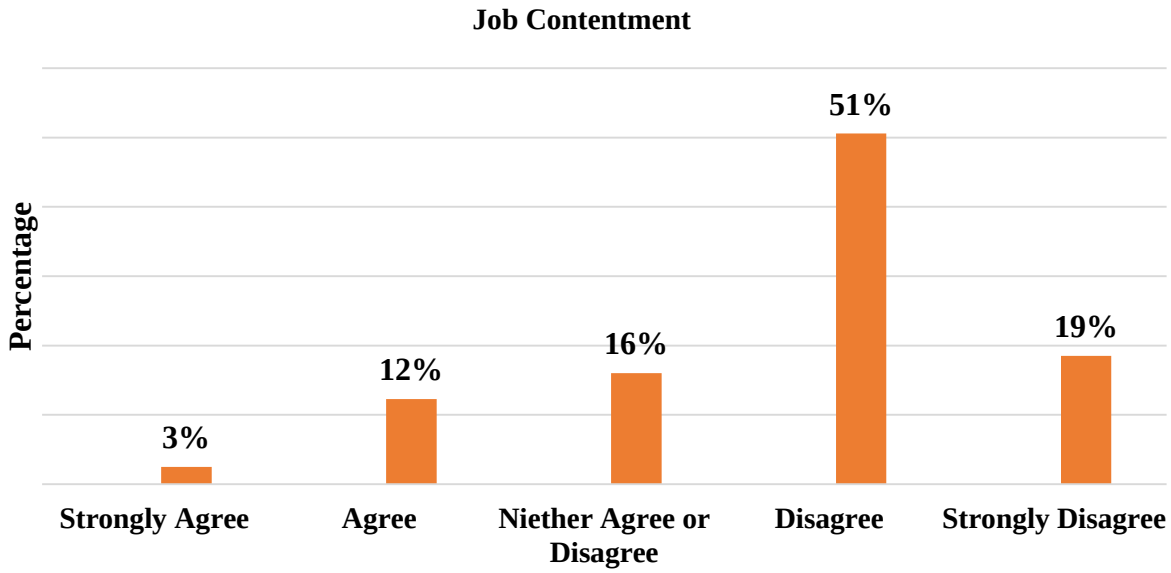

Figure 4.27

The respondents were asked to indicate if they were happy with their job responsibilities. The responses presented in Figure 4.27 show that most employees are not happy with the responsibilities allocated to them. There is no other literature to support this finding, thus it is unique to the study and adds to the body of knowledge in the field.

4.3.4.11 Fair Distribution of Duties

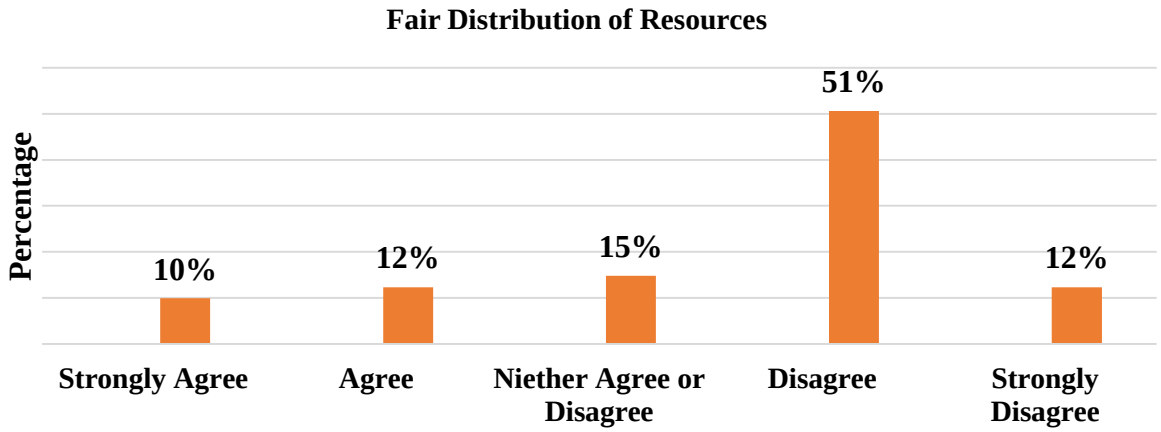

Figure 4.28

The respondents were asked to indicate if they felt that work duties were distributed fairly. The responses presented in Figure 4.28 show that most employees claim that work duties are not fairly distributed in the Finance Unit. There is no other literature to support this finding, thus it is unique to the study and adds to the body of knowledge in the field.

4.4 Qualitative responses from the open-ended questions.

Section C of the questionnaire had three open-ended questions. The participants' responses were analysed individually and themes were created based on the common responses. These questions addresses research question number two, the findings shows that employee's perceptions are diverse when it comes to their views about the working environment and work commitment.

4.4.1 What do you like most about working for the Department of Health: Finance Unit?

Sixty-three responses were received and summarised into themes. The following themes were identified and arranged in frequency order:

- Challenging work environment as a variety of tasks are performed.
- Nothing to say.
- Team work.
- Exposure to work with other departments and variety of tasks.
- Job security and working hours.
- Scope for growth opportunities or promotion.
- Assistance from supervisors.

The most common theme was that the employees enjoyed working for the department because of the challenging environment, as a variety of tasks are performed within the Finance Unit and the department is one of the biggest in the province. Some participants also identified job security and working hours, team work, and exposure to other departments as a positive, while other employees liked nothing about the department. This shows that employees have diverse perceptions of the Finance Unit.

This is consistent with Lethbridge's (2004) study, which was conducted in four countries in Eastern and Southern Africa; in other companies investment was made into human resources enhancement but staff performance was unsatisfactory. This was due to an unhappy workforce as the employees were paid poorly, promotion opportunities were delayed, and working conditions were poor. This clearly outlines the importance of effective human resources in all sections within the department or organisation

4.4.2 What do you like least about working for the Department of Health: Finance Unit?

Sixty-five responses were received and summarised into themes. The following themes were identified and arranged in frequency order.

- The Department of Health has no funds for training and developing employees, no funds for incentives for deserving employees, and no funds for filling vacant posts, which puts pressure on existing employees.
- The buildings are deteriorating and there is limited office space.
- No comment.
- Compliance in terms of the rating process during the assessment period, as three is set as standard mark for all employees as no motivation is required on an average mark (scale of 1 to 5).
- Career development is limited due to employment equity and office politics.
- Specialisation of work in the Head Office limits staff development, as staff rotation is not done.
- The staff is not capacitated with all the required resources to perform their daily duties, and there is a shortage of equipment and stationery.

In the Department of Health there are no funds available for training and development, no budget for incentives, and only critical posts (clinical) are being filled. Further, the buildings are deteriorating and staff are not capacitated with all the required resources to perform their duties. The Employee Performance Management Development System (EPMDS) is also seen as a compliance exercise and is not ongoing as it is supposed to be. The respondents also do not like the specialisation and work limitations, as the rotation of staff is not carried out which

leads to no improvement or development. There is no other literature to support this finding, thus it is unique to this study and therefore adds to the body of knowledge in the field.

4.4.3 Identify other issues that were not addressed by the study concerning the performance management system.

The participants were asked to identify any other issues that were not addressed by the study concerning the performance management system. Out of 52 responses, 36 were irrelevant and ten had nothing to say. Two common themes were, however, identified:

- There is a need to have a standard practice in place for employees.
- There is a need for a Chief Financial Officer.

The participants suggested that the department needs to have a standard practice in place to be followed by an employee if they believe that he or she has excelled, but their supervisor disagrees or is too lazy to write a motivation for a score of four and above. Some employees feel that the appointment of a permanent Chief Financial Officer is necessary, as the people occupying the position are working in an acting capacity, which makes it hard for them to make decisions.

4.5 Summary

The significant findings of this study are that the Department of Health Head Office: Finance Unit is ineffective in motivating employees and creating a positive working environment for growth opportunities. The finding in the descriptive analysis indicates that employees are not satisfied with the current performance management practice in the Department of Health. There is strong evidence that the employees perceive the performance management system as being unfair, which is a significant factor in employees not accepting and not being satisfied with the outcomes of their performance appraisals. The findings have proven that effective communication about the performance management system plays an integral role in ensuring motivation and trust. The following chapter concludes this study by providing recommendations and comments regarding the study's limitations.

CHAPTER FIVE

Conclusions and Recommendations

5.1 Introduction

Performance management can be defined as a system that involves setting employee standards, looking at employees' actual job performance, assessing that performance against the standards, giving feedback to the employee on their performance and how to improve it in the future, and setting new goals and expectations for another period (Gupta & Upadhyay, 2012). The success, survival and competing power of organisations depend on the commitment of their employees, which to a large extent depends on how satisfied the employees are in respect of the organisation's appraisal system.

Performance appraisals are one of the most crucial human resources tools and are a vital part of every organisation, however the process continues to create dissatisfaction among subordinates and can often be seen as ineffective and unfair (Aguinis, et al., 2011). The perceived unfairness of the performance management system has emerged as the most important issue to be faced by managers. Organisations are increasingly relying on their human assets, who have knowledge, competence and capabilities, as a source of competitive advantage (Armstrong & Taylor, 2014). The assessment of an employee's performance is one of the most collective practices in almost every organisation, so performance appraisals are an essential procedure for the better performance of employees and the organisation itself. Many businesses regularly use performance appraisal scores to determine the distribution of pay, promotions, and other rewards, however few organisations attempt to evaluate how employees' perceptions of performance appraisal fairness impact their attitudes and performance (Wanjala, et al., 2015).

It is vital that a performance management system is effective, and for that reason a performance appraisal must be viewed as a tool for developing and motivating staff. The usefulness of a performance management system as a managerial decision tool depends on whether or not the performance appraisal is able to provide accurate data on an employee's performance (Gerrish, 2016). This chapter focuses on the findings of the research study, its

limitations, recommendations arising from it, and a suggestion of future studies that could be undertaken in the same field.

5.2 Key findings and conclusions

The main objective of the study was to analyse employees' perceptions of the Department of Health: Finance Unit's performance management practice and the effect on employees' work commitment. More explicitly, the study set out to determine if there is a relationship between the employees' perceptions of the performance management practice and their work commitment, and to assess the relationship between the employees' perceptions of the performance management practice and their respective demographic variables. The study further explored job satisfaction influence on employees' motivation and work commitment".

The review of the literature indicated concern about the development and planning of a performance management system, and its ability to contemplate employee's capabilities. The literature further revealed that the performance management system must fit within the organisation's culture. The three stages of the implementation of the performance management system are developing and planning performance, managing and reviewing performance and rewarding performance, which should link together when establishing and executing the system.

The main research question and sub research questions were crafted so that they were aligned with the objectives of this study. The results have shown that various factors impact on the employees' perceptions of the performance management system and that there have been not enough efforts made by the Department of Health Head Office: Finance Unit to effectively address the fairness of performance management system, which was a significant factor in the employees' acceptance of, and satisfaction with, the performance management outcomes.

5.2.1 Objective one

It is evident from the findings of the study that employees have limited buy-in on the performance management system. Respondents reported job descriptions are in place, but the majority reported that the content of the job description is not understood. It was identified that employees had positive feelings about developing a long-term career in the organisation.

5.2.2 Objective two

Based on the findings of objective two, it can be maintained that the major challenge facing the Department of Health Head Office: Finance Unit is to get buy-in from their employees to accept the independence of the performance management system. Employees lacked an understanding of the policies and procedures that were aligned to enhance performance. It is evident from the study that employees were not offered career advancement opportunities, and there was a lack of understanding about the overall purpose of the performance management system in relation to decision making and the opportunity to identify training needs.

5.2.3 Objective three

It is clear from the findings regarding objective three that the Department of Health Head Office: Finance Unit has a challenge of bridging the relationship gap between management and their subordinates. There are indications that employees are treated unfairly by their seniors and race relations are poor.

5.2.4 Objective four

Given the findings presented under objective four, it is evident that the treatment of employees in the Department of Health Head Office: Finance Unit is a complex problem. The study has proven that employees are not happy with their working environment and job duties. It is also evident that the employees have a negative outlook towards the appraisal outcomes, as they are not allowed to question them. Employees perceive the current appraisal process as unfair and believe that it does not provide opportunities to improve poor performance.

This summary of the results and findings of the study suggests that the objectives of the study have been achieved, and that the study should provide significant and valuable information to the Department of Health Head Office: Finance Unit. The results of this study could be employed to develop a strategy for an alternative performance management system or to improve the current one.

5.3 Recommendations

The recommendations proposed are based on the findings of the study;

5.3.1 The Department of Health Head should opt for a computerised performance

management tool to improve employee engagement as well as the understanding of the whole process of performance management system. This tool can create communication amongst the relevant stakeholders, for example an employee, supervisor, and Human Resource Department (Performance Management Unit).

5.3.2 It is evident from the findings of this study that there is perceived unfairness in the manner in which appraisals are conducted. Respondents reported that during appraisals their supervisors' views are accepted as right and final, regardless of the employees' input. Warokka, et al. (2012) argued that employees are also concerned about interactional justice, which refers to the quality of treatment experienced by individuals in their interaction with group authorities, particularly those who enact formal organisational procedures. Monis & Sreedhara (2010) argued that for the effective implementation of a performance management system, management should interact with their subordinates in such a way that yields job satisfaction and motivation, as this indirectly enhances their work performance, all else being equal.

5.3.3 The Department of Health to provide sufficient training and education about the performance management system and provide adequate skills to conduct performance appraisals. Performance appraisals are personal and sensitive, thus they need to be dealt with tactfully and constructively because employees' confidence and performance can be negatively affected by a supervisor who is not properly trained to carry out appraisals.

5.3.4 Performance management cannot be forced on employees. Attempting to impose it will likely lead to goal displacement, unreliable information, and an increase in the risk of damage to the performance management system's relevance. The success of a performance management process depends on the credibility it has with those who are involved in it. Credibility is needed for stakeholder buy-in, which in turn is necessary for the validation of the performance management process and its sustainability.

5.3.5 Independent input can be extremely helpful for developing an appropriate and credible performance management approach. Contracted Performance Management Consultants can play a very useful role by providing an external opinion on the soundness of the evaluative enterprise. It is also helpful to consider other approaches, such as 360-degree feedback to ensure fairness and objectivity.

5.4 The limitations of this study

- The low response rate experienced in this study was a concern. Follow-up e-mails were utilised to encourage responses. These e-mail follow-ups did lead to a higher response rate than that which was initially received, however a higher response rate would potentially have led to more statistically significant results.
- The collected statistics were limited to The Department of Health Head Office: Finance Unit.
- The study focused on a selected South African organisation, which presents a limitation in that the findings cannot be generalised to other organisations, government departments and private sector industries in South Africa.
- It is evident that the topic of the performance management system has been extensively studied abroad, yet there is limited research data on the topic in South Africa.

5.5 Summary

The research achieved the objectives of this study and confirmed that employees in the Department of Health: Finance Unit have a negative perception of the fairness of their organisation's performance management system. It has also been proven that those employees' perceptions of fairness are influenced by distributive, procedural and interactional justice. It has further been proven that the performance management system does not involve all the employees during the development process, and it has a number of loopholes that encourage the subjective evaluation of the employees. It has finally been proven that the performance management system is ineffective as it does not motivate staff or improve their performance, and there are no performance appraisal objectives in place. The performance management system therefore needs to be overhauled in order to have realistic ideals, since

the current one does not seem to be based on ideals that motivate the employees. A sound performance management system must be put into place so that the employees exert their maximum efforts towards the realisation of the organisation's objectives and goals.

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Appendices

1. Questionnaire

Evaluating Employee' Perceptions on the Effectiveness of Performance Management System at Department of Health KZN- Head Office: Finance Unit.

"QUESTIONNARE"

General Instructions

Please fill in the appropriate box with a tick (√) using a **DARK BLUE or BLACK PEN**, not a pencil. Do not use 'x' or '/' marks. To ensure anonymity and confidentiality, you are **NOT** required to write your name or sign on the questionnaire.

The following questions are for classification purposes only and will not be employed to identify any individual. Please fill one response per question.

Gender

Male	Female	Other

Race

African	White	Indian	Coloured	Other

Education Level

Matric	Diploma	Bachelor's Degree	Honor's Degree	Master's Degree	PHD	Professor

Age

18-30	31-40	41-50	51+

Number of years working for the Department of Health (in the Finance Section)

0-5 years	6-10 years	11-15 years	More than 16 years

Position

Level 4-6	Level 7-8	Level 9-12	Level 13 & above

Part B:

	Organisational Commitment	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree
1.	I have a job description.					
2.	My Job Description clearly defines Key Result Areas (KRA's) on which my performance is rated.					
3.	I do understand the purpose of Performance Management System.					
4.	Performance Management System process is clearly defined in the Department of Health.					
5.	I will be happy to spend the rest of my career with Department of Health					
	Work Commitment					
6.	I think the Performance Management System has enhanced the way I work in terms of : Understanding Policies and procedures					
6.1	Advancement opportunities					
6.2	Decision-making opportunities					
6.3	Training opportunities for growth					
6.4	Perform my duties as per job description					
	Job Satisfaction					
7.	I am satisfied with my work environment and my duties					
8.	Job satisfaction influences my job motivation and work commitment.					
9.	I am free to express my opinions or disagreement regarding the appraisal decisions during assessment period.					
10	I am happy with the overall quality of management and supervision					

	from my superiors.					
	Employee Perceptions towards Procedural Justice					
11	I am satisfied with the current process of assessment					
12	Excellent performance is rewarded					
13	When poor performance is identified the assistance is provided for improvement.					
14.	The assessor/ supervisor are always fair and understand his or her role.					
	Employee Perceptions towards Interactional Justice					
15.	I am able to interact with my supervisor anytime					
	Employee Perceptions towards Distributive Justice					
16.	I am happy with my job responsibilities					
17.	Duties are distributed fairly in my component					
	Working relationships as per demographic variables.					
18.	I interact well with seniors and subordinates of the same gender					
19.	I feel the seniors and subordinates with lower level of qualification assess me unfairly					
20.	I interact well with seniors and subordinates of different race					
21.	I interact well with seniors and subordinates of same age					

22. What do you like MOST about working for the DOH -Finance?

_____

_____

23. What do you like LEAST about working for the DOH – Finance?

_____

_____

24. What other issues that have not been addressed would you like to share with regard to Performance Management System?

_____

_____

_____

Thank you for your participation in this survey.

2. Department of Health Approval Letter

health
Department:
Health
PROVINCE OF KWAZULU-NATAL

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

DIRECTORATE:
Health Research & Knowledge Management

Reference: 111/16
KZ_2015RP30_125

Date: 19 April 2016

Dear Ms L. Khuzwayo
Email: lungik@ymail.com

Approval of research

1. The research proposal titled **'Evaluating the employee's perceptions on the effectiveness of performance management system at the Department of Health KZN_ Head Office: Finance Unit'** was reviewed by the KwaZulu-Natal Department of Health.

   The proposal is hereby **approved** for research to be undertaken at the Finance Unit in the Provincial Office of the Department of Health.

2. 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.

3. 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 Lutge

Dr E Lutge
Chairperson, Health Research Committee
Date: 19/04/16

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3. Ethical Clearance

UNIVERSITY OF KWAZULU-NATAL
INYUVESI YAKWAZULU-NATALI

15 March 2016

Ms Lungile Khuzwayo 209524898
Graduate School of Business and Leadership
Westville Campus

Dear Ms Khuzwayo

Protocol reference number: HSS/0206/016M
Project Title: Evaluating the employee' perceptions on the effectiveness of Performance Management System at Department of Health KZN - Health Office: Finance Unit

Full Approval – Expedited Application

In response to your application received 2 March 2016, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL.**

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

.....
Dr Shenuka Singh (Chair)
Humanitities & Social Scinces Research Ethics Committee

/pm

Cc Supervisor: Dr Dhanesh Rampersadh
Cc Academic Leader Research: Dr M Hoque
Cc School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee
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