

FACTORS AFFECTING PERFORMANCE MANAGEMENT AT FIRST NATIONAL
BANK LESOTHO

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A Field of study submitted to the UFS Business School in the Faculty of Economic
and Management Sciences in partial fulfilment of the requirements for the degree

MAGISTER IN BUSINESS ADMINISTRATION

at the
UFS Business School
University of the Free State
Bloemfontein

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Date: 20 November 2020

Declaration

I declare that the field of study hereby handed in for the qualification Master's in Business Administration at the UFS Business School, University of the Free State, is my own independent work and that I have not previously submitted this work, either as a whole or in part, for a qualification at another university/faculty. I also hereby cede the copyright to the University of the Free State.

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Acknowledgements

First and foremost, I give praises and thanks to God Almighty, for His showers of Blessings and Favour throughout my research work and without whom I would not have had the opportunity to embark on this journey. I would also want to thank my entire family for the support that they gave me throughout my study period. Further to that, special thanks also go to my line manager at FNB Lesotho for the endless effort. Many thanks also go to my supervisor, Mr Markham for the guidance and valuable support.

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List of Acronyms

4IR	4 th Industrial Revolution
ATMs	Automated Teller Machines
CM	Constant Monitoring
FNB	First National Bank
HR	Human Resources
IT	Information Technology
KPI	Key Performance Indicators
LC	Leadership Commitment
LPB	Lesotho Post Bank
OC	Organisational Culture
OPM	Office of Personnel Management Model of Performance Management
PM	Performance Management
SD	Standard Deviation
SI	Stakeholder Involvement
SMART	Specific, Measurable, Attainable, Realistic and Time bound
SPSS	Statistical Package for Social Scientists
VUCA	Volatility, Uncertainty, Complexity and Ambiguity

Abstract

The main aim of this study is to analyse the factors affecting performance management at FNB Lesotho. It has come to the realisation that the bank's performance management systems suffer from the lack of transparency in promotions, ineffective performance feedback mechanisms from managers, management's lack of support for continuous process improvement initiatives and lack of recognition for high-performing staff. To achieve the objectives of this study, a stratified random sampling technique was adopted in which data was collected from a sample size of 60 respondents from FNB Lesotho. Data was collected using a questionnaire and it was analysed using SPSS. The study found that performance management at FNB is influenced by organisational culture, involvement of stakeholders, constant monitoring, feedback, distribution and learning from results and leadership assurance. The study recommends that FNB Lesotho continue to expand the involvement of its stakeholders so that they can contribute with their input to enhance all-inclusive policy decisions. The study further recommends that the bank ensure regular training of its employees to improve their skills, which in turn will boost their performance. The bank should also improve on its leadership commitment by making sure that the leadership is at the forefront of resource endowment, goals setting and leading the organisation towards the attainment of its overall objectives.

CHAPTER ONE: INTRODUCTION AND BACKGROUND

1.1 Background

In the current intensely competitive and ever-changing business world, corporations are continuously under persistent pressure to explore innovative strategies to get the best out of their means of production, which includes labour (employees), in order to stay ahead of their competitors and deliver value to shareholders. Continuous capacity building on new industry innovations and retaining the best talent has increasingly become more important as the costs of hiring (financial and time factors) and retraining outweigh the benefits. All the aforementioned issues are usually encapsulated under one concept, known as performance management (Kumar, 2015).

According to Bowness (2016), performance management's history can be traced as far back to the period of Sun Tzu's, (1971) *The Art of War*, where he stated that in order to have war succession; one should possess sufficient knowledge of every individual's own strengths and weaknesses, including those of one's enemies. The use of performance management systems across different industries and sectors, including banking, was amplified throughout the 1990s as a result of globalisation pressures, increased competition, 4th Industrial Revolution (4IR), the Volatility, Uncertainty, Complexity and Ambiguity (VUCA) environment and growing interest in characteristic analysis of employee performance (Varma, Budhwar & De Nisi, 2018). The Forth Industrial Revolution has evolved as a force to reckon with, and companies are rapidly moving towards the adoption of technology to streamline their operations. Over the last twenty years, the adoption of technology has caused the emergence of new job titles and at the same time causing other roles to disappear. According to Bennett and Lemoine (2014), executives and leaders in organisations are continuously embracing the core activities essential to driving organisational performance. This is achieved through assessing the VUCA of the business environment to enhance organisational performance. The business environment is now referred to as a "VUCA world", meaning that the ongoing churn in the business environment and its unpredictable stance calls for a change of focus and leadership development methods.

The definition of performance management has also evolved over the years due to inefficiencies discovered in the previous definitions, as well as the changes in how

business is conducted across various industries. Dwivedi and Giri (2016), define performance management as a process through which organisations set their targets and standards, allocate and assess employee work performance and how they issue rewards. The performance management concept is normally undertaken by means of certain systems or models, which involve a series of steps. Performance management systems were initially used by managers, professionals and technical staff, but today it is used to evaluate and manage staff performance at every level, by most organisations (McMahon, 2013).

Quality management for the banking industry is considered a challenge as financial organisations, whether on the software or hardware front, have been included in the mass operational, automation push. Automation and the modern working environment have streamlined the processes of Human Resources (HR), reduced human intervention, and made processes intuitive and transparent. Management of output through advanced digital technology is thus brought to life. The banking industry's success and development is also affected by the supervisors, managers and employees. Organisations should pay close attention to organisational measures to prevent the occurrence of certain events in the banking sector, which could include the closing and the fall of giants without notice. It is important to carefully examine and maintain the following principles: information to employees, employer efficiency, honesty and accountability of the processes (Kirkpatrick, 2009).

The objective is to optimise individual performance by bringing it in line with the overall performance of the organisation. There are many types of performance management systems that are adopted by organisations; one such instance is the assessment system. Anguis (2013) indicates that this is a continuous process of identifying, measuring and developing the performance of individuals and then aligning their performance with the organisation's strategic objectives.

The study done by Anguis (2013) found that training, not only improves employee performance, but also positively affects the morale of employees and satisfaction in the banking sector in Lesotho. Therefore, the Lesotho banking sector will periodically allocate resources for training employees, based on established abilities, to develop the skills, knowledge and abilities of employees so that they can cope and increase morale and satisfaction at work (Twumasi, 2018).

The Lesotho sector consists of four business banks: Standard Lesotho Bank, Nedbank Lesotho, First National Bank and Lesotho Post Bank. Lesotho has relatively small businesses. The Lesotho Post Bank is the only local bank to have a full support of the government of Lesotho, and was founded by the Minister of Communications, Science and Techniques (Wade Publications, 2015).

First Lesotho National Bank was recognised in Lesotho in 2004. It has three branches in Maseru as well as branches in Butha-Buthe, Berea, Maputsoe, Leribe and Mafeteng. The bank has installed ATMs across the country to support its electronic strategy. Finally, Lesotho Post Bank (LPB) was incorporated in 2004 as a public company wholly owned by the Government of Lesotho and began operations in 2005. It offers savings and deposit-taking services to the under-banked and unbanked Basotho population in both rural and urban areas. In 2010, the bank diversified into lending and introduced electronic trading services in 2013. Thirteen branches, a customer service centre and ten Automated Teller Machines (ATMs) have been deployed across the country, to date (Motlokoa, Sekantsi & Monyoloc, 2018).

Armstrong and Baron (2005) recognise that the existence of assessment systems is integral to managing the performance of employees and should be a continuous process in keeping with the annual targets of the organisation. Armstrong (2009) added that the goals should be set, agreed upon and thus form a performance arrangement between the employer and the employee at the beginning of the financial year. The purpose of the evaluation framework, if properly applied, is to quantify employee achievement against defined objectives and identify progress gaps that help to improve employee performance against expected results. Nonetheless, some organisations have left the discussion on performance management to only occur at the end of the year.

1.2 Statement of the Research Problem

The First National Bank of Lesotho is currently faced with critical challenges within its internal performance management system. The most common challenges that performance management systems suffer from include the lack of transparency in promotions, ineffective performance feedback mechanisms from managers, management's lack of support for continuous process improvement initiatives and

lack of recognition for high-performing staff (Stup, 2018). These challenges have, over the past couple of years remained unaddressed therefore, leading to multiple staff complaints and dissatisfaction, which has had a negative ripple effect on staff morale. It is critical to analyse the cause of poor performance of employees at FNB to understand the gaps in the current performance management system. Failure to address performance management related issues in a timely manner in an organisation can lead to frustrated and unsatisfied employees, resulting in a high turnover rate.

1.3 Justification of Study

This study aims to provide more insight into the current FNB Lesotho performance management system and explore innovative best practices and alternative systems for improvement. The findings of the study can further be used as valuable lessons learned and information for future design and implementation of effective performance management systems in the banking sector in Lesotho.

1.4 Research Objectives

1.4.1 Primary Objective

The primary objective of this study is to analyse the factors affecting performance management at FNB Lesotho.

1.4.2 Secondary Objectives

The secondary objectives of the study are:

- a) To explore factors that determine performance management at FNB Lesotho.
- b) To provide a performance management overview.
- c) To examine the contribution of a Performance Management System at FNB Lesotho.

The key questions intended to be addressed by this research study are as follows:

- What does the performance management system of FNB entail?
- Is the performance management system that FNB adopted relevant to attaining institutional targets?
- Is the performance management system of FNB Lesotho effective in enhancing performance of the bank?

- Does the performance management system of FNB Lesotho contribute to its performance?

The rationale of this study is based on the two assumptions outlined below:

- 1) Effective and transparent performance management systems are vital tools for increasing staff retention across all positions in the organisation.
- 2) Failure to address performance management related issues in a timely manner within an organisation can lead to frustrated and unsatisfied employees, resulting in a high turnover rate.

1.5 Research Methodology

1.5.1 Research Design

This section provides in-depth details on how the research study was undertaken to meet the intended objectives mentioned in the preceding sections of the document.

The research adopted a quantitative research approach. Quantitative research was chosen over a qualitative approach because data collection and analysis is faster since it follows a structured questionnaire, it allows for a high sample size, it enables the researcher to establish relationships between certain variables/questions of interest and provides quantifiable evidence that can easily influence decision making. The quantitative research method deals with interrelated constructs of analysing data, which help to explain a phenomenon between two or more variables (Creswell, 2014).

1.5.2 Target Population and Sampling Design

The target population for this study was the total employees at FNB Lesotho. The total target sample for this research study was 60 of the 290 staff currently employed at FNB Lesotho. The sampling framework comprised of three main categories which included management, middle and lower levels. A stratified random sampling method was used to select the respondents from the three main categories mentioned above and was divided into strata.

1.5.2.1 Nonprobability Sampling

Non-probability sampling relies profoundly on the judgement of humans (Creswell, 2014). There are various non-probability methods, for instance quotas, judgements,

convenience and snowballing. Although quota sampling methods are regularly seen to be faulty from an academic viewpoint, quota sampling is the most used method in the market research sector in the United Kingdom (Sekaran, 2003). Judgment sampling means that the researcher or fieldworker decides on who might best help in the study. This is a judgement of the most appropriate set of respondents.

1.5.2.2 Probability Sampling

When dealing with probability sampling, each element in the population has some acknowledged chance or probability of being a sample subject. Probability sampling techniques are taken into consideration when sample representativeness is of supreme importance. Public instances of probability sampling techniques consist of simple sampling and also systematic sampling, which all equates to the process whereby the researcher would like to start with a sampling frame and picks out the name at random. Stratified random sampling representation is founded on subcategories in a population. Cluster sampling is where groups or clusters of people that meet a specific description of the study population are recognised, which also includes area sampling and double sampling (Sekaran, 2003: 271).

This study will use stratified random sampling, which is defined as a technique where the population consist of N elements, the population is divided into H groups and each element of the population can be assigned to one stratum. (Bryman & Bell, 2014: 185).

Stratified random sampling is a method of sampling from a population with a possibility of being partitioned into subpopulations. It can offer greater accuracy than a simple random sample of the same size. This method is advantageous because it provides greater accuracy, frequently needs a smaller sample and saves money. This sampling method was vital in ensuring that the intended population was divided into groups. The target sample size of the study was 60 employees from a population of 290 staff currently employed at FNB Lesotho. The sampling frame comprised of three main categories which included management, 10 were randomly selected; middle level employees, 25 were randomly selected and another 25 were randomly selected from lower level employees. The researcher obtained a probability sample, as mentioned, from each stratum and ensured that there were enough sample points to support a separate analysis of all subgroups.

The random stratified sampling method was vital in ensuring that the number of observations within each stratum was known. Participation in this research was voluntary and was fully explained to the respondents before they participated. This was indicated in the questionnaire instructions administered via email.

1.5.3 Data Collection

Saunders, Lewis and Thronhill (200: 288), specified that “when conducting research, the instrument to be used to collect data directly correlates with the type of information required”. The data collection instruments were dependent on the research method. A quantitative research method was used in this research study; therefore, a standard questionnaire with close ended questions was used. The questionnaire method of self-completion by email was nominated because of its easy completion process. Mass participation in a short period of time and minimal resources needed to be assured to manage and the data collection process.

There are two data types according to Hox and Boeije (2005), which are primary and secondary data. The research used of both primary and secondary data.

- ❖ Secondary data – Hox and Boeije (2005: 593) describe well-defined secondary data as “data originally collected for a different purpose and reused for another research question”. The benefits of using secondary data include faster accessibility to pertinent information and lower costs in retrieving the information (Hox & Boeije, 2005). This dissertation will make use of secondary information to review the literature. The Internet, academic journals, articles, academic books are some examples of secondary information sources. The inherent limitation of secondary data is that the data may not be ideal for the research problem under question because they were initially collected for a dissimilar purpose (Hox & Boeije, 2005). The collection of primary data thus becomes indispensable.
- ❖ Primary data – Hox and Boeije (2005:593) define primary data as “original data collected for a specific research problem at hand and using procedures that fit the research problem best”. The primary data collection stratagems that Hox and Boeije (2005) include are surveys, experimentations, interviews and the observations of the participant.

1.5.4 Data Analysis

Data analysis includes the application of numerous statistical techniques that offer a way of drawing inductive inferences using data and thus differentiating any real phenomena or effects from random fluctuations. The researcher responsible made every effort to get unbiased inferences from the data. It was imperative, to be forthright in plainly stating the method of data investigation and the reason for it being selected over others (Shamoo & Resnik, 2003).

Both Microsoft Excel and Statistical Package for Social Scientists (SPSS) was used for analysis of the quantitative primary data collected through the interviews. These tools were selected due to their user friendliness and ability to present the data results in the format that is easily understandable by the majority of people.

Regression analysis was used to analyse the correlational data of the performance management components (e.g. training, feedback, coaching etc.) and staff satisfaction and morale. The correlation quantitative data analysis method was used to analyse the extent and nature of relationships between the variables. This method was used to understand the nature of relationships between two variables (Saunders, et al., 2012). The analysis results were presented using frequency tables, pie charts, bar charts and other simple data visualization methods.

1.6 Ethical Considerations

The focus of research ethics is the moral principles that researchers must support and follow in their corresponding fields of research, particularly those which involve the participation of human subjects. Devotion to the ethical principles is vital for maintaining research integrity (Enago Academy, 2019).

This research was conducted in harmony with the standards of international research ethics. The research observed the following ethical contemplations:

1.6.1 Ensuring Permission is attained

To confirm that the participants were well informed in relation to the research to be conducted, a consent form containing a brief description of the study, the activities time frame, voluntary participation statement, name of the researcher and contact details and comprehensive information concerning the study were highlighted (Neuman, 2011).

To guarantee that the study is effective and balanced, a pilot study was done to certify that the questions were pertinent and that it was effortlessly comprehensible. Through the pilot study respondents were also requested to give a response on the challenges faced in comprehending the questions and indicate any questions that were not clear.

1.6.2 Informed Consent

Informed consent is about guaranteeing that participants have offered their consent to be involved in the research. This is an important requirement in any research (Van Zyl, 2012). According to Ary, *et al.* (2010), consent should be informed, voluntary and given by a competent individual. Information regarding the purpose of the study, how the results of the study are going to be used, the role of the participants, among others, were offered to all respondents before they chose whether to be involved in this study.

1.6.3 Voluntary Participation

Throughout their involvement in the study, personal integrity, and essential human rights were respected. Participants were equally treated and were not judged.

1.6.4 Ensuring Confidentiality and Anonymity

It was vital to substitute first names as well as surnames with pseudonyms. The pseudonyms were used in this research study; the names of the respondents were not requested during the gathering of data. As an alternative, a unique identifying number was allocated to each respondent. Study findings were offered in an aggregate format without singling out the individual participants' views. All the raw data from this research will not be shared with anyone without the solicitation of the consent of the respondents.

1.6.5 Ensuring No Harm to Participants

All the probable dangers the participants may have been exposed to because of their participation in the study were identified, examined, communicated and moderated or evaded accordingly, to avoid any consequences and also to ensure that there was no harm to participants. The whole world is presently battling the Covid-19 pandemic. The study had put in place the subsequent mitigation measures to guarantee the safety of the participants:

- ❖ The researcher clarified the risk of contracting the virus and asked the participants for their email addresses to send them electronic copies of the questionnaires to complete and send back. This warranted that no one got the virus, provided that, there was no hand delivery of the questionnaires to the participants. This extenuation measure guaranteed the safety of everyone participating in the study.

1.7 Limitations of the Study

According to Grutter and Bshary (2002) there are influences which are out of control of the researcher. They are the failings, conditions or influences that are out of control of the researcher that could place limitations on the methodology and the conclusions.

It could occur when the respondents provide responses that are more emotional than factual, looking at the nature of questions dissected by the research. This is perpetuated by responses that directly affect people's welfare and job security within the organisation. Having realised this limitation, it is worth noting that a probable cause of the inadequacy of the responses may limit the study's full scientific potential to yield expected outcomes.

One of the study limitations as per the request by FNB management was to not publish the research findings as they may affect institutional confidentiality. The results, however, will be shared with management for their interest, and to be made aware of any unknown issues.

1.8 Conclusion

This chapter presented an orientation and background to the research. The chapter reported the research problem, the justification of the study and also the research objectives. The research methodology was also briefly reported although the full research methodology is reported in chapter 3 of this study. The limitations of the study were also presented in this chapter. The following chapter focuses on the presentation of the theoretical and empirical literature of this study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Over the past two decades, most business functions together with the tools, techniques and concepts they adopt and utilise to undertake daily business operations have gone under rapid and continuous change as a result of various factors. These factors include, rapid innovation driven by Information Technology (IT) and the Internet, increase in competition within industries, global market shocks, evolution of social media, shift in investment priorities by investors and so on. The Fourth Industrial Revolution has evolved into a force to be reckoned with and companies are rapidly moving towards the adoption of technology to streamline their operations. Over the last twenty years, the adoption of technology has caused the emergence of new job titles and at the same time causing other roles to disappear. According to Bennett and Lemoine (2014), executives and leaders in organisations are continuously embracing the core activities essential to driving organisational performance. This is being achieved through assessing the VUCA of the business environment to enhance organisational performance. The business environment is now referred to as a “VUCA world”, meaning that the ongoing churn in the business environment and its unpredictable stance calls for a change of focus and leadership development methods.

Performance management is one of the human resource key functions that experienced changes, as various organisations continuously explore different ways, they can build highly effective, efficient and comprehensive performance management systems, which will give them a competitive advantage ahead of their competitors (Anguis, 2013).

The available literature on performance management will be reviewed to explore how the performance management concept has evolved both as a result of research studies (industry and academic) as well as the practical industry tests and evidence. The similarities and differences, best practices, lessons learned and limitations of the available literature on performance management will also be dissected, summarised and incorporated into the findings and recommendations that FNB Lesotho can explore in their efforts to bolster organisational performance management. The main

themes that will be featured in the literature review section include both definitions of performance management and various models or systems of performance management.

2.2 Performance Management Defined

A wide group of activities intended to maximise individuals and organisational performance is referred to as performance management. It takes into consideration expectations setting, gauging the behaviours and results of the employee, offering coaching as well as feedback, and assessing performance over time to use in making decisions. The aim is to align the efforts of individuals to attain the goals of the organisation (Society for Human Resource Management, 2017). It is apparent from this definition that performance management is a multifaceted and continuous approach focused at the individual level with the goal of getting all individual employees performing at their best, which collectively will lead to good organisation performance.

DeNisi and Murphy (2017) describe performance management as a widespread assortment of activities, policies, procedures and interventions intended to aid employees to advance their performance. These programs start with appraisals of performance but also comprise of feedback, setting of goals, and training, as well as staff systems of rewards. Thus, performance management systems start with performance appraisal as a jumping off point, and then emphasise refining individual performance in a way that is constant with strategic goals and with the goal of enhancing the performance of the firm. Performance appraisal is identified as the first building block to a series of other activities which is undertaken as part of the performance management system. This is notable insight to the researcher because in the mainstream workplace most professionals refer to both performance management and performance appraisal interchangeably, as if they have the same meaning.

According to Prosser, Laura, Hungerford and Michael (2016), performance management emphasises the operative management of people to attain the goals of the organisation and better serve its customers, and supports in creating a work atmosphere in which people are permitted to perform to the best of their abilities. It is an on-going process by which managers and their employees benefit with a shared understanding of expectations as well as goals of work, exchange performance

feedback, recognise learning and development chances, and assess the results of the performance.

The author's perspective according to above definitions is that the creation of a conducive work environment where every staff members feel recognised and valued for their efforts as part of performance management for an organisation is key in getting the best out of employees. Other possible ripple effects of the conducive work environment include a boost in staff motivation and morale. It is further intriguing to realise that internal performance management can go further to effect the quality of services and relationships with the customers and other external stakeholders of the organisation.

Performance management can further be well-defined as a systematic process for refining overall performance of the organisation by developing and assessing the performance of individuals and teams. It is a way of getting better results from the organisation, teams and individuals by comprehending and handling performance within an approved framework of prearranged goals, standards and competence necessities. Processes exist for establishing shared understanding about what it is to be attained, and for managing and evolving people in a way that increases the likelihood that it will be achieved in the short and longer term. It is held and driven by line management (Armstrong, 2006). The author of this literature argues that the ownership of performance management lies with the line management, which is inconsistent with the researcher's point of view. The ownership of performance management should be a collective effort between all stakeholders (employees and managers), with their roles and responsibilities clearly identified and explained, to ensure accountability and commitment. Putting ownership and drive on only one-party may risk low commitment and failure to achieve the expected performance goals by lower level employees.

A well-managed performance system yields better results. A performance management system is an incessant process and cycle which calls for feedback and assessment of individuals or teams' progress and achievements for action plans to be affected.

The literature indicates that factors moving the performance of workers are the absence of control, no motivation, zero job satisfaction and the absence of organisational theories.

2.2.1 Lack of Motivation

Lack of motivation from employers affects the performance of their workers. Employers must create a conducive working environment to ensure that employees' performance meet the required standards. It is crucial for employees to implement a reward system based on the performance of their employees. A reward system for high performers motivates them to perform more and exceed the set targets (Stup, 2018)

2.2.2 Lack of Control

Lack of control from employers is also a major factor that affects employee performance. Employers must monitor their employees to ensure that employees' tasks are completed on time and are on track to achieve the organisational goals. This enables employers to implement performance-based monitoring systems, thereby helping them to improve performance (Stup, 2018).

2.2.3 Lack of Job Satisfaction

According to Frederick Herzberg's theory, there are sure factors in the workplace that causes job satisfaction and if not, available they result in no satisfaction from employees (Bushiri 2014). The theory is referred to as "Motivator-Hygiene Theory which identified motivators such as achievement, advancement, development etc and hygiene factors which include status, security of your job, salary benefits as well as fringe benefits, leading to job satisfaction

According to Bushiri (2014), Herzberg theory defined four basic states that could happen:

1. High Motivation/High Hygiene: flawless state of happy, motivated employees
2. High Motivation/Low Hygiene: motivated employees who love the work but complain a lot
3. Low Motivation/High Hygiene: bored employees punching a clock for a pay check
4. Low Motivation/Low Hygiene: entire mess of bored, unhappy employees

Inadequate performance management systems may fail to recognise that employees are not motivated by addressing hygiene needs. Herzberg's theory suggests that employees are only motivated by enabling them to achieve satisfaction through real motivators such as achievement, advancement and development.

Idemobi, Onyeizugbe and Akpunonu (2011:110) pursue to define in their study, "Performance Management as an Imperative for Effective Performance in Delta State Public Owned Organisation of Nigeria", the impact of review strategies of performance management on the performance of employees to assess whether the relationship amid performance incentives and the morale of employees, is significant, which is also in relation to the theories of performance.

Aishwarya and Giri (2016) indicated that most organisations struggle with various key workplace issues, such as staff preparation, recruiting, performance management and training and development. There are other different theories of performance management, such as theory of anticipation, theory of control and theory of justice. The theory of the goal setting indicates that it offers enhanced results efficiency (Locke & Latham, 2002). Authors study the philosophy of justice to determine workers' expectations of the organisation as per the management system. Employment satisfaction is related to the behaviour of the employee, which has an impact that can be negative or positive through their performance and the organisation's success. This means that companies must capitalise in generating employee needs through their expectations to help the company thrive (Anguis, 2013). According to Mitchell, Thompson and George-Falvy (2000:203), "the obstacles or pressures of goals lead to greater motivation and higher employee performance".

Justice theory has a positive impact on the organisation, as workers are empowered where justice exists (Celik & Sariturk, 2012). Organisations should, therefore, maintain and implement the principle of justice more to build loyal employees. This theory strongly impacts the performance management system, which focuses on factors that generally affect employee performance. There are four fundamental principles according to Barrows and Neely (2012) for strengthening employee understanding of the theory of justice, these include voice, respect, interaction and authority.

Essentially, to summarise in order to improve their emotions, workers need to be given a chance to be heard. A company that treats them with respect and as a part

of their community will improve morale and produce better and more effective performance. Interacting with superiors is vital for employees as it reduces frustration, as explanations or apologies are given and create a more relaxed environment. This leads to judgements being made on facts and not on personal vendettas.

Salaman (2005) recommends that there are two additional theories underlying the concept of performance management, which are the theory of goal setting and the theory of hope. Edwin, Locke, proposed setting a goal in 1691. "It demonstrates the effectiveness of the objectives set by the employee as they motivate and provide excellence as provided for by the managers" (Lucas, *et al.*, 2006:27). This is because, according to them, they are more genuine and improves performance. The hope theory in the performance management context demonstrates positive psychology that has implications on health and wellness. In terms of performance, employees with high levels of hope, perform better in their duties, have greater job satisfaction and are more determined. The hope paradigm mirrors the ability to derive pathways to anticipated goals, and to inspire oneself via agency thinking making use of those pathways. Higher hope unswervingly is related to better academic outcomes, athletic achievement, physical health, psychological alteration and psychotherapy (Snyder, 2002).

The principle of expectation was introduced by Victor Vroom in 1964, which is based on the premise that workers comply with their goals. Workers behave in such a way that they attain goals that contribute to more commitment and may even work outside normal working hours and to increase improvement in efficiency.

The study of control theory helps maintain the performance management framework through the determination of forms of control between the company and its processes (Dwivedi & Giri, 2016). It is a control mechanism that must be developed at all levels of the organisation. Norms and procedures are the framework of the company and the evaluation system. Comportment regulation tracks behaviour on a regular basis (Barrows & Neely, 2012). An employee's performance is regulated by bonuses or penalties. This system also regulates the selection training process of an employee, called the assessment program. The framework assesses their compatibility with predefined parameters. The evaluation framework is mostly referred to as the cybernetic model. This model is used by Barrows and Neely (2012) to effectively apply control and efficiency as the external environment is readily

possible. This demonstrates that program failures can disrupt the organisational performance objectives and the alignment of compensation packages.

2.3 Models of Performance Management

This section of the literature review will explore different schools of thought on the existing models of performance management with the purpose to establish their similarities, differences, strengths and weaknesses.

2.3.1 Performance Management System (Conceptual Model)

Agarwal (2011) argues that there is no single, generally accepted performance management model. The concept has been explained by various experts in their own ways. The model can be described as an arrangement of performance management cycles, which comprises of five key elements and proposes the implementation of a performance management system in an organisation. The five elements of performance management system cycle include:

1. Objectives setting
2. Performance measuring
3. Performance results feedback
4. A reward system founded on performance outcomes
5. Adjustments to objectives and activities

The chart below demonstrates how the five key elements of the performance management model described above relate to each other.

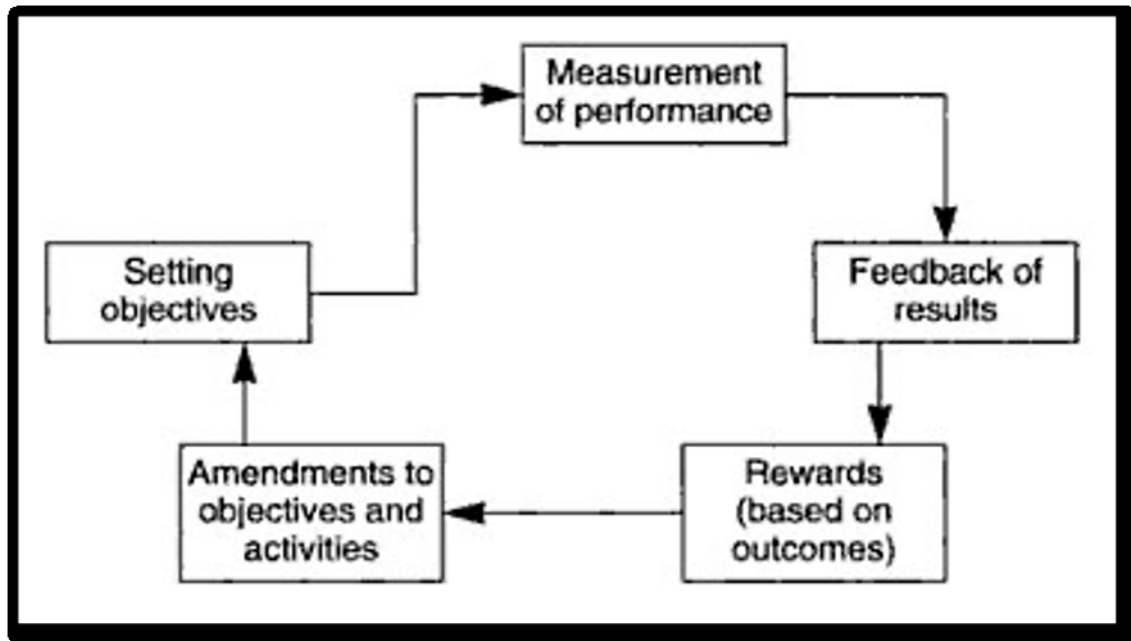


Figure 2.1: Performance management system (Conceptual Model)

(Agarwal, 2011)

2.3.1.1 Setting Objectives

The objective setting process by the supervisor and the supervisee is the first step in the model above and is common practice throughout most performance management models. Employee objectives, most of the time, should follow the SMART concept which stand for *Specific, Measurable, Attainable, Realistic and Time bound*. It is at this goal-setting stage where the individual objectives are aligned to organisational goals and objectives.

2.3.1.2 Measuring Performance

The notions of performance are measured and studied through the assessment of overall performance. The assessment of performance is the process of grouping certain outcomes with a certain timeframe (Coens & Jenkins, 2000). The axiom which states that if you can't measure it, you can't manage it, or you cannot improve it reinforces the rationale for organisations to implement a complete performance measurement system, for example, a balanced scorecard. The approach breaks down high level set objectives into lower level tasks. Employee performance is then measured against these set targets or objectives.

The performance measurement criteria should be clearly explained to the employees and be unambiguous. It should also be pertinent to the work tasks commenced by

employees as well as, attainable (Platts & Sobotka, 2010). Employees should be given necessary training and equipped with relevant development opportunities needed to accomplish their tasks or activities. The valuation of individual employee performance also requires focus on assessing employee behaviour and work performance, overlooking the employee's personality (O'Brien & O'Donnell, 1999).

2.3.1.3 Feedback on Performance Results

This stage involves a number of activities, such as observations and documenting efforts and accomplishments. Providing feedback on performance results calls for managers to coach and counsel employees on their measured performance. At this stage communication is vital to ensure that employees are not only aware of the set targets, but they should also contribute and participate in their formulation. Effective communication should be established to advance employee performance and satisfaction of the job and thus eventually leading to organisational goals and objectives being met (Hargie & Tourish, 2009).

Performance reviews are a very good source of encouraging individuals to determine the way they want to develop. Performance feedback results in benefits to individual and team performance. Lack of or inadequate feedback may result in organisational ineffectiveness, because of anxiety and lack of self-evaluations. If proper feedback on performance is affected, this results in a unified workforce; employee engagement level increases as well as job satisfaction and motivation

Performance feedback is a grave component of all performance management systems. It can be defined as information regarding an employee's past behaviours with regards to established standards of employee behaviour and results. Effective performance feedback is apt, specific, behavioural in nature and demonstrated by a reliable source. The goals of performance feedback are to advance performance of individuals and teams, as well as the engagement of the employee, motivation, and satisfaction of their job (Anguis, 2013).

2.3.1.4 Reward System Based on Performance Outcomes

This stage follows performance reviews and feedback processes, usually at the end of the of the performance period. Rewarding performance usually involves activities such as employee accomplishment evaluation and skillsets (Ying, 2012). The process evaluates the efficiency of the entire performance organisational system or model, and its contribution to the overall organisational performance. This is done to

identify any gaps in the system thus creating room for entire process improvements. Not only does this system provide feedback to employees, it also does so for the organisation at large.

The performance of an organisation is dependent on its workforce's quality, the correct people in the right positions and doing what they are skilled at. It is crucial for the organisation to choose the right people and place them in the right positions. These people must be motivated to work, and sound training and development must be in place for them to perform to the required standards. After the evaluation and feedback processes, organisations should reward those that have achieved their set objectives through a process called pay for performance. The pay for performance is a system that relates an employee's pay raise to his or her performance. Incentives in the form of money for those who have performed well is a very important tool to motivate or encourage employees' passion for work (Ying, 2012).

2.3.1.5 Amendments to Objectives and Activities

This is the last stage of the performance management system where management looks at the entire process for any continuous improvement initiatives. Originally, set objectives are evaluated to check if they have been achieved. If they are not achieved, a gap analysis can be carried out to assess the reason for nonattainment of the set objectives. This may result in amendments of the initially set objectives to be more realistic for them to be achieved. Employees' skills set and quality of work are major indicators that are evaluated at this stage. This stage also involves personnel development and rewarding activities. Regarding employees, results in positive emotion is directly linked to satisfaction and commitment (Ying, 2012).

Prosser, Hungerford, Erwin, Ottinger, Takekawa, Newman, Xiao and Ellis (2016) suggest that a highly effective performance management model follows the following four key steps:

- 1. Plan:** Work planning and goal setting, performance standards and competencies. Planning also involves outlining development plans and setting commitment activities.
- 2. Monitor and Review:** Day to day supervision, feedback and performance review discussions. Monitor and review also includes assessing against objectives, coaching, and documents reviews.

3. **Develop:** Coaching and mentoring, career and professional development, and on-going learning and training.
4. **Recognise:** Performance based incentives, progression and appreciation; also included is personal development.

An effective performance management system should incorporate organisational mission and objectives development and enhance effective communication within the organisation. Individual job responsibilities and accountabilities should be clearly defined and clarified with employees, then individual performance measuring and rewards system should be put in place. Finally, an effective performance management system should also aim to improve staff performance that develops employees' career progression going forward (Ying Ying, 2012).

2.3.2. The United States Office of Personnel Management Model of Performance Management (OPM Model)

The Office of Personnel Management provides leadership, guidance and expertise to the human capital or employees. It also ensures full compliance with laws and regulations and that employee benefits that cater for the health, insurance and retirement services are provided to employees and their beneficiaries (United States General Accounting Office, 2003). The system is charged with managing the human capital, which is the most important asset of the federal government. The Office of Personnel Management is mandated to assist government agencies to overcome major risks in the area of strategic human capital planning and alignment with the organisation, leadership continuity and succession planning, skills acquisition and development and development of results oriented organisational cultures.

The United States OPM has developed a five-step performance management model used to guide the performance management process for all staff, from planning through to rewarding. Figure 2.2 below demonstrates the link between all 5 steps.

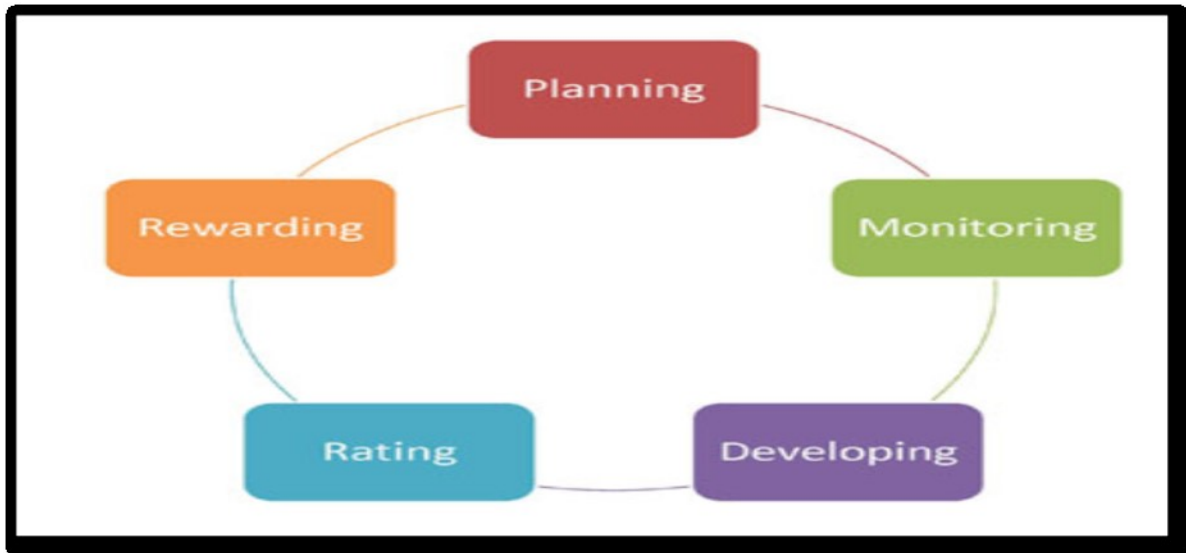


Figure 2.2: Office of Personnel Management Model of Performance Management
(United States General Accounting Office, 2003)

PLANNING – the planning of work in advance. Planning implies the setting of performance anticipations and goals for groups and individuals to drive their efforts towards attaining organisational objectives. Getting employees involved in the planning process will help them comprehend the goals of the organisation, what needs to be done, why it needs to be done, and how well it should be done.

MONITORING – there will be a continuous monitoring of projects as well as assignments. Monitoring means constantly calculating performance and providing continuous feedback to employees and work groups on their progress, in the direction of reaching their performance goals.

DEVELOPING – developmental needs of an employee are assessed and addressed. Developing in this instance means capacities increasing to perform through exercise, giving assignments that present new skills or higher levels of responsibility; enhance work processes, or other methods. Carrying out the processes of performance management gives an excellent opportunity for supervisors and employees to identify needs for development.

RATING – from time to time organisations find it useful to summarise the performance of an employee. This helps with the comparisons of performance over time or across a set of employees. Organisations need to know who their best performers are.

REWARDING – rewards and incentives are used frequently and well. Rewarding means identifying employees, individually and as members of groups, for their performance and admitting their aids to the agency’s mission.

2.4 Work Environment Factors That Affect Employee Performance

A conducive and supportive work environment is a recipe and baseline for employees to perform efficiently through making use of their full potential of experience, skills, abilities and competencies. The following factors contribute immensely to how employees perform (Dukhan, *et al.*, 2017):

2.4.1 Senior Management Support

In today’s competitive business environment, organisations regardless of their size and market strive to maintain the best employees and acknowledge their crucial role they play in achieving organisational goals and objectives. Organisations utilise different strategies to increase their performance in a very competitive market. However, few organisations take into cognisance the importance of their main asset, which are the employees that can help to achieve the goals of the organisation. If not properly managed, employees can cause the failure of the organisation and high labour turnover (Fisher, 2012).

Ran (2009) emphasised that it is crucial for employers to motivate their employees to perform effectively and achieve a high level of job satisfaction. The workforce has diverse needs which variably differ with individuals. Each individual has his or her own needs and it is significant for managers to comprehend what their employees’ needs are, to be in a position to understand how they can motivate them (Gurland & Lam, 2008). Hence, it is clear that top management plays a significant role in fulfilling the synergy amid activities and operations of the organisation, and they are an important source of achieving organisational goals.

Figure 2.3 below shows the independent variables and dependant variables for employee performance.

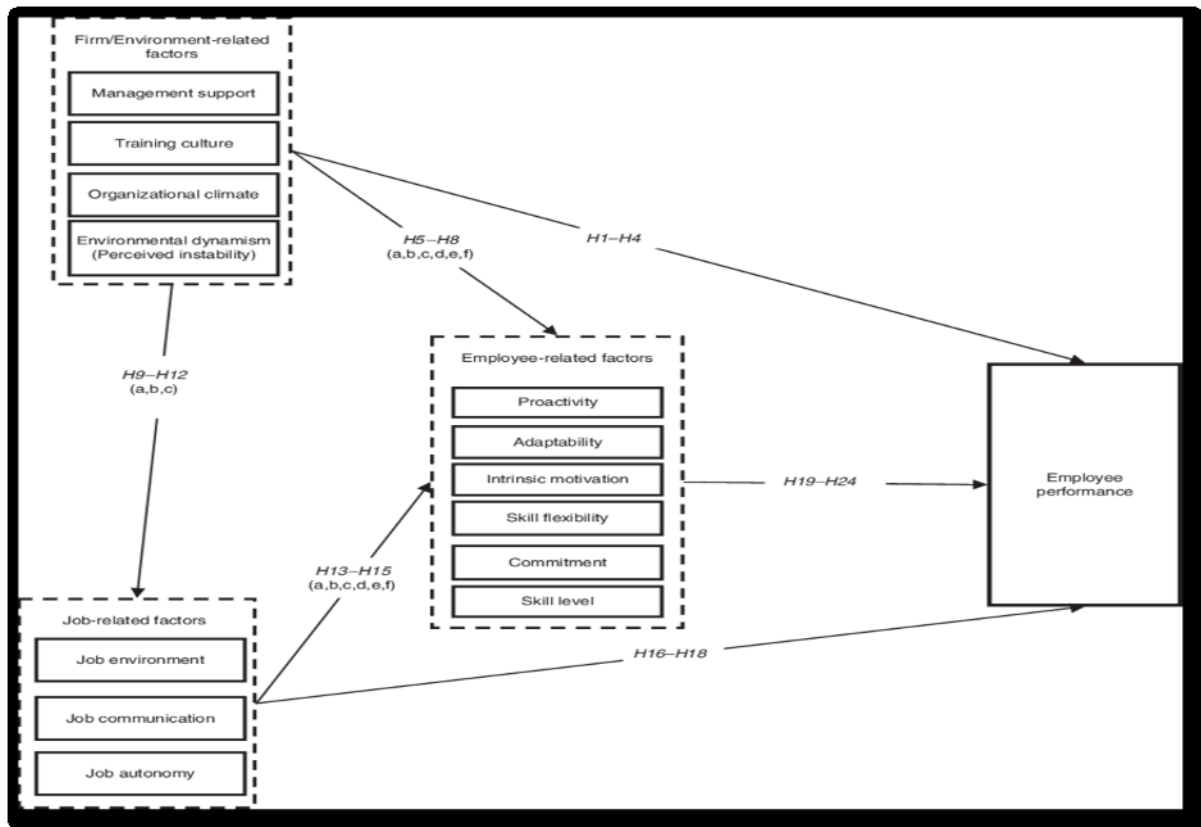


Figure 2.3: Senior management support model (Dukhan, *et al.*, 2017)

Top management support in driving high performance is crucial to developing innovation and the ability to take appropriate decisions that facilitate knowledge development in organisations.

2.4.1.1 Training and Development

Training is the main domain to foster performance through employee empowerment. A research by Harrison (2005) highlighted that training leads to employee growth, human resource development and learning. Training is aimed at upgrading knowledge, skills, attitudes and behaviour of employees, while on the other hand development is more concerned with growth of employees in the long run. Training can be defined as an educational process aimed at giving out new information that reinforces the existing knowledge and skills thereby enhancing employees' work performance. Thus, training can be provided to develop skills of individuals or teams.

2.4.1.2 Employee Performance

Employee performance is defined as how a given individual performs certain tasks and how he/she views such task completion (Anitha 2014). Employee performance

can be a quantifiable outcome, for example, production output, efficiency value, quality demerits, number of sales or scrap value. Employee performance can be measured as the Key Performance Indicators (KPI) which determines how efficient and effective an individual is at achieving the goals of the job.

2.4.1.3 Empowerment

Empowerment means giving out authority. Wallach and Mueller (2006) argued that empowerment is providing employees with authority to make decisions and also ensuring that they take full responsibility and accountability of those decisions. Through empowerment, employees are given the freedom to apply their own methods and ideas that they deem efficient in completing their tasks. Empowerment goes a long way in ensuring that employees create advanced levels of initiative in taking roles and responsibilities and thus creating and providing them the platform to be more innovative.

2.4.1.4 Motivation

Motivation is the desire or willingness to perform a given task (Dukhan, *et al.*, 2017). The motivation of employees plays an important role in ensuring that desired organisational goals are achieved. A well-motivated workforce is self-satisfied in their job, is self-driven and committed and capable of meeting or even exceeding required quality. As an essential part of business operations, motivation results in job satisfaction, generates a sense of pride and achievement and employees become more devoted to their work, thus refining their performance and productivity (Linz, *et al.*, 2006).

2.4.1.5 Communication

Communication is a very important way of conveying crucial information with regards to how business operations should be conducted. Communication is defined as the process of mixing and interrelating with individuals or teams in an organisation for the purpose of information sharing (Dukhan, *et al.*, 2017). A well-structured communication system results in managers being able to coordinate their subordinates in an efficient way, conveying and distributing the organisation's objectives and goals in order to align everyone in the organisation. In order to eliminate disturbances or misinterpretation of information, proper communication channels should be implemented and the use of skilled personnel in conveying

information is crucial (Dukhan, *et al.*, 2017). It is also important for management to constantly engage with their employees on a regular basis to discuss any circumstances affecting them on a day to day basis. This communication and constant engagement will ensure that everyone is aligned and understands the expectations.

2.4.2 Physical Work Environment

The physical work environment determines whether an individual is appropriate or a misfit to the atmosphere of the workplace. The work environment can, likewise, be referred to as the ergonomic workplace (Cooper & Dewe, 2004). There is a need for a properly arranged work environment, and to be designed for the safety and health of employees. A complex working environment can be prejudiced by:

- ❖ A peripheral aspect of the environment that includes the weather conditions, illumination in offices, breeze and other harmful factors.
- ❖ A human aspect that includes sexual characteristics, level of majority, responsibility and adverse chance.
- ❖ A business operation aspect which includes the working hours, working plan, working occasion and work speed (Kazmi & Hasnain, 2017:618).

All these complex operational environments may affect employees' work performance. The elements of the work setting need to be appropriate so that employees are not strained while getting their job done (Bushiri, 2014). The physical environment plays a very important role in developing employee relationships and networking. The physical factors in the workplace setting such as poor office layout and overcrowding can result in some avoidable accidents like tripping against objects, thereby making the working environment not conducive. Barrows and Neely (2012) argued that the performance of employees can be improved when the physical environment is ergonomically designed. Workplace design in a bank set up could include the office layout plan and the comfort of the office.

2.4.3 Organisational Culture

The culture of an organisation is crucial in determining the organisational strategy, leadership style, vision and the relationship of the organisation with clients. Organisational culture also shapes the behaviour of employees, their relationship with each other and external stakeholders. Fisher (2012) emphasise that an effective human resource system is founded on backing up values that generate a positive

effect on employees' attitudes and behaviours, which in turn affect their performance from numerous surveys on culture. According to Alvesson (2002: 5) "culture is a frame of reference of beliefs, expressive symbols and values, by means of which individuals define their environment, express their feelings and make judgements". Organisational culture plays a significant role in knowledge creation and sharing and a culture of trust among employees needs to be adopted (Alvesson, 2002).

Ojo (2009) argued that the culture of the organisation should be designed and developed such that it supports the principle of incessant improvement in employee performance so that employees are capable of recognising the artifacts and values of the organisation. Research done by Mohammed and Abukar (2013), found that there is a correlation relationship between organisational culture and organisational success. Implementation of continuous improvement initiatives and a good reward system motivates employees to do their best to achieve set objectives and goals. Alvesson (2002) contended that organisational culture is directly linked to practices which in turn determine employee performance.

An effective organisational culture nurtures, sustains and enhance employee performance by ensuring that job satisfaction is achieved, making them autonomous and motivating them to take initiative and be creative (Ifinedo, 2007). The nurturing of employees makes them active participants and integrates the employees both at a team and an individual level. Agarwal (2011) contended that the performance of an organisation hinges on the extent to which values of its employees are shared. Similarly, it is usually claimed that shared and strongly held values allow management to predict employees' reactions to strategic options and reducing these values may bringing objectionable consequences (Agarwal, 2011).

2.5 Best Practices to Improve Performance in the Workplace

For banks to maintain their competitive advantage, they need to ensure that their employees' performance is at peak. The human capital determines the effectiveness and efficiency of banks' service offerings.

2.5.1 Employee Placement

Employee placement is the process of assigning a new employee to a position that best suits his or her competency and skills, where he or she will have a reasonable chance of success (Dessler & Varrkey, 2005). Organisations should ensure that placement of their employees is carried out with careful consideration on

competence and skills in order to avoid poor employee performance. Kumar and Sharma (2001) suggested that proper placement of workers reduces employee turnover, absenteeism and improves morale, all of which have implications on overall employee performance. It is critical that employers formulate induction plans and execute proper induction where career information is discussed to ensure both the employers and the employees are aligned on the expectations of the job.

2.5.2 Career development

Career development is a concept that can be implemented by an organisation and employees get introduced to drive the initiative. The employees drive the concept by assessing their skills and abilities, set goals and develop plans to implement actions based on the plans (Murerwa, 2017). Career development is augmented with employee training to develop plans and implement them effectively. In career development, individuals take ownership of their careers, while management supports the development. Career development is an ongoing process that is solely the responsibility of employees to ensure that they upgrade their skills and competencies to perform optimally in their jobs. This allows employees to develop realistic goals and design strategies to achieve the set objectives and goals (Naidoo, 2005).

2.5.3 Performance Management Practices in India

The Karur Vysya bank in India employed key measures in assessing effectiveness of managing their human capital. The bank trained 4060 employees to improve on behavioural aspects and skills of their human capital. This approach yielded positive outcomes that saw progressive improvements through collective efforts from both the management and the employees (Nair & Pareek, 2011).

The bank also implemented lead management software. This software prioritises leads, creates tasks, and schedules appointments with leads and customers. It uses Smart forms to automatically capture leads from online forms to fresh sales. The bank implemented this software across all its branches to ensure effective and efficient management of sales.

The bank also conducts performance appraisals of its human capital on an annual basis. The rating of employees is directly linked and has an impact to their salaries. The highest ranked employees are assigned greater responsibilities and those that are failing to achieve their targets are given more training on skills that are lacking in

order them to improve on the performance-learning platform on the bank's intranet, which is used as an educational platform on various aspects of banking (Nair & Pareek, 2011). The platform involves programs like bank products, service marketing principles etc. The skills development of the workforce improves the competitive edge of an organisation; hence the bank has taken several initiatives towards knowledge and skills upgrades for its workforce.

2.6 Conclusion

The general inference from the readings, summarised as part of the literature review, is that performance management is a nonstop process involving a series of activities that include, setting goals and expectations, continuous feedback, coaching and training and performance measurement mechanisms/systems. One of the key objectives for performance management is to bring individual objectives in line with the organisational goals and objectives. The reviewed literature further implies that a performance management process follows a bottom up approach by focusing on achieving individual performance goals that will collectively lead to achieving the organisation wide strategic goals, objectives and performance targets. Another key takeaway from the literature reviewed was the awareness that performance assessment is one of the key mechanisms of performance management, as they are used interchangeably most of the time.

All the reviewed performance management models share similar steps which slightly differ in terms of terminology, with an average of 4 to 5 steps for the most part. The differences discovered are related to the scope of every step. For example, the planning stage for some the models include development of the work plans as well as identification of the key competencies of the employees, while others focus on setting of goals or objectives. Another difference discovered from the reviewed models is that some include both individuals and their teams during the goal setting stage while others only focus on the individual employees.

The researcher was not able to identify the weaknesses or strengths of all the models reviewed since there was no information available that talks about their effectiveness, successes and challenges when put into use. Flexibility to allow for

future adjustments as part of continuous improvement was another missing part from all the models reviewed.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology used in the study. An outline of the population sample, research design, data collection and analysis will be explained. Research ethics will be considered, measures to mitigate risks that cause harm to research participants will be also discussed. Data collection, communication and interpretation fall under the research methodology. Methodology was defined as the process of how the research was done and the sequence that followed. The study focused on the factors affecting performance management. A validation for the approach chosen will be explained.

3.2 Research Design

This section provides in-depth detail on how the research study was undertaken to meet the intended objectives mentioned in the preceding sections of the document. Many types of research designs can be used in data collection (Creswell, 2013). A research design is defined as the arrangement of conditions for collection and analysis of data, with the aim of combining relevance to the research purpose with economy in procedure. It gives abstract structure within which research is conducted. It constitutes the design for the collecting, measuring and analysing of data (Creswell, 2013). The research design for this study was quantitative in nature, aimed at discovering how different people think, feel or act towards FNB performance management.

3.3 Research Methodology

A research question influences the direction of the research approach, strategy and data collection method (Saunders, *et al.*, 2012). This research focused on the research title “Factors that affect performance management at First National Bank in Lesotho”.

Qualitative and quantitative research influenced the research methodology.

Quantitative Research

The research adopted this approach. It is a technique that addresses a research problem by quantifying data collected from a huge populace and applies statistical techniques to analyse the data (Malhotra & Birks, 2007). Quantitative research emphasises formalised standard questions, directly related to descriptive and causal design (Paurav, 2008). A quantitative research approach was chosen over a qualitative approach because data collection and analysis is faster since it follows a structured questionnaire, it allows for large sample size coverage since it uses structured questionnaires, it enables the researcher to establish relationships between certain variables/questions of interest and provides quantifiable evidence which can easily influence decision making. The quantitative research method addresses interrelated constructs of analysing data which assist in explaining a phenomenon between two or more variables (Creswell, 2014).

3.4 Sampling Technique

3.4.1 Probability sampling

There are generally two types of sampling techniques in research and these are nonprobability sampling which relies on human judgement and probability sampling which relies on chance. Non-probability methods include judgement, quota, convenience and snowballing. Quota sampling is the most used method in the market research sector in the in the world, although quota sampling methods are often seen to be faulty (Creswell, 2014). Judgement sampling is a judgement of the most appropriate set of respondents best suited to assist in the study.

This study used stratified random sampling, which divides the population into smaller groups based on shared characteristics. A random sample was taken from each stratum in direct proportion to the size of the stratum compared to the population (Farrokhi & Mahmoudi-Hamidabad, 2012). Stratified random sampling enables the researcher to get a sample that best represents the entire population under study, assuring representation of each subgroup.

Stratified random sampling method was vital in ensuring that the intended sample size was reached within the planned time frame for the data collection process. The

target sample size of the study is 60 employees out of a population of 290 staff currently employed at FNB Lesotho. The sampling frame comprised of three main categories which included 10 management staff, 25 middle level staff and 25 lower level staff. The rationale for selecting these respondents was that these are reliable sources to draw conclusions on the effect of the current performance management system on the performance system at FNB Lesotho. The respondents selected indicate a higher level of representativeness as the respondents presents all the levels or hierarchies of the organisation. They would be able to provide the best in-depth information needed to achieve the objectives, hence preventing sampling bias. The inclusive criteria also included respondents above the age of 60 years. Inclusion criteria also looked at all the respondents regardless of colour or creed. Exclusion criteria included those respondents who were undecided or neutral on their thoughts on the performance management processes or steps. To ensure that bias was eliminated, the researcher confirmed that there was not conflict of interest between the researcher and the participants. The questionnaires were distributed by the HR department to staff through a SurveyMonkey link. The IT department was instructed to only hand over the results to the researcher with no names of who had responded. A stratified random sampling method was used to select the respondents from the three main categories mentioned above. Participation in this research was voluntary, which was fully explained to the respondents before the start of the process, in the questionnaire instructions.

3.5 Validity and Reliability

Validity is the extent to which a concept is accurately measured in a quantitative study (Heale and Twycross, 2015). For instance, if a survey planned to explore depression but instead actually measured anxiety, this would be considered invalid.

The study therefore verified whether it measured that which it was intended to measure, looking at how results corresponded to the theories.

The second measure of quality in a quantitative study is reliability. The study on FNB Lesotho should be consistent and repeatable under the same conditions. Consistency of results across time, different observers, and across parts of the test itself is of paramount importance.

The Cronbach alpha was applied to check for the reliability of the data collected through a pilot survey. SPSS was used to calculate the Cronbach alpha. The Cronbach alpha was interpreted using Table 3.1 to examine the extent of the reliability of the data collected.

Table 3.1: Cronbach Alpha Rule of Thumb

Value of α	Internal Consistency
$0.9 \leq \alpha \leq 1$	Excellent
$0.8 \leq \alpha < 0.9$	Very good
$0.7 \leq \alpha < 0.8$	Good
$0.6 \leq \alpha < 0.7$	Acceptable
$0.5 \leq \alpha < 0.6$	Questionable
$0.4 \leq \alpha < 0.5$	Poor
$0 < \alpha < 0.4$	Unacceptable
$\alpha \leq 0$	Something wrong

3.6 Data Collection

Saunders, Lewis and Thronhill (2012), stated that when conducting research, the instrument to be used to collect data directly correlates with the type of information required. The data collection instruments depend on the research method taken.

A quantitative research method was used in this study; therefore, there was a need for a standard questionnaire with close ended questions. The self-completion questionnaire method was selected because of its ease to complete, timeliness, allowance for mass participation in a short period of time and it required minimal resources to execute. Furthermore, the questionnaires were designed in the form of a 5-point Likert scale. The questionnaire was divided into four thematic sections that address the research questions spread across relevance, efficiency, effectiveness and impact of the performance management system of FNB.

- Section A – demographics of respondents
- Section B – overall performance management effectiveness
- Section C – factors affecting performance management
- Section D – performance appraisal
- Section E – areas of improvement

The whole world is currently facing the Covid-19 pandemic and Lesotho is not immune to the pandemic. The researcher explained the risk of contracting the virus and asked the HR Department to send an electronic copy of the questionnaires via a SurveyMonkey link. This ensured that no one contracted the virus if the questionnaires were hand delivered to the participants.

3.7 Data Analysis

Data analysis is the deployment of statistical techniques which provide a way of drawing inductive interpretations from raw facts and differentiating any real phenomena from random fluctuations. A responsible researcher will work to draw unbiased extrapolations from data. It is important, to be upfront in clearly stating the method of data analysis and why it is being selected above others (Shamoo & Resnik, 2003).

Both Microsoft Excel and Statistical Package for Social Scientists (SPSS) were used for the analysis of the quantitative primary data collected through the interviews. These tools were selected due to their user friendliness and ability to present the data results in the format that is easily understandable by the majority of people.

Correlation analysis is a data analysis technique that investigates the relationship between variables. The correlation analysis technique allows researchers to respond to questions about the interdependence between various variables of interest. The independent variable is training, and the dependent variable is the performance of the employee. The dependent variable is usually the outcome to be evaluated and the independent variables are usually the instruments we use to achieve the outcomes (Sarstedt & Mooi, 2014).

The key benefits of using correlation analysis are, that it can specify if the independent variables have a notable relationship with a dependent variable and that it can specify the relative strength of diverse independent variables' effects on a specific dependent variable. Such precise information can help researchers make sound recommendations and decisions on the subject matter. Correlation analysis was used to analyse the correlational data on the relationship between performance management and factors that affect performance management (leadership commitment, stakeholder involvement, organisational culture, continuous monitoring

and feedback). A regression and correlation data analysis method was used to analyse the extent and nature of relationships between these variables. This method is used to comprehend the nature of relationships amid two variables (Saunders, *et al.*, 2012). The analysis results were presented using frequency tables, pie charts, bar charts and other simple data visualisation methods. The Pearson correlation coefficient was interpreted using Table 3.2 below.

Table 3. 2: Rule of Thumb for Interpreting Pearson Correlation Coefficient

Value of r	Strength of relationship
$r = 1$	Perfect
$0.8 < r < 1$	Very strong
$0.5 < r \leq 0.8$	Strong
$0.3 < r \leq 0.5$	Moderate
$0.1 < r \leq 0.3$	Weak
$0 < r \leq 0.1$	Very weak
$r = 0$	No relationship

3.8 Ethical Considerations

Research ethics dwell on the moral values that researchers must uphold and follow in their fields of research, expressly those where human beings are participants. Adherence to these is crucial for keeping research integrity (Enago Academy, 2019). This research was carried out in accordance with international research ethics standards. The research observed the following:

3.8.1 Ensuring Permission is obtained

According to Neuman (2011) permission is obtained to ensure that the participants are fully informed about the research to be done, a consent form with a brief description of the study, a time frame, a statement showing voluntary participation, the researcher's name and contact details and the offer to provide detailed information on the study should be presented. To ensure that validity and reliability is upheld, the researcher sought authorisation from the University of Free State (UFS) Business School prior to concluding the questions for the interview. This was done in addition to the approval that had already been granted by the FNB branch executive management in Lesotho to conduct this study.

A pilot study was also done to warrant relevance of the questions and that it was easy to understand, as respondents would indicate the difficult and unclear questions.

3.8.2 Informed Consent

Informed consent is about making sure that participants have given their permission to participate in the research. According to Van Zyl (2012), this is an important requirement in any research. Consent should be informed, voluntary and given by a competent individual (Ary, *et al.*, 2010). Information about the study's purpose, use of the study results, the role of the participants etc. should be provided to all the respondents before they decide whether to participate in a study.

3.8.3 Voluntary Participation

Personal integrity and human rights were respected in the participation of this study. Participants were treated the same without any judgement. It was stated to the participants of the freedom to pull out of the study at any time if needed.

3.8.4 Ensuring Confidentiality and Anonymity

According to Neuman (2011) it is critical to substitute first names and surnames with pseudonyms. A unique identifying number was assigned to each of the respondents where pseudonyms were not used. Study findings were presented in an aggregated format without singling out the views of individual participants. All the raw research data will not be shared with anyone without solicitation of the respondents' consent.

3.8.5 Ensuring No Harm to Participants

Possible risks on the participants were identified and mitigated or avoided to ensure that no harm reached the participant, because of their participation in the research. For safety in the COVID 19 pandemic, the following measures were put in place: Questionnaires were sent via email after explaining the risks of contracting the virus to the participants. This mitigation measure ensured that everyone who participated in this research study was safe.

3.8.6 Study Limitations

The main study limitation, as per the request by FNB management, is to not publish the research findings as they may affect institutional confidentiality. This may expose the findings to reputational risk which may pose an advantage to the bank's competitors. The results, however, will be shared with the management for their

interest to be informed by the nature of issues they may not be aware of to improve internally.

3.9 Conclusion

This Chapter addressed the research methodology used in this study. A quantitative research approach was used, and questionnaires were circulated to gather data from participants. The chapter discussed research concepts that shaped the current study. Key aspects addressed related to research design, research strategies and ethical considerations. Chapter four will present the research findings of the study that originated from the data gathering and analysis processes.

CHAPTER FOUR: RESULTS PRESENTATION AND ANALYSIS

4.1 Introduction

The preceding chapter discussed the methodology employed by the study from the data collection procedures to the data analysis method. The current chapter presents the study results as well as its analysis. The descriptive statistics of the demographics of the respondents are presented first using frequency tables followed by descriptive statistics of the study variables and the correlation and regression analysis discussions. The demographic characteristics are gender, age, number of years at FNB, job level and duration in the same position. The endogenous variable is Performance Management (PM). The independent variables are Stakeholder Involvement (SI), Constant Monitoring, feedback, distribution and learning from results (CM), Organisational Culture (OC) and Leadership Commitment (LC).

4.2 Descriptive Statistics of Biographical Data

The survey collected the demographic and background information of the respondents from FNB Lesotho. These included gender, age, number of years at FNB, job level and duration in the same position. The data was analysed using cross tabulations.

4.2.1 Gender of Respondents

Data on sexual category of the study respondents were collected from the study questionnaire. The data was examined using descriptive statistics of frequencies and percentages as presented in Figure 4.1.

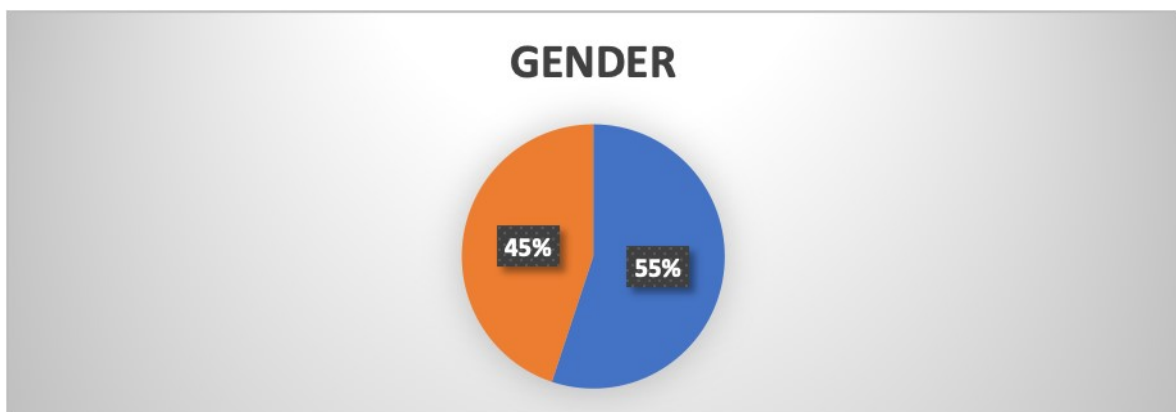


Figure 4.1: Gender of the Respondents

From figure 4.1 the results show that 31% (16 respondents) of the respondents were males, while 69% (36 respondents) were females. Females dominated the study.

4.2.2 Age of Respondents

The survey collected data on the age of the study respondents. The data was collected in age groups where the respondents could not state their actual ages, hence the results were analysed in terms of a frequency and percentage table. As shown in Table 4.2 below, all respondents' age fell between 21 and 60 years. Table 4.2 illustrates that 39% (20 respondents) were in the category of ages between 21 and 30 years, while 52% (27 respondents) fell into the age group amid 31 and 40 years, which is the age group containing the majority of the respondents. The 41 to 50 year old age group constituted of 8% (4 respondents), while the 51 to 60-year-old age group constituted 2% (1 respondent), which is the minority group.

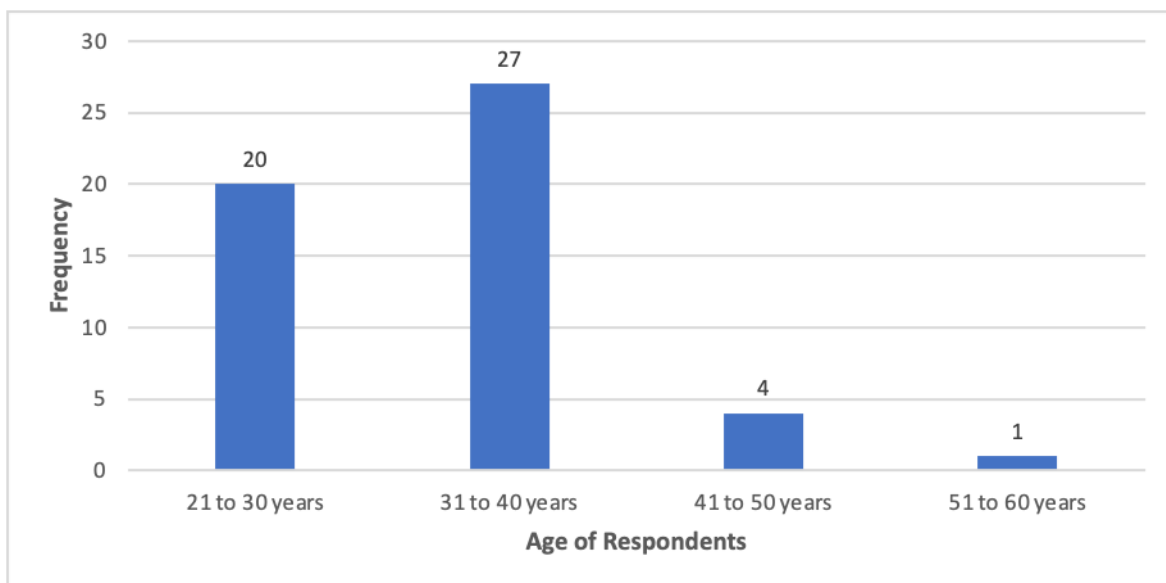


Figure 4.2: Age of Respondents

4.2.3 Number of Years Working at FNB Lesotho

The survey collected data on the number of years each respondent has been working for FNB Lesotho. The results are presented in Figure 4.3. It shows that most of the respondents have worked for FNB Lesotho for between 1 and 5 years constituting 54% (28 respondents). 44% (23 respondents) of the respondents have worked for FNB Lesotho for the period ranging from 6 to 10 years while only 2% (1 respondent) has worked for FNB Lesotho for the period of 10 to 15 years. The

number of years a respondent has worked for the bank is a proxy for experience with the bank.

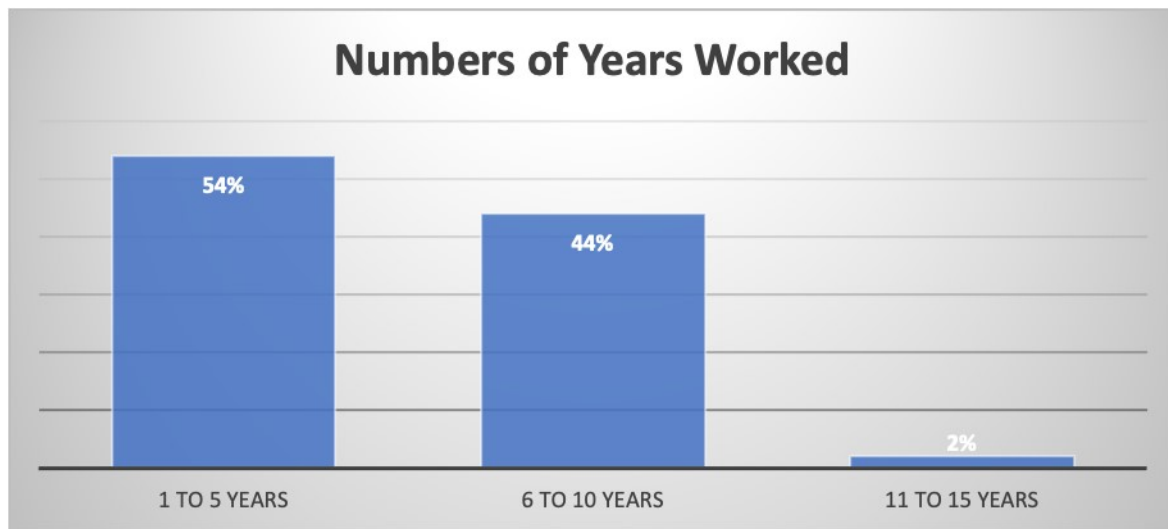


Figure 4.3: Number of Years Respondent Worked for FNB Lesotho

4.2.4 Job Level of Respondents

The results in Table 4.1 show that 8% (4 respondents) were in the executive or senior management level, while 52% (27 respondents) were the majority, falling in the middle level management. 29% (15 respondents) of the respondents were intermediate level (officers), and 12% (6 respondents) were in the clerical (office or admin assistant) level.

Table 4. 1: Job Positions for the respondents

	Frequency	Percent
Executive or Senior Management	4	7
Middle Level Management	27	52
Intermediate (Officer)	15	29
Clerical (Office or Admin Assistant)	6	12
Total	52	100

4.2.5 Number of Years in the Same Position

The results in Table 4.2 show that 88% (46 respondents) have worked in the same position for less than 5 years, while 12% (6 respondents) have remained in the same position for a period of 6 to 10 years.

Table 4.2: Number of Years a Respondent has had the same Position

	Frequency	Percent
1 to 5 years	46	89
6 to 10 years	6	11
Total	52	100

4.3 Response Rate

The questionnaires were distributed to a total of 60 respondents via email for the purposes of the study, however only 52 responded, while 8 did not respond. The response rate of 86.7% was considered suitable for data analysis and to draw conclusions and inferences towards the target population, as propounded by Mugenda and Mugenda (2012), that a response rate of at least 50% is considered good for analysis.

4.4 Reliability Pilot Test Results

A pilot survey was done prior to the main study survey to check for validity and reliability. A pilot sample of 15 respondents was considered outside the respondents of the main study survey. SPSS V20 was used to capture and analyse the pilot data and used to calculate the Cronbach alpha (α) for reliability testing. Table 4.3 shows the reliability test results. Every variable considered had the Cronbach alpha of at least 0.7, meaning that the data collected was reliable for analysis. The overall Cronbach alpha was 0.959 implying that the data had excellent internal consistency (Connelly, 2011).

Table 4.3: Reliability Test Results

Variable	N of Items	Cronbach's Alpha	Internal Consistency
Performance Management (PM)	7	0.903	Excellent
Stakeholder Involvement (SI)	5	0.951	Excellent
Constant Monitoring, Feedback, Distribution and Learning from Results	8	0.838	Very Good

(CM)			
Organisational Culture (OC)	4	0.717	Good
Leadership Commitment (LC)	4	0.803	Very Good
Overall	28	0.959	Excellent

From Table 4.3 it is evident that every variable considered had the Cronbach alpha of at least 0.7, meaning that the data collected was reliable for analysis.

4.5 Descriptive Statistics for the Factors Influencing Performance Management

The study aimed at analysing factors influencing performance management at FNB Lesotho. The survey collected the data on the factors affecting performance management at FNB Lesotho, which are Stakeholder Involvement (SI), Constant Monitoring, feedback, distribution and learning from results (CM), Organisational Culture (OC) and Leadership Commitment (LC). Descriptive statistics (Mean (M) and Standard Deviation (SD)) were used to analyse the data as presented in the subsequent tables.

Respondents were asked to give their opinions on their extent of agreement on statements on the effect of factors influencing performance management using a four-point Likert scale. The Likert scale ranged from “strongly agree (1)” to “strongly disagree (4)”. The respondents are considered to have strongly disagreed to the statement if there is a corresponding mean ranging from 0 to 1.5 ($0 \leq M < 1.5$); moderately agreed to the statement if the corresponding mean ranges from 1.5 to 2.5 ($1.5 \leq M < 2.5$); and strongly agreed if the corresponding mean ranges from 2.5 to 4 ($2.5 \leq M \leq 4$).

4.5.1 Stakeholder Involvement (SI)

The respondents were asked their opinion on the statements concerning the effect of stakeholder involvement on the management of performance on a four-point Likert scale. The descriptive statistics results (mean and standard deviation) on the influence of stakeholder involvement on management of performance are presented in Table 4.4 below.

Table 4.4: Descriptive Statistics for Stakeholder Involvement (SI)

Statement	Mean	Std. Dev
Reduction of micromanagement i.e the need to participate in everything that happens in an organisation (SI1)	2.17	.648
Time saver through helping employees during decision making on their own by means of safeguarding that they have needed knowledge and understanding for proper decision making (SI2)	2.10	.664
Time-consuming and misunderstandings are reduced among staff about responsibility of workers (SI3)	2.20	.722
Reduction of frequency of situations through which there is lack of information needed (SI4)	2.22	.642
Reduction of mistakes and errors by means of helping management as well as staff to recognise the cause of errors or inadequacies (SI5)	2.35	.590
Overall	2.15	.676

The research findings presented in Table 4.4 indicate that the respondents moderately agreed with all the statements on the effect of stakeholder involvement on managing performance with all means falling in the range $1.5 \leq M < 2.5$ and the overall mean of 2.15. Respondents moderately agreed that stakeholder involvement leads to a reduction in micromanagement, which is the need to participate in everything that goes on in an organisation ($M=2.7$) and that it is time saving through the means of helping employees in the process of decision making on their own, by certifying that they have necessary knowledge and understanding to make proper decisions ($M=2.1$). Respondents also moderately agreed that stakeholder involvement reduced time-consumption and misinterpretations among staff about responsibilities for particular work ($M=2.2$), reduce the occurrence of situations where there is lack of information needed ($M=2.22$) and that it decreases mistakes and errors by assisting management and staff to recognise the cause of errors or inefficiencies ($M=2.35$).

4.5.2 Continuous Monitoring, feedback, Dissemination and Learning From Results (CM)

The performance of staff of any organisation has a direct impact on the organisational performance and the staff. Constant monitoring, feedback, propagation and learning from the past have an impact on employee performance,

and therefore improved organisational performance. Table 4.5 presents the descriptive statistics (mean and standard deviation) on the effect of constant monitoring, feedback, distribution and learning from the past, on the management of performance using a four-point Likert scale.

Table 4.5: Descriptive Statistics for Continuous Monitoring (CM)

Statement	Mean	Std. Dev
The bank trains employees on performance management (CM1)	2.40	.846
Competency structures recognise behavioural skills wanted for an organisation and deliver a way to interconnect them plainly to staff (CM2)	2.15	.573
The bank recognises what it is significant to employees, set it out in a document which comprises details of what is anticipated of leaders and staff and properly confers this to staff and then quantifies it (CM3)	2.38	.718
The managers and subordinates cooperatively establish and clarify employee goals (CM4)	2.27	.666
Goal/target setting finds goals that are perceived as thought-provoking but realistic and to which there is high commitment level (CM5)	2.12	.548
Uncertainty is reduced when specific goals are given specific time frames (CM6)	2.06	.620
Performance measurement and valuation enable performance by recognising obstacles to good performance and offering resources to complete objectives and inspire performance by providing an adequate number of rewards, doing so in an appropriate and rational manner (CM7)	2.29	.696
Rewards strengthen and back up organisational goals, work design and employee involvement (CM8)	2.21	.825
Overall	2.23	.509

The results presented in Table 4.5 show that the respondents moderately agreed with all the statements of the effects of constant monitoring, feedback, distribution and learning from results on performance management, with all means falling in the range $1.5 \leq M < 2.5$ and an overall mean of 2.23. Respondents moderately agreed that the bank trains employees on performance management ($M=2.4$) and that capability frameworks identify behavioural services needed for an organisation and deliver a way to communicate them plainly to staff ($M=2.15$). The FNB staff also

moderately agreed that the bank recognises what is imperative to employees, set it out in a document, which encompasses details of what is anticipated of leaders and staff, justly communicates this to staff, and then quantifies it (M=2.38) and that managers and subordinates cooperatively establish and clarify employee goals (M=2.27). They have also moderately agreed that goal/target setting establishes goals that are perceived as thought-provoking but realistic and to which there is a high commitment level (M=2.12). It has been moderately agreed that uncertainty is bridged when specific goals are given specific targets (M=2.06), performance measurement and assessment facilitate performance by recognising obstacles to performing well and the provision of resources to achieve objectives and inspire performance by supplying a sufficient number of rewards that people are about, doing so in a well-timed and just manner (M=2.29). Respondents moderately agreed that rewards reinforce and support organisational goals, work design and employee involvement (M=2.21).

4.5.3 Organisational Culture

Organisational culture is considered a major determining factor of staff commitment and incentives, which leads to management and organisational performance. Performance management should take into account vivid statements on limits, powers and exceptions of authorities to make decisions. Table 4.6 presents the descriptive statistic results on the effect of organisational culture on performance management.

Table 4.6: Descriptive Statistics for Organisational Culture (OC)

Statement	Mean	Std. Dev
The existence of an open communication in the bank amid the employees and the union (OC1)	2.25	.821
Performance management in the bank embraces plain statements of powers and authority of the enterprise management for decision making, and any restrictions or exemptions (OC2)	2.31	.678
The bank faces problem of nonattendance, high employee turnover and repute of the organisation by the trained workforce, which can be, overpowered through strong culture (OC3)	1.98	.787
The bank provides adequate training for continuous development (OC4)	2.40	.721
Overall	2.13	.444

The results in Table 4.6 show that respondents moderately agreed that organisational culture influences performance management with an overall mean of

2.13. Respondents abstemiously settled that there is an open communication in the bank among the employees and the union (M=2.25) and that performance management in the bank comprises of plain statements of powers and authority of the bank management to make decisions, and any limits or exceptions (M=2.31). It has been also moderately agreed that FNB bank provides adequate training for continuous development (M=2.4), while the respondents strongly disagreed that the bank faces a problem of nonattendance, high employee turnover and repute of the organisation for competent workforce, which can be, overpowered through a sturdy culture (M=1.98).

4.5.4 Leadership Commitment

Respondents were also asked about their opinions on the effect of leadership commitment on performance management using a four-point Likert scale. The results are displayed in Table 4.7 below.

Table 4.7: Descriptive Statistics for Leadership Commitment (LC)

Statement	Mean	Std. Dev
The bank's leadership has capability to develop and refine a clear sense of values, mission, and vision required for performance management (LC1)	2.12	.615
The bank's leadership is involved in goal setting ability, which leads to successful performance management (LC2)	2.12	.646
The bank's leadership direct the organisation by ensuring that long-term objectives and strategies have been determined, understood, and supported by mangers within the organisations who will be responsible for implementing them (LC3)	2.19	.561
Managers in the bank have confidence that their efforts to set goals, enhance engagement, and develop optimism will result in improved performance (LC4)	2.23	.614
Overall	2.17	.474

Results in Table 4.7 show that respondents moderately agreed that leadership commitment moderately affects performance management. This is because all means falling in the range of $1.5 \leq M < 2.5$ with an overall mean of 2.17. Respondents moderately agreed to the statements that FNB's leadership has the capacity to develop and refine a clear sense of values, mission, and vision required for performance management (M=2.12) and that the bank's leadership is involved in goal setting, which leads to successful performance management (M=2.12). The

study also revealed that the respondents moderately agreed that the bank's leadership directs the organisation by ensuring that long-term objectives and strategies have been determined, understood, and supported by managers within the organisations who will be responsible for implementing them (2.19), and that managers in the bank have confidence that their efforts to set goals, enhance engagement, and develop optimism will result in improved performance (M=2.23).

4.6 Descriptive Statistics for Overall Performance Management Effectiveness

The respondents were asked for their opinions, using a four-point Likert scale, on the general performance management effectiveness at FNB Lesotho. The descriptive statistics results are shown in Table 4.8 below.

Table 4.8: Performance Management Effectiveness Descriptive Statistics

Statement	Mean	Std. Dev
The Performance Management process adds value to the organisational objectives (PM1)	1.81	.595
The performance management process and system are fair (PM2)	2.21	.605
The organisation's performance management system measures the right things e.g. set focused goals, tie KPIs to strategy, assess and reassess for alignment as the literature suggests (PM3)	2.10	.603
The process is sustainable (PM4)	2.08	.627
The process has clear value for money (PM5)	2.36	.722
Our performance management process influences organisational performance with a satisfactory outcome e.g. organisational culture, leadership style, employee motivation, integration of organisational strategy or employee development (PM6)	2.37	.687
Our current performance management process impacts on productivity positively (PM7)	2.31	.707
Overall	2.12	.676

Table 4.8 shows that respondents have moderately agreed that performance management at FNB Lesotho is generally effective with all means in the range of $1.5 \leq M < 2.5$ and an overall mean of 2.12. Respondents have moderately agreed that performance management process adds value to the organisational objectives (M=1.81) and that the performance management process and system is fair (M=2.21). It has also been moderately agreed that the bank's performance management system measures the right things, e.g. set focused goals, tying KPIs to

strategy, and assess and reassess for alignment as the literature suggests (M=2.1), the process is sustainable (M=2.08) and that the process has clear value for money (M=2.36). The FNB staff moderately agreed that a performance management process influences the organisational performance with a satisfactory outcome, e.g. organisational culture, leadership style, employee motivation, integration of organisational strategy or employee development (M=2.37), and that the current performance management process impacts on productivity positively (M=2.31). The following section reports on the correlation analysis of the relationship between performance management and the factors that affect it.

4.7 Correlation Analysis Results

The study also performed correlation analysis to assess that relationship between performance management and the factors influencing it, which are Stakeholder Involvement (SI), Continuous Monitoring, feedback, dissemination and learning from results (CM) and Leadership Commitment (LC). The correlation results are presented in Table 4.9 below.

Table 4.9: Correlation Results

		SI	CM	OC	LC
Performance Management (PM)	Pearson Correlation	.812 **	.789 **	.713*	.426**
	Sig. (2-tailed)	.000	.001	.014	.002
	N	52	52	52	52

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at 0.05 level (2-tailed)

The results from Table 4.9 show that the Pearson correlation coefficient between Stakeholder Involvement (SI) and Performance Management (PM) is 0.812, which is positive and statistically significant at a 1% level. This means that there is a very strong positive relationship between stakeholder involvement and performance management. This result is in tandem with the findings of Agarwal (2011) who found a positive relationship between these two variables. An improvement in stakeholder involvement improves performance management, and therefore the organisational performance at large.

There exists a positive connection amid performance management and nonstop monitoring, feedback, dissemination and learning from results (CM) with a Pearson correlation coefficient of 0.789, which is positive and statistically significant at 1%.

This shows a strong relationship between the two variables. The findings are in line with those of Thompson and George-Falvy (2000) who got the same results. Armstrong (2006) also found that performance management is positively affected by continuous monitoring, feedback, dissemination and learning from results in Ghana. The results imply that continuous monitoring, feedback, dissemination and learning from results are major determinants of performance management.

The Pearson correlation coefficient between performance management and Organisational Culture (OC) is 0.713, which is positive and statistically significant at a 5% level. This shows a strong relationship between performance management and organisational culture. Aishwarya and Giri (2016) also got similar findings that organisational culture is a significant determinant of performance management with a positive sign. This study's results are also in tandem with the results by Stup (2003), who carried out a similar study in Kenya. Companies should improve on its organisational culture as it positively influences its performance management and the organisational performance at large.

The Pearson correlation coefficient between performance management and Leadership Commitment (LC) is positive (0.426) and statistically significant at 1% as shown in Table 4.9. The results imply that there is a moderate relationship amid the two variables conforming to the findings of Armstrong (2006). The outcomes of this study were also in tandem with the findings of Celik & Sariturk (2012) in Indonesia. The results and literature imply that organisations should improve on the leadership commitment to enhance the performance management and organisational performance at large.

4.8 Discussion of the results

The primary aim or objective of this study was to analyse the factors that have an impact on performance management at FNB Lesotho. The secondary objectives were to explore a summary of performance management and to examine the contribution of a performance management system at FNB Lesotho. The study found that performance management at FNB is influenced by organisational culture, involvement of stakeholders, constant monitoring, feedback, distribution and learning from results and leadership assurance.

Stakeholder involvement is a serious factor to be well thought of when designing the performance management structure of an organisation. However, the research found that FNB Lesotho's involvement level was relatively high, which has positively impacted performance management. As noted by Agarwal (2011), stakeholders own various information types that organisations are not possible to possess which may advance policies as stakeholders may offer evidence based information that originates from specific tasks.

The current study has established that organisational culture is also a core determining factor of employee motivation and employee commitment, which in turn advances the level of organisational performance. The findings aver to the conclusions by Stup (2003) and Aishwarya and Giri (2016) that imply that organisations' performance management must consist of clear statements of powers and authority of management in decision making, and also include restrictions or exclusions of authority.

In line with the conclusions by George-Falvy (2000) and Armstrong (2006), the current study found a positive relationship between performance management and continuous monitoring, feedback, dissemination and learning from the results. This implies that continuous monitoring and evaluation is also a major factor influencing performance management. Organisations should drill this in as a culture to its employees to ensure constant learning from results and mistakes to improve on performance management and productivity.

4.9 Conclusion

The results presentation and interpretation discussions were done in this chapter. The chapter presented both descriptive and inferential statistics (correlation analysis). The stakeholder involvement, continuous monitoring, feedback, dissemination and learning from results, organisational culture and leadership commitment have been found to be significant determinants of performance management with positive signs. The next chapter will give the summary of the study findings, conclusion and recommendations.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the study findings, conclusions, recommendations and suggested areas for further studies.

5.2 Summary

The broader aim of the study was to scrutinise factors influencing or determining performance management at FNB Lesotho. The secondary objectives were to provide a summary of performance management, to examine the contribution of a performance management system at FNB Lesotho and to explore alternative best practices for improvement of FNB's performance management system. The primary data that was quantitative in nature was collected using structured questionnaires through emails with the help of SurveyMonkey. Inferential statistics and descriptive statistics were used to examine the collected data. Tables and charts were used to illustrate the study findings, which are then summarised in this section.

The study had a sample of 60 respondents of which 31% were males and 69% were females. The respondents were mainly young in age, where the majority (52%) of the respondents were between the ages of 31 and 40 years old and 39% were between 31 and 30 years old. The majority of the employees (64%) only had between 1- and 5-years working experience at FNB and 44% had between 6 and 10 years working experience at the bank.

The descriptive statistics results have shown that most of the respondents moderately agreed that stakeholder involvement has an effect in improving the performance management of the firm. More so, the respondents were in agreement that continuous monitoring, feedback, dissemination and learning from results moderately improves the performance management of an organisation. The findings also show that the respondents agreed that organisational culture has an effect in the performance management of an organisation and the organisational performance at large. Descriptive statistics has also revealed that leadership commitment influences performance management of a company. Good performance management translates to good organisational performance.

Inferential statistics (correlation) results have also revealed that performance management has a positive and statistically relevant relationship to stakeholder involvement, continuous monitoring, feedback, dissemination and learning from results, organisational culture and leadership commitment. The correlation results have shown a very strong relationship between stakeholder involvement and performance management, which is statistically significant. The study also found a strong positive relationship between performance management and continuous monitoring, feedback, dissemination and learning from results, which is statistically significant. In addition, performance management and organisational culture have been found to be strongly positively related to organisational culture. Finally, leadership commitment has been found to be positively, but moderately related to performance management, which is statistically significant.

Summing up the results from both descriptive statistics and inferential statistics, find that performance management is positively influenced by the involvement of stakeholders, commitment of leadership, culture of the organisation and constant monitoring, feedback, distribution and learning from results.

5.3 Conclusions

The study draws a general conclusion that performance management is directly related to organisational performance. The study has concluded that stakeholder involvement improves performance management as it saves time by helping the decision making process by employees, by guaranteeing that they have needed knowledge and understanding to make proper decisions and reduce mistakes and errors by assisting management and the overall staff to detect what causes errors or inefficiencies. The study has also concluded that continuous monitoring, feedback, dissemination and learning from results improve performance management by improving employees' performance through motivation. In addition, it can be concluded that organisational culture is of great importance in influencing performance management through open communication among employees and making clear statements of power, authority and limits in decision-making. More so, the study concludes that leadership commitment has a strong influence on performance management, as the bank's leadership directs the organisation by certifying that long-term objectives and plans have been determined, understood and

supported by managers. Overall, the study has concluded that performance management systems at FNB Lesotho are effective.

5.4 Recommendations

The succeeding recommendations can be deduced from the study findings:

(i) Stakeholder Involvement has an impact, which is positive on performance management

It is recommended that FNB Lesotho continue to expand the involvement of its stakeholders so that they can contribute with their input to enhance all-inclusive policy decisions. The employees who exceed the targeted performance should be rewarded with bonus remuneration.

(ii) Constant monitoring, feedback, dissemination and learning from results has a positive influence on performance management

It is recommended that the bank put in place measures to certify that there is a constant monitoring and feedback mechanism to ensure continuous improvement as employees learn from their past mistakes.

(iii) Organisational culture positively influences performance management

It is recommended that the bank ensure regular training of its employees to improve their skills, which in turn will boost their performance.

(iv) Leadership commitment

The bank should also improve on its leadership commitment by making sure that the leadership is at the forefront of resource endowment, goals setting and leading the organisation towards the attainment of its overall objectives.

5.5 Areas for Further Research

The current study is limited to FNB Lesotho. The study should therefore be replicated in other banks in Lesotho and in the region at large to establish if the results are consistent among banks on the factors influencing performance management.

5.6 Conclusion

The chapter presented the summary of the study findings and conclusions. The recommendations were made as they were deduced from the study findings. These recommendations will help management or the decision makers at the bank to improve its performance management. This was the final chapter of the research. The following sections will present the references and appendices.

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Appendices

Appendices A: Permission letter



how can we help you?

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May 22, 2020

The Director
Business School
University of Free state
Bloemfontein
South Africa

RE: APPROVAL LETTER TO CONDUCT A PERFORMANCE MANAGEMENT RESEARCH AT FIRST NATIONAL BANK LESOTHO.

This is to confirm that approval is granted to Neo Poopa, to conduct research on Factors Affecting Performance Management at First National Bank Lesotho. This is on condition that confidentiality is observed on information sourced and outcomes from the study.

It is our pleasure to assist and support you in any way possible to achieve the requirements of your study programme. Please avail information once the study is complete to enable the business to put in place remedial actions to improve and remedy issues of concerns and worry amongst staff.

The bank wishes the study to be embargoed and not be publishes on University Journals as it will contain sensitive information, that may cause harm to the bank and its strategy both at a competitive and internal perspective.

Approval is based solely for employee purposes to complete her studies.

Regards,


Motseare Tsosane (MR)
Head CCIB



Appendix B Language editing declaration

Anne M

80 Trouw street

capital park

Pretoria

0084

TO WHOM IT MAY CONCERN

I, Anne M, declare that I have done the language editing for the dissertation of:

NEO POOPA

Entitled:

Factors Affecting Performance Management at First National Bank Lesotho

Submitted in fulfilment of the requirements for the degree of Masters in Business Administration (MBA), at the university of the Free State, Business School.

I cannot guarantee that the changes I had proposed were implemented nor do I take responsibility for any changes or additions that may have been made subsequent to my suggestions.

Any other queries related to the language and technical editing of this dissertation may be directed to me at 067 762 0616.

Signed at Pretoria 21 October 2020



Anne M

Appendix C: Questionnaire

Disclaimer: The data gathered through this interview would be used exclusively for the purpose of academic research only.

I am a student of Master's in Business Administration (MBA). Business School, University of the Free state.

INSTRUCTIONS: Participation in this survey is voluntary and participants will be anonymous. Please respond to all questions by ticking the boxes with the most appropriate response. This will take a maximum of 10-15 minutes of your time to answer.

NB: (Please tick in the **box** to indicate your answer to each question)

SECTION A: DEMOGRAPHIC INFORMATION

1. What Gender do you Identify with?

Male

Female

Other

2. What is your age range?

< 20 Years

21– 30 Years

31 – 40 Years

41 – 50 Years

51 – 60 Years

> 60 Years

3. How long have you been working for FNB Lesotho?

1 – 5 Years

6 – 10 Years

11 – 15 Years

16=> Years

4. What is your Job Level?

Executive/Senior Management

Middle-Level Management

Intermediate (Officer)

Clerical (Office /Admin. Assistant)

5. How long have you been working in the current position?

1 – 5 Years
16=> Years

6 – 10 Years

11 – 15 Years

SECTION B: OVERALL PERFORMANCE MANAGEMENT EFFECTIVENESS

6. Please indicate to what extent you agree with the following statement:

Assessment Statements	Strongly Agree	Agree	Disagree	Strongly Disagree
6.1 The Performance Management process adds value to the organisational objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2 The performance management process and system are is fair?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.3 The organization performance management system measures the right things i.e set focused goals, tie KPIs to strategy, assess and reassess for alignment as literature suggests?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.4 The process is sustainable.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.5 The Process has clear value for money.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.6 Our performance management process influences organisational performance satisfactory outcome i.e organisational culture, leadership style, employee motivation, integration of organisational strategy or employee development (Ramamoorthy, A 2019: 8)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.7 Our current performance management process impacts on productivity positively	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION C: FACTORS AFFECTING PERFORMANCE MANAGEMENT

7. STAKEHOLDER INVOLVEMENT

Please indicate to what extent you agree with the following statement:

Assessment Statements	Strongly Agree	Agree	Disagree	Strongly Disagree
7.1 It reduces micromanagement i.e the need to be involved in everything that goes on in an organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.2 Save time by helping employees make decisions on their own by ensuring they have necessary knowledge and understanding to make decisions properly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.3 Reduce time-consuming and misunderstandings among staff about who is responsible for a certain work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.4 Reduce the frequency of situations where information is not available when it is needed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.5 Reduces mistakes and errors by helping the management and the staff to identify the causes of errors or inefficiencies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. CONTINUOUS MONITORING, FEEDBACK, DISSEMINATION AND LEARNING FROM RESULTS

Please indicate to what extent you agree with the following statement:

Assessment Statements	Strongly Agree	Agree	Disagree	Strongly Disagree
8.1 The bank trains employees on performance management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.2 Competency frameworks identify behavioural skills needed for an organisation and provide a way to communicate them clearly to staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.3 The bank identify what is important to employees, set it out in a document which contains details of what is expected of leaders and staff and fairly communicate this to staff and then measure it.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.4 The managers and the subordinates jointly establish and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessment Statements	Strongly Agree	Agree	Disagree	Strongly Disagree
clarify employee goals.				
8.5 Goal/target setting establishes goals that are perceived as challenging but realistic and to which there is high level of commitment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.6 Ambiguity is reduced when specific goals are given specific goals.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.7 Performance measurement and assessment facilitate performance by identifying obstacles to good performance and providing resources to accomplish objectives and encourage performance by providing a sufficient number of rewards that people are about, doing so in a timely and fair manner.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.8 Rewards reinforce and support organisational goals, work design and employee involvement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. ORGANISATIONAL CULTURE

Please indicate to what extent you agree with the following statement:

Assessment Statements	Strongly Agree	Agree	Disagree	Strongly Disagree
9.1 There is an open communication in the bank among the employees and the union.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.2 Performance management in the bank includes clear statements of powers and authority of the enterprise management to make decisions, and any limits or exceptions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.3 The bank face problem of absenteeism, high employee turnover and reputation of the organisation for qualified workforce,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessment Statements	Strongly Agree	Agree	Disagree	Strongly Disagree
which can be, overcome through strong culture.				
9.4 The bank provides adequate training for continuous developments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. LEADERSHIP COMMITMENT

Please indicate to what extent you agree with the following statement:

Assessment Statements	Strongly Agree	Agree	Disagree	Strongly Disagree
10.1 The bank's leadership has capacity to develop and refine a clear sense of values, mission, and vision required for performance management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.2 The bank's leadership is involved in goal setting ability, which leads to successful performance management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.3 The bank's leadership direct the organisation by ensuring that long-term objectives and strategies have been determined, understood, and supported by managers within the organisations who will be responsible for implementing them.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.4 Managers in the bank have confidence that their efforts to set goals, enhance engagement, and develop optimism will result in improved performance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION D PERFORMANCE APPRAISAL

11. What is the relevance of performance management system in FNB Lesotho? (tick not more than 3)

Retention strategy Rewards Identification of T & D needs

Promotions, Transfer, Termination decisions Motivational strategy

Clarify employee's requirements Identifying barriers of performance

12. What are weaknesses of FNB Lesotho performance appraisal system?

Lack of role clarity Interval of appraisal Communication gap with manager

SECTION E: AREAS FOR IMPROVEMENT

13. Which of the following areas would you suggest for improvement of the current performance management process? (*tick all that apply*)

13.1 Solicit staff feedback and ideas regularly (annually) through internal staff surveys

13.2 Make the system more transparent and fairer

13.3 Make system continuous throughout the year

13.4 Make the system simple and less time-consuming

14. In general, how effective has your organization's performance management processes proved in improving overall performance?

Effective Moderately Ineffective Don't know

Thank You for your Participation!!