THE EFFECTIVENESS OF PERFORMANCE MANAGEMENT SYSTEMS AT THE CENTRAL UNIVERSITY OF TECHNOLOGY, FREE STATE

by

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

at the

University of the Free State

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November 2015

DECLARATION

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

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ACKNOWLEDGMENTS

ABSTRACT

Performance management is a concept in the field of human resource management and is defined as a "continuous process of identifying, measuring and developing the performance of individuals and aligning performance with the strategic goals of the organization". The performance management system known as IPerms was implemented at the Central University of Technology (CUT) about four years ago, starting first with senior managers and cascading down to all employees at all levels within the two portfolios of the university, namely, academic and support staff. The performance management system developed for this purpose consisted of key performance areas, strategic sets, goals and targets including the developmental needs of employees in order to improve their skills and self-development. However, there were indications that there has not been a clear strategy on the use of the results of the performance management system by the university for decision-making purposes, such as on promotion, reward or consequences for non-achievement of targets. Moreover, there were indications of a lack of participation among employees and a lack of feedback on the result of the final performance assessment, although mid-term feedback was provided directly for those at the supervisory level. A significant amount of time is spent every year by the university employees on this process, however, its effectiveness remains unclear.

A study was conducted with the objective of evaluating the effectiveness of the performance management system. The research questions were: (1) How was the planning of performance management conducted? (2) What steps were followed for on-going feedback and employee input? (3) How effective was the evaluation and review of the performance management process? (4) How effective was the overall implementation of the performance management system?

In order to answer the above research questions, a structured questionnaire, together with a number of open-ended questions were used to collect data. A purposive sampling method was used to identify study participants from both the academic and support staff. The study participants were sent an email with a link to a questionnaire using an online tool Surveymonkey to which the questionnaire was uploaded. The quantitative data was analysed using Microsoft Excel and the qualitative data using a text flow analysis method.

The quantitative analysis of the responses showed that a significant number of participants agreed with most of the issues raised. However, the high number of respondents who indicated their disagreement (at different levels) or neutrality with regard to the issues and this points to the fact that there is much to be done in order to improve the effectiveness of the performance management system. Regarding the implementation stage of performance management, the majority of respondents (68%) were either in disagreement or unsure about this.

The qualitative analysis unveiled interesting views on all aspects of performance management system, including a lack of involvement in target setting and implementation of the system and diverse expectations on performance outcomes. A lack of training and support on the system was found to be one of the key areas which might have resulted in a lack of trust in the system and created a perception of unfairness in relation to the whole system.

The findings from this study are consistent with the general proposition that effective performance management systems should be supported by practices and organisational contexts with certain characteristics. Indeed, as reported in this study, the institution needs to provide more performance management training, engage employees and emphasise employee recognition. In this way the performance management system will be effective, deliver more value and meet the desired outcomes.

Keywords: Performance management, planning, evaluation, review, implementation

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ACRONYMS AND ABBREVIATIONS

CUT	Central University of Technology
HR	Human Resources
IPerms	Integrated Performance Management System
PMS	Performance Management System
UNH	University of New Hampshire
USOPM	United States Office of Personnel Management

CHAPTER 1: INTRODUCTION AND PROBLEM STATEMENT

1.1 INTRODUCTION

Performance management is a concept in the field of human resource management and is defined as "a continuous process of identifying, measuring and developing the performance of individuals and aligning performance with the strategic goals of the organization" (Aguinis, 2009). Sacht (n.d.) defines performance management as:

> business process that links what individuals and teams do on a daily basis with the larger goals, values and cultural practices of the organisation and the needs of its customers; it is a process for establishing a shared understanding about what is to be achieved and how it is to be achieved; it is an approach to managing people that when done well, contributes to an enduring and healthy organisation.

One of the critical human resource issues of the 21st century is an organisation's ability to refine and develop mechanisms to provide meaningful job performance feedback to all employees. A positive and coherent understanding of acceptable job performance by the employee and supervisor is essential for an effective performance management system.

The existence of an effective performance management system is often the major differentiator between organisations that produce adequate results and those that excel. Without a focus on performance management at all levels of an organisation, it is difficult to see how an organisation can find a competitive advantage that is based on its talent.

Performance management systems typically include performance appraisal and employee development (Pulakos, 2004) which are challenging features of human

resources management in an organisation. However, both employees and managers in many organisations have reported on the ineffectiveness of performance management systems (Pulakos, 2004). Although a lack of effectiveness in many organisations was reported to be due to poorly designed performance management systems, the main issue is that performance management is highly sensitive and personal for both managers and employees, resulting in managers being reluctant to provide honest feedback and have candid discussions with employees for fear of reprisal or damaging relationships with the very individuals they count on to achieve their targets.

Pulakos (2004) lists the following outcomes of an effective performance management system:

- Clarifying job responsibilities and expectations.
- Enhancing individual and group productivity.
- Developing employee capabilities to their fullest extent through effective feedback and coaching.
- Driving behaviour to align with the organisation's core values, goals and strategy.
- Providing a basis for making operational human capital decisions (e.g., pay).
- Improving communication between employees and managers.

Haines and St-Onge (2012) investigated the influence of practices and contextual variables of an organisation on performance management effectiveness such as performance management training, multisource feedback and employee recognition. These variables constitute key features of many performance management systems. The same authors reported that those organisations that provide more performance management training or that emphasise employee recognition also have performance management systems that deliver more valued outcomes (Haines & St-Onge, 2012).

The Central University of Technology, Free State (CUT), introduced an Integrated Performance Management System (IPerms) in 2010 starting with senior employees and cascading down to junior academic and support staff later in 2012. The performance appraisal is conducted twice a year starting with planning early in January, midterm evaluation in June and a final year assessment in November. The performance management system is designed for two different portfolios of the university, namely, academic staff and support staff. The academic staff portfolio consists of two strategic sets, namely, the academic project, which includes teaching and learning and research and innovation, and the partnership project, which includes engagement. However, the strategic goals do vary depending on the level and position of an employee. In the following sections, the problem statement and aims of the study are highlighted followed by a short review of the literature and research methodology.

1.1.1 Performance Management

Performance management is a concept in the field of human resource management. According to Aguinis (2009) performance management is defined as a "continuous process of identifying, measuring and developing the performance of individuals and aligning performance with the strategic goals of the organization". Figure 1.1 illustrates performance management system consisting of different stages. The main activities and purposes of the different stages are also shown.

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   │             │         │      Planning        │        │  -  Job expectation  │
   │ Strategic   │────────▶│ (individual employee │───────▶│  -  Goal setting     │
   │   plan      │         │        plan)         │        │                      │
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   │ Performance │────────▶│                      │───────▶│  -  Salary increase  │
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   └─────────────┘         └──────────────────────┘        │  -  Note of          │
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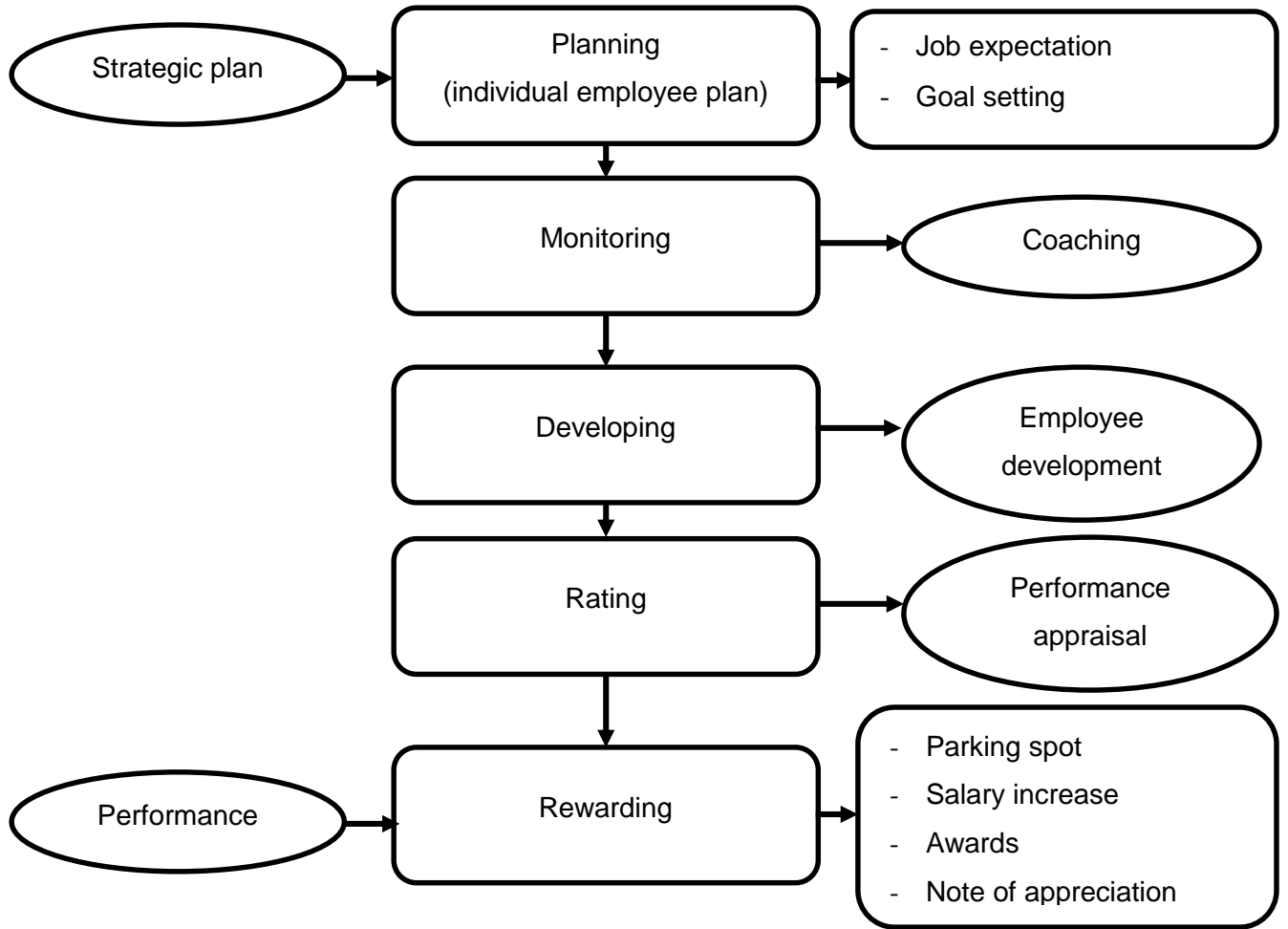
Figure 1.1: Performance management system (Missouri University of Science and Technology, n.d.)

1.1.2 Performance Appraisal

Performance appraisals serve as a primary mechanism for providing feedback. Information from performance appraisals remains a major source of input for important human resource decisions. However, even though these reasons are important, it is

necessary to understand that appraisals represent only one part of a more important performance management process (DeNisi, 2011).

1.1.3 Performance Management Process

The performance management process is dependent on the needs of an organisation and the purpose it is supposed to serve. Performance management systems can support decisions such as those on employee remuneration, promotions, development and reductions in the workforce. However, Pulakos (2004) warns that a performance management system that attempts to achieve too many objectives is likely to fail due to a lack of focus. While performance management systems can be used for decision making and employee development, these two objectives are rarely supported by a single system.

Based on examinations of several organisations, Pulakos (2004) provides a model of a typical performance management process, as shown in the following figure (Figure 1.2).
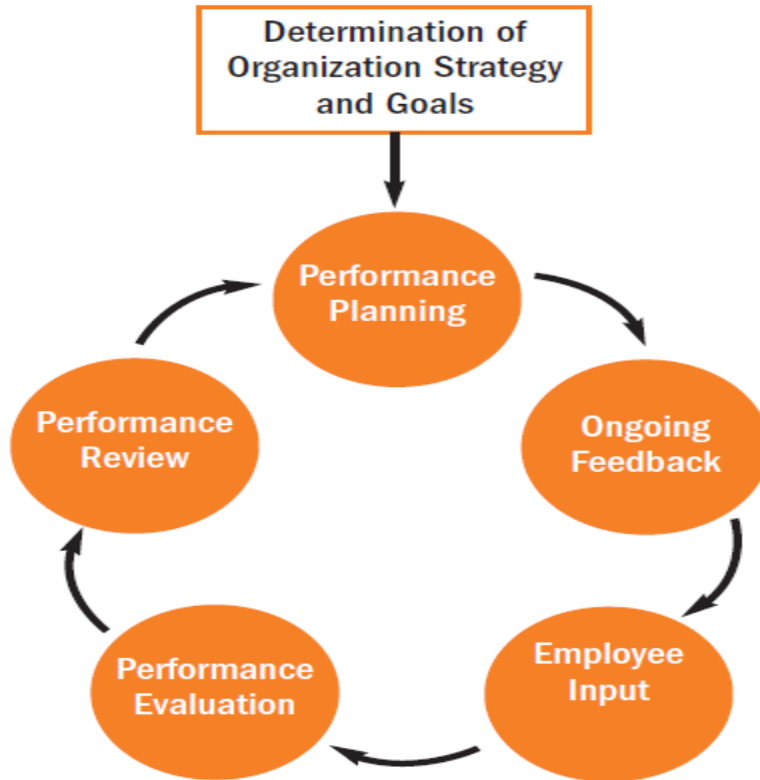
Figure 1.2: Performance management process (Pulakos, 2004)

The relationship between performance related human resources management (HRM) practice and organisational performance shows that HRM practices are typically expected to increase employee organisational commitment and motivation, which in turn affects employee performance and ultimately organisational performance.

The conceptual model by Hartog, Boselie and Paauwe (2004) presented in Figure 1.3 shows an impact of the aligned set of HRM practices in performance management system on employee perceptions and attitudes. The model proposes that front-line managers play a crucial role in implementing these sets of practices. It was also highlighted that employee perceptions and attitudes affect employee performance, which in turn affects organisational performance (Hartog et al., 2004).
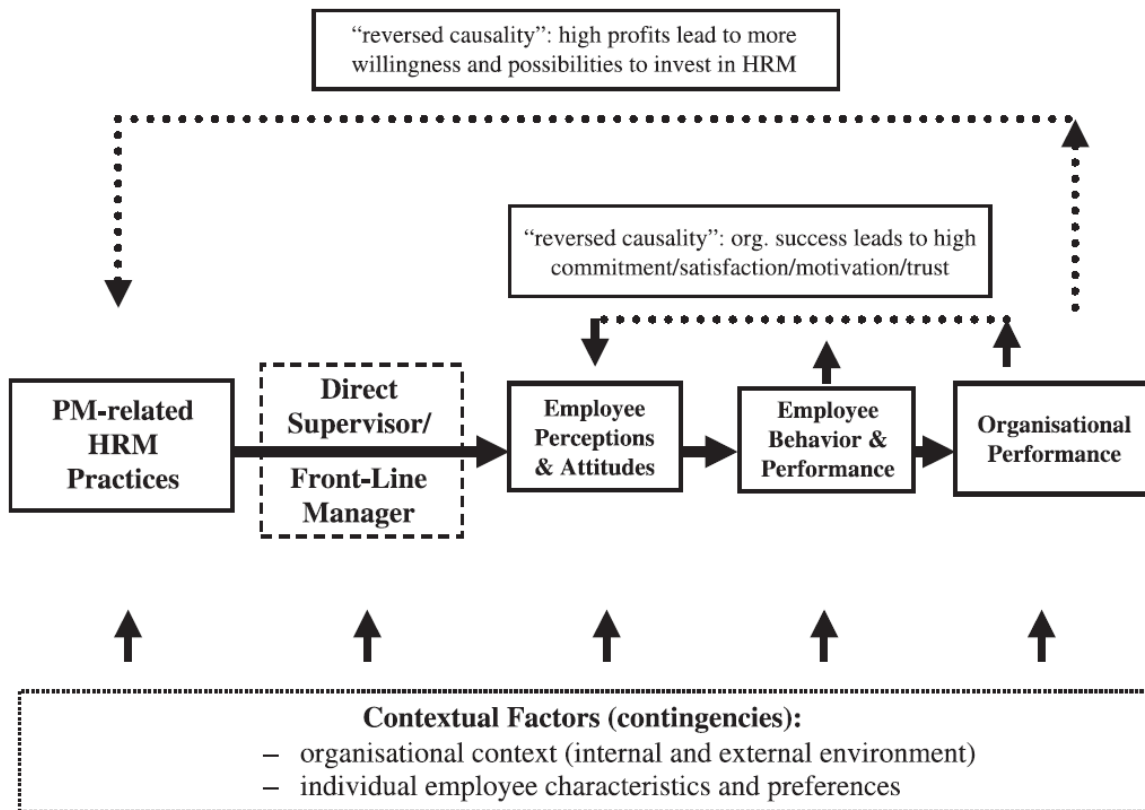
Figure 1.3: A model of HRM and performance relationship from a PM Perspective (Hartog et al., 2004)

1.1.4 Critical Success Factors in Performance Management

Critical success factors are defined as a group of indispensable activities or elements that enable an organisation to achieve its stated objectives, thereby ensuring the successful performance of both current and future operations (Rothberg & Morrison, 2012). Skrinjar and Trkman (2013) define critical success factors as those activities and processes that are designed to support the achievement of desired outcomes, as specified by the

organisation's objectives or goals and, as such, provide organisations with the greatest competitive leverage upon which resources should be focused.

A number of research reports highlight several conditions for success for performance management (Chubb, Reilly & Brown, 2011; Haines & St-Onge, 2011; Trkman, 2010; Ariyachandra & Frolick, 2008). Among the most common measures applied to improve the effectiveness of performance management systems are simplification and the use of competencies (Chubb et al., 2011). In addition to these measures, there is also a need to integrate the performance management process with the culture of an organisation and tailor the process to the varying needs of different employees.

Simplification

As described earlier, in many organisations performance management systems are designed to fulfil various objectives. Whilst there has been greater use of input measures, such as competencies and increased adoption of aspects of personal development, there is still more work to be done with respect to process simplification. The perception of employees in many organisations is that performance management continues to be very bureaucratic and a time-consuming exercise (Chubb et al., 2011).

Alignment with organisational goals

In order to reach long-term success and improved effectiveness, the performance management system of an organisation must be linked to its strategy. Understanding the organisational strategic context of a performance management programme is essential to maximise the value from process improvement. Close strategic links between competitive strategy and the operations function are crucial (Rhee & Mehra, 2006). In addition to the importance of aligning employee's efforts with organisational objectives, there is also a great need to clearly communicate the organisation's expectation of its employees. On the other hand, a lack of connectivity between organisational strategy and performance management systems was found to be one of the main reasons for failures

(Bandara, Indulska, Chong & Sadiq, 2008). Moreover, a unified approach to performance management is needed in order to achieve an alignment of the objectives, resources and activities of the organisation to the goals and opportunities of individuals within the organisation

Integration with organisational culture

A key to the success of effective performance management systems appears to be its integration into the culture of the organisation and building a culture of continuous performance appraisal. De Waal (2003; cited in Chubb et al., 2011) reported that a culture of organisational that is focused on using the performance management process to improve the business of an organisation is a key behavioural factor in the effective implementation of performance management processes. In this regard, open communication and trust in performance management systems is critical. It was also highlighted that one of the benefits of implementing a performance management system is a change in employee behaviour that promotes a tolerance for failure, improved transparency of information and improved vertical and horizontal cooperation. As a result, the organisational culture is expected to move from a reactive and command-and-control culture to an open and proactive one (Chubb et al., 2011).

Use of technology

Technology is being used to engage employees' trust and help them enjoy the performance management process. However, simple automation of the process in the form of e-performance management will only replace the paper-based process with an electronic format. McGregor (2009; cited in Chubb et al., 2011) reports that some companies have introduced social media style programs where employees post status updates and personal weekly goals. Other companies encourage employees to post short questions about their performance for anonymous feedback and software is used which replaces the standard annual review with quick monthly surveys and discussions (McGregor, 2009, cited in Chubb et al., 2011).

1.2   RESEARCH PROBLEM AND RESEARCH QUESTIONS

An effective performance management system needs to accomplish four things (Lawler & Worley, 2011):

- First, it needs to define and produce agreement on what needs to be performed. The foundation of any performance management system is an agreement on what needs to be done and how it should be done (Lawler & Worley, 2011). Without a clear definition of the type of performance desired, it becomes impossible to develop and motivate individuals who can meet or exceed the required performance standards. Clear definition of the type of performance required is also key to guiding the performance of individuals so that it supports the organisation's strategy and goals (Lawler & Worley, 2011).

- Second, the performance management system needs to guide the development of individuals so that they have the skills and knowledge needed to perform effectively. To be effective, a performance management system needs to help employees gain the skills and knowledge they should have in order to perform effectively (Lawler & Worley, 2011).

- Third, performance management system needs to motivate individuals to perform effectively (Lawler & Worley, 2011). Even the best talent will perform at a high level only if motivated to do so. When it comes to performance, high levels of both talent and motivation are needed.

- Finally, performance management system needs to provide data to the organisation's human capital information system (Lawler & Worley, 2011). It needs to be the primary source of information about how individuals are performing and what skills and knowledge exist in the workforce. This information is a critical input to talent management, as well as for strategic planning of the organisation (Lawler & Worley, 2011).

The introduction of IPerms at CUT started off with some workshops to introduce employees to the concept and approach of the performance management system. The development of the strategic sets and goals were done at the senior management level and what employees are expected to achieve in aligning themselves with the set goals filtered down to them. The performance appraisal form developed for this purpose consisted of key performance areas, strategic sets, goals and targets including developmental needs of the employees in order to improve their skills and self-development.

However, the challenge has been in the fact that there has been no clear strategy on the use of the results of the performance management system by the university for decision-making purposes such as for promotion, reward or consequences of non-achievement of targets. Moreover, there was no feedback on the result of the final performance assessment, although a mid-term feedback was conducted at the direct supervisor level. A significant amount of time is spent every year by university employees on this process but its effectiveness remains unclear. The general perception of the academic staff regarding the effectiveness of the IPerms appears to be negative. The main research questions are described in the following section.

1.2.1 Research Questions

The research questions in this study are focused around exploring each of the components of the Pulakos Model (Pulakos, 2004), shown in Figure 1.3. The components of the model are:

- Performance planning
- On-going feedback
- Employee input
- Performance evaluation

- Performance review

<div align="right">(Pulakos, 2004).</div>

The specific research questions that were explored are:

a) How was the planning of performance management conducted?
b) What steps were followed for ongoing feedback and employee input?
c) How effective was the evaluation and review of the performance management process?
d) How effective was the overall implementation of the performance management system?

1.2.2 Research Aim and Objectives

The main aim of this study is to investigate the effectiveness of the performance management system at CUT. The specific objectives are to describe the performance planning process, identify the steps followed for ongoing feedback and employee inputs, assess the effectiveness of performance evaluation and review process and identify options or processes which can be improved for the effectiveness of the performance management system.

1.3   STRUCTURE OF THE DISSERTATION

The dissertation is divided into five chapters, namely:

Introduction and problem statement: This chapter provides an overview of the statement of the problem, the research questions and aims.

Literature review: The literature study highlights contemporary perspectives on performance management system in organisations.

Research design and methodology: The third chapter describes the research approaches and the specific research method used in this study.

Results and discussion: This chapter gives a thorough description of the findings of the research.

Conclusion and recommendation: The final chapter presents conclusions based on the findings in relation to the research questions and offers recommendations on the effectiveness of performance management systems.

1.4   CONCLUSION

Performance management systems are mechanisms of reviewing employee performance including their behaviour and expected achievement during a rating cycle. However, the effectiveness of performance management systems in many organisations remains poor. Both managers and employees report a lack of candid appraisals due to the personal nature of the feedback to be given. Studies indicate that there are contextual variables that influence the effectiveness of performance management. IPerms was implemented at CUT four years ago but its impact and effectiveness has not been assessed thus far. This study is aimed at investigating the effectiveness of IPerms at CUT by looking at the two categories of employees, namely, academic and support staff. A sample of participants was drawn purposely from each of the two employee categories. A survey questionnaire was pretested with some participants from the two categories from the population to ascertain its reliability and validity. The questionnaire was then distributed via email and the responses were collected using an online survey tool known as Surveymonkey. The quantitative data was analysed using graphical representations such as bar graphs and the qualitative data was analysed using the text flow analysis method

and direct quotations by the respondents. The overall research questions were formulated around the performance management process model, as proposed by Pulakos (2004).

CHAPTER 2:   LITERATURE REVIEW

2.1   INTRODUCTION

Performance management is a business process that links what individuals and teams do on a daily basis with the larger goals, values and cultural practices of the organisation as well as the needs of its customers (Sacht, n.d.). It is a process for establishing a shared understanding about what is to be achieved and how it is to be achieved; it is an approach to managing people that, when done well, contributes to an enduring and healthy organisation (Sacht, n.d.).

Performance appraisal has existed for many years and revolves around an evaluation and review of the objectives of an organisation by managers and subordinates (Atkinson & Shaw, 2006). However, the idea of performance management is a more recent development with a future-oriented strategic focus and inclusive of all employees at all levels to maximise current performance and enhance future potential. The increased focus of performance management at all levels in an organisation arises from the need to create a competitive advantage in a globalised marketplace (Atkinson & Shaw, 2006). Consequently, performance management system is concerned with how people work, how they are managed and developed to improve their performance and ultimately how to maximise their contribution to the organisation (Atkinson & Shaw, 2006).

According to their handbook on measuring employee performance, the US Office of Personnel Management (USOPM, 2011) describes performance management as the systematic process of:
- **Planning** work and setting expectations
- Continually **monitoring** performance
- **Developing** the capacity to perform

- Periodically **rating** performance in a summary fashion
- **Rewarding** good performance

Here the key components of the performance management system are planning, monitoring, developing capacity, rating and rewarding. Each of these components in its variant forms constitutes the subject of this study and are reviewed in detail in the sections that follow.

2.2   PURPOSE OF PERFORMANCE MANAGEMENT

Performance management is a concept in the field of human resource management that deals with measuring and motivating employee performance. According to Aguinis (2009), performance management is a "continuous process of identifying, measuring and developing the performance of individuals and aligning performance with the strategic goals of the organization". Performance is a multi-dimensional and ambiguous concept. At work, individuals are said to perform when they are able to achieve the objectives established by management. Organisations are thought to perform (or to be successful) when they meet the requirements of their stakeholders or customers and when they are more effective and efficient than their competitors (Franco-Santos, Rivera & Bourne, 2014)

Performance management deals with the challenges organisations face in defining, measuring and stimulating employee performance with the ultimate goal of improving organisational performance. Thus, performance management involves multiple levels of analysis and is clearly linked to strategic human resource management as well as performance appraisal (Hartog et al., 2004). Performance management is also associated with creating a shared vision of the purpose and aims of the organisation, helping each individual employee to understand and recognise their part in contributing to the goals

and, in so doing, it helps manage and enhance employee and organisation performance (Fletcher & Williams, 1996).

The underlying conceptual foundations for performance management lie in motivation theory. Process motivation theories attempt to understand how and why people are motivated. The focus is more on behaviour than needs, such as why people select certain goals to work toward, why they select particular behaviour to meet their needs and how they evaluate need satisfaction. Goal-setting theory suggests that the assignment of specific goal results in enhanced employee performance (Mitchell et al., 2000). Moreover, increasing the challenge or difficulty of goals leads to increased motivation and performance (Mitchell et al., 2000). In the following sections various critical success factors are briefly described.

Therefore, the purpose of performance management systems, according to various sources of literature reviewed above, can be summarised as follows:

- To define, measure and stimulate employee performance with the goal of improving the performance of an organisation.
- It involves multiple level of analysis.
- It is linked to strategic human resources management.
- Creating a shared vision of the purpose and aim of an organisation.

2.3   CRITICAL SUCCESS FACTORS FOR EFFECTIVE PERFORMANCE MANAGEMENT

Critical success factors are defined as those activities and processes that are designed to support achievement of desired outcomes as specified by the organisation's objectives or goals (Skrinjar & Trkman, 2013) and as such provide organisations with the greatest competitive leverage upon which resources should be focused.

A number of research reports highlight several measures for success in performance management (Chubb et al., 2011; Haines & St-Onge, 2012; Trkman, 2010; Ariyachandra & Frolick, 2008). Simplification and the use of competencies are among the most common measures applied to improve the effectiveness of performance management systems (Chubb et al., 2011). In addition to these measures, there is also a need for an integration of the performance management process with the organisational culture and tailor the process to different employee needs.

2.3.1 Simplification

As described in the preceding section, in many organisations performance management systems are designed to fulfil many different objectives. Studies show that there has been greater use of input measures in performance management system, such as competencies and increased adoption of aspects of personal development, there is still more work to be done with respect to process simplification. The perception of employees in many organisations is that performance management is bureaucratic and time consuming (Chubb et al., 2011).

Strebler, Robinson and Bevan (2001) state that the increasing complexity of some performance management systems might be a barrier to achieving an effective process. To make the process more effective, employees and managers must be motivated and want to use it. The same authors suggests that an important element of effective performance management is 'user friendliness'. The simplification of the process may be supported by more focused and frequent meetings and discussion on performance management than a single annual meeting which generally takes place at the end of the performance cycle.

2.3.2 Alignment With Organisational Goals

In order to achieve long-term success and improved effectiveness, a performance management system of an organisation must be linked to its strategy. Understanding the organisational strategic context of a performance management system is essential to maximise value gained from process improvement. Close strategic links between competitive strategy and the operations function are crucial (Rhee & Mehra, 2006). In addition to the linkage and alignment of employee's efforts with the organisation's objectives, there is a need to clearly communicate the organisation's expectation of its employees. Lack of connection between organisational strategy and performance management system was found to be one of the main reasons for failures (Bandara et al., 2008). In this regard, a unified approach to performance management is needed in order to achieve an alignment of the organisation's objectives, resources and activities with the goals and opportunities of individuals within the organisation.

The importance of aligning performance management systems to support strategic priorities and business unit goals has been highlighted by various practitioners. However, this is just the beginning of the alignment effort. One also needs to determine how other systems in an organisation will support the performance management system and how data from performance management systems will be used to support other human resources systems such as training and development, succession planning, selection and promotion, rewards and recognition and compensation (Davis & Rogers, 2002).

2.3.3 Integration with Organisational Culture

An organisational culture comprises a range of complex social phenomena and has been identified as multi-layered constructs which can be divided into layers depending on whether it is observable and accessible. It is defined as patterns of shared values and

beliefs over time which produces behavioural norms that are adopted in solving problems (Schein, 1990, cited in Ahmed, 2012).

According to Kandula (2006, cited in Ahmed, 2012), the key to good performance lies in having a positive and strong corporate culture. He further maintains that the difference in organisational culture could result in different results for the same strategies in the same industry and same location (Kandula, 2006, cited in Ahmed, 2012). A positive, powerful culture can make an average individual perform and achieve at higher level whereas a negative, weak culture may demotivate an outstanding employee to underperform and result in a low level of achievement. Therefore, organisational culture has an active and direct role in performance management. Organisational culture and performance management are interdependent and impact each other as depicted in Figure 2.1.

Organizational Culture	Performance Management Practices (PMP)
Involvement Culture Consistency Culture Adaptability Culture Mission Culture	Clear and measurable goals Performance measurement system Consultative Performance Appraisal Training Effectiveness/Evaluation Performance-based Compensation
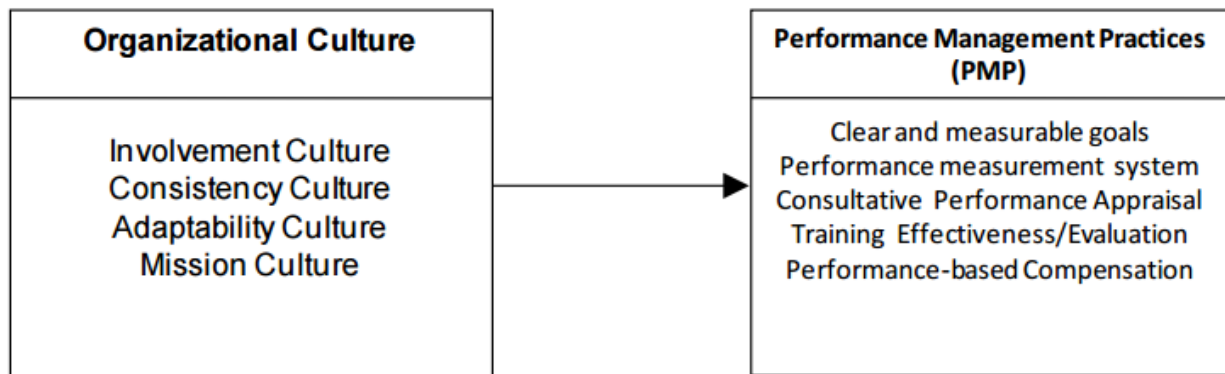
Figure 2.1: Organisational culture and performance management (Ahmed, 2012)

A further key element to the success of an effective performance management seems to be its integration into the culture of the organisation, such as building a culture of continuous performance appraisal. De Waal (2003, cited in Chubb et al., 2011) reported that an organisational culture focused on using the performance management process to improve the business is a key behavioural factor in effective implementation of

performance management system. In this regard, open communication and trust in performance information is critical. It was also highlighted that one of the benefits of performance management system implementation is to change employee behaviour in a way that encourages a tolerance for failure, improved transparency of information and improved vertical and horizontal cooperation (De Waal, 2003, cited in Chubb et al., 2011). As a result, the organisational culture is expected to move from a reactive and command-and-control culture to an open and proactive one (De Waal, 2003, cited in Chubb et al., 2011).

2.3.4 Use of Technology

Technology is being used in order to engage employees to trust and even help them enjoy the performance management process. However, a simple automation of the process in the form of e-performance management will only replace any paper-based process with another electronic format. McGregor (2009, cited in Chubb et al., 2011) reports that some companies have introduced social media style programs for employees to post status updates and personal weekly goals. Other companies encourage employees to post short questions about their performance for anonymous feedback and this is combined with software that replaces the standard annual review with brief monthly surveys and discussions (McGregor, 2009, cited in Chubb et al., 2011).

2.4   CRITICAL SUCCESS FACTORS AND CRITICAL PRACTICES

One of the primary factors in the proper functioning of performance management processes is to tighten the link between the strategic objectives of an organisation and the day-to-day actions of the employees, i.e. strategic alignment (Sacht, n.d.). Skrinjar and Trkman (2013) identified critical success factors and their respective critical practices

in order to improve business process objectives. These factors are summarised below in the table.

Table 2.1: Critical Success Factors and Practices (Skrinjar & Trkman, 2013)

Critical success factors	Critical practices
Strategic alignment In order to reach long-term success and improved performance, performance management processes must be linked to the organisational strategy.	• Top management is actively involved in process improvement efforts • Business process goals are derived from and linked to the organisation's strategy • Business process improvement is frequently on the agenda of top management meetings • Process changes are communicated to all employees • Employees from different departments feel that the goals of their departments are aligned
Performance measurement: Performance measurement is crucial for achieving sustainable improvement.	• Performance results are used in setting improvement targets • Performance indicators are communicated within the organisation on a regular basis
Organisational changes Performance management involves a thorough analysis of the organisation and often a change in organisational structure.	• The organisational structure supports processes across departments • Process owners are appointed

Information system support	• Information system development is based on business processes (not business functions)
The importance of aligning the IT strategy with the business strategy to successfully face the competitive marketplace has been well established.	• Information systems provide relevant management information on the performance of business processes
	• A business process management system or suite is used
	• E-procurement is implemented to connect with suppliers
Employee training and empowerment	• People are trained to operate new or changed processes prior to their implementation
The final critical success factor identified was the need to invest more funds and time into the training and consequently the empowerment of employees.	• Employees view the business as a series of linked processes
	• Process terms such as input, output, process and process owners are used in conversations
	• Policy and strategy are communicated and shared throughout the organisation

2.5   PERFORMANCE MANAGEMENT PROCESS

The performance management process is dependent on the purpose for which the system is designed to serve. For instance, performance management systems can support decisions on remuneration, promotion, employee development and reductions in the workforce. However, a performance management system that attempts to achieve

too many objectives is likely to fail because of a lack of focus and emphasis (Pulakos, 2004). There is no one type of system or set of objectives that is best suited for all, hence the need for designing a management process that is customised to the organisational goals. In other words, the purposes of a given performance management system should be determined by considering business needs, organisational culture and the system's integration with other human resource management systems (Pulakos, 2004). Furthermore, Pulakos (2004) argues that, while performance management for the purpose of decision making and employee development are certainly related, a single performance management system rarely supports these two objectives.

When a performance management system is used for decision-making, the information generated through performance appraisal is used as a basis for various decisions which might affect employees positively or negatively, such as remuneration increases, promotions, assignments, transfers, reductions in the workforce or other administrative human resources (HR) actions. On the other hand, when a performance management system is used for development, the information from the performance appraisal is used to guide on various aspects of employee development, such as training, job experiences, mentoring and other activities that employees will engage in to develop their capabilities. Theoretically, it is possible to have a performance management system that serves well on both decision-making and development purposes, but in practice, this could prove to be too difficult to achieve (Pulakos, 2004).

Effective performance management systems have a well-articulated process for accomplishing evaluation activities with defined roles and timelines for both managers and employees. In organisations that use performance management as a basis for remuneration and other HR decisions, it is important to ascertain that all employees are treated in a fair and equitable manner (Pulakos, 2004). An examination of performance management processes in the literature shows that most authors use some variation of the process model by Pulakos (2004) shown in Figure 2.2.

Figure 2.2: Performance management process (Pulakos, 2004)

In the following sections, each of the steps in the performance management process as depicted in Figure 2.2 will be discussed.

2.5.1 Performance Planning

The performance planning process is the typical starting point of the cycle of performance management. The goal-setting, where individual objectives are linked to organisational goals, usually occurs at this stage in line with annual standard review cycles (Suutari & Tahvanainen, 2002; cited in Atkinson & Shaw, 2006). In an effective organisation, work is planned out in advance, which means setting performance expectations and goals for groups and individuals to channel their efforts toward achieving organisational objectives. Getting employees involved in the planning process will help them understand the goals of the organization, what needs to be done, why it needs to be done, and how well it should be done (USOPM, 2011).

At the beginning of performance management cycle, it is important to engage with employees in order to have a thorough planning and review of their performance expectations, including both the behaviours they are expected to exhibit and the results they are expected to achieve during the upcoming rating cycle. Behaviours are important reflections of how individual employees go about getting their job done, i.e. how the individual supports the team, communicates, mentors others, etc. (Pulakos, 2004).

Performance planning is supported by the underpinning goal-setting theory. However, some authors have reported variations (Atkinson & Shaw, 2006), depending on the culture, in joint goal-setting exercises in the performance planning process. For instance, in China, cultural values such as respect for hierarchy have led multi-national companies to use assigned rather than jointly determined goals and to modify the nature and number of goals to ensure that they are easily attainable (Atkinson & Shaw, 2006). Nonetheless, employee performance plans should include all of the recorded performance elements that set forth expected performance, such as all critical and non-critical elements and their performance standards. Performance elements tell employees what they have to do and standards tell them how well they have to do it (USPM, 2011).

2.5.2 On-Going Feedback and Coaching

During the performance planning process, where both behavioural and results expectations are set, there should be discussion and provision of feedback on an on-going basis throughout the rating period in both of these areas (Pulakos, 2004). There must be feedback whenever exceptional or ineffective performance is observed. Moreover, providing periodic feedback about day-to-day accomplishments and contributions is also very valuable (Pulakos, 2004). Unfortunately, in many organisations, this does not happen to the required extent because of the fact that many managers are not well skilled in providing effective feedback. In fact, most managers frequently avoid providing feedback because they do not know how to deliver it productively in ways that will minimize employee defensiveness (Pulakos, 2004).

According to the University of New Hampshire Performance Management Toolkit (UNH, n.d.), managing performance and performance feedback should be an on-going habit. When this is a regular practice, the annual review becomes a formalisation of the existing relationship between employee and a manager. Feedback should be provided on an on-going basis throughout the year and should not be only during the annual performance appraisal. This is important as it helps to address strengths and successes as well as deficiencies and failures. If a manager has a good training on how to provide an on-going feedback, then the overall review of performance management becomes easier and more engaging (UNH, n.d.).

The benefits of providing on-going feedback and coaching means that during the year managers or supervisors take responsibility during the year for coaching and mentoring employees in order to assist them in reaching their goals and achieving maximum performance (UNH, n.d.). On-going feedback and coaching are useful tools in ensuring that there is effective communication about performance of employees so that action can be taken, such as to correct of performance deficiencies, to reinforce appropriate

behaviour, to develop employees with new skills, to motivate high performance, and to mentor employees so they understand their role in the organisation (UNH, n.d.). According to the UNH (n.d.), some of the benefits of on-going feedback are:

- Regular feedback and coaching will help employees build their skills and independence.
- Feedback and coaching improves the quality of work, increases the effectiveness of the team work and increases productivity.
- Effective feedback and coaching contributes to increased employees' motivation and initiative.
- Effective feedback and coaching improves creativity and innovation in problem solving.
- Feedback and coaching improves effective communication and hence can prevent problems from occurring.

In order for the feedback process to be effective, there must be a two-way communication process between managers and employees. Thus, it is a joint responsibility of managers and employees. In order to ensure such responsibility, there should be training for both managers and employees about their roles and responsibilities in the performance feedback process (Pulakos, 2004).

2.5.3 Employee Input

In an introduction of any new process intended to change employee behaviour, it is critical to develop the confidence and competence of all employees in order for them to fulfil their roles (Davis & Rogers, 2002). It is important to involve employees actively throughout the performance cycle. It is not the sole duty of managers to develop performance management systems and provide employees with their performance plans. Instead, managers must provide employees with information on their business units and the goals

so that the employees can develop their own plans. (Davis & Rogers, 2002). In this instances, employees can track and share their performance data, allowing managers to provide timely feedback in order to boost or reinforce performance. Employees self-rating of their own performance will assist in the discussion during performance review together with their respective managers (Davis & Rogers, 2002).

In many organisations, employee input has been used effectively in performance management system. Employee input can take different forms, such as asking employees to provide self-ratings on performance standards, which are then compared with the manager's review and ratings during a discussion. However, experience have shown that this type of process and discussion can lead to increased tension between employees and managers, such as defensiveness, disagreements and bad feelings. This is especially true if managers ultimately rate employees less effectively than they have rated themselves. An alternative way of collecting employee input is to ask employees to prepare evidences of and statements on their key achievements or most meritorious accomplishments at the end of the performance period (Pulakos, 2004).

2.5.4 Performance Evaluation

Performance evaluation is conducted on the basis of key result areas or the competency of an employee for achieving positive organisational outcomes. A critical challenge faced by many organisations is how to measure and evaluate these results. There are several ways in which results can be evaluated. For instance, some results can be evaluated by tracking various objective indicators of performance such as the volume of sales, profitability and production. However, while these objective indicators of performance can be useful tool differences in opportunities that are available to different employees could affect the results (Pulakos, 2004) and may create an unfair performance management system. On the other hand, if a rating scale is used, the rating points should be sufficiently defined so that managers (evaluators) can apply them in a consistent and fair manner.

Ratings made with numerical scales can easily be averaged or summed across rating categories to derive a summary score for decision-making (Pulakos, 2004).

2.5.5 Performance Review

In a system where feedback is provided on an ongoing basis, the formal performance review session will simply be a recap of what has transpired throughout the performance cycle (Pulakos, 2004). In other words, there should be no surprises in the performance review. During this review meeting, managers should discuss with employees about their ratings, narratives and rationale for the evaluation given. The performance review session is also an opportune good time to plan developmental activities with employees (Pulakos, 2004).

In general, employees' success and their contribution to organisational goals depend on how well they are involved in the development of the performance management system and how well they interact with their supervisors or managers. The following points below summarise principals of employee success and input.

- Employees need to aware of what their managers expect them to do, when, and how well.

- Managers need to provide employees with regular and specific feedback on their job performances. Employees need to know where they are excelling and where they could improve.

- Employees need to understand the overall mission and purpose of the division and the organisation so that they know how their work fits in with the goals of their unit and the work of others. This aspect is very important because it is motivating for employees to feel part of a larger purpose and to have sense of contributing to achieve that purpose.

- Employees need to get involved and play an active role in defining and redefining their job as this could be a motivating factor. Moreover, employees, especially experienced

ones, know their job better than anyone else and often know best how to remove any barriers to their success.

- Employees need to know the boundaries and their levels of authority. This important in that employees can operate with greater confidence and speed up processes when they know what decisions they can make on their own, what decisions need to involve others, and what decisions are managerial.

- Mangers need to provide employees with opportunities to develop their skills and grow. An employee who learns new things and apply them is more likely to be retained and more likely to be motivated.

(UNH, n.d.).

2.6   PERFORMANCE MANAGEMENT IN HIGHER EDUCATION INSTITUTIONS

The origins of performance management in higher education institutions have been associated in general with the advent of New Public Management (NPM) (Franco-Santos et al., 2014) which advocates for the adoption of private management instruments within public sector organisations in order to increase efficiency, effectiveness and quality (Decramer, Smolders & Vanderstraeten, 2008).

NPM is based on economic rationalism and promotes practices that are typically used in for-profit sector organisations such as external audits, results-based management, quantitative performance measures, performance targets and individual performance appraisals (Franco-Santos et al., 2014). NPM defines itself as fundamentally different from *old* public management characterised by professionalism, self-management, implicit standards and mostly qualitative performance indicators. NPM promotes the view that management and managers are essential and desirable for the appropriate administration of public sector institutions (Franco-Santos et al., 2014).

As a holistic system, the notion of performance management has been introduced in the higher education sector only recently (Franco-Santos et al., 2014). Today, there is a constant need to measure and quantify activities and performance at colleges and universities. Higher education institutions need to comply with government mandates, compete globally for researchers and students, review programmes and substantiate accreditation and make strategic decisions about whether to build on existing strengths or develop new areas (Reuters, 2010). In higher education institutions, performance management systems may relate to teaching, research, knowledge transfer, widening participation, students' learning experience, links with the economic sector and so forth but, the emphasis will be dependent on the institution's strategy (Sarrico & Dyson, 2000, cited in Sarrico, 2010).

Franco-Santos et al. (2014) presented the conceptual work of Weick (1976) in a study conducted on UK higher education institutions. In the study it was argued that organisations can control performance in two ways. Firstly, this can be done by using mechanisms that focus on the control of *who* does the work and *on whom* (Franco-Santos et al., 2014). For example, a university can attempt to control the performance of its postgraduate programmes by focusing on controlling who teaches them (e.g. lecturers) and to whom (e.g. students). Secondly, performance can be managed by using mechanisms that focus on *how well* the work is done (Franco-Santos et al., 2014). An example of a university controlling performance through this approach would be one that establishes mechanisms by which any lecturer whose student satisfaction scores are below average comes under the close supervision of his or her line manager. This alternative approach concentrates on the outputs (tangible deliverables produced) and outcomes (the impact on social, economic or other indicators arising from the delivery of outputs) of the work rather than on the individuals doing the work or the people receiving it (Franco-Santos et al., 2014).

It has been further argued that asserting and controlling outcomes is likely to fail when used in isolation as, in most organisations, outcomes are not easily observable, controllable or predictable (Franco-Santos et al., 2014). Therefore, a combination of both approaches would be more appropriate with tight or loose emphasis on either of them, depending on the circumstances. Following this argument, for educational organisations, Weick (1976, cited in Franco-Santos et al., 2014) suggests that the use of loose control on outcomes and tight control on the selection of staff and students with the appropriate knowledge, abilities and motivation seems more appropriate.

2.7   CONCLUSION

Performance management is a concept of in the field of human resources which is defined as a continuous process of identifying, measuring and developing the performance of individuals and, in so doing, aligning the performance of individuals with that of the organisation's strategic goals. The underlying conceptual foundations of performance management lie in motivation theories which attempt to understand how and why people are motivated. Critical success factors are those activities and processes designed to support the achievement of desired outcomes for the organisations which need to be implemented to improve the effectiveness of a performance management system. High on the list of critical success factors are simplification, alignment with organisational goals, integration with organisational culture and the use of technology.

CHAPTER 3:   RESEARCH DESIGN AND METHODOLOGY

3.1   INTRODUCTION

There are two major research approaches, namely, quantitative and qualitative approaches. Qualitative research is broadly defined as any kind of research that produces results without the use of statistical analysis or any other means of quantification. The difference between qualitative and quantitative research lies in the quest for understanding and for in-depth inquiry of certain phenomena (Hennings, Van Rensburg & Smit, 2004). Researchers who use a quantitative approach seek cause-and-effect relationships, prediction and generalisation of results whereas qualitative researchers seek an in-depth understanding and description of the problem under study. Moreover, Greenhalgh and Taylor (1997) argue that researchers who use a qualitative approach seek a deeper truth and aim to study things in their natural setting, attempting to interpret phenomena in terms of the meanings people assign to them and use a holistic approach which preserves the complexities of human behaviour.

- According to Leedy and Ormrod (2001), qualitative research approaches are used for one or more of the following purposes: **Description**: To reveal the nature of certain situations, settings, processes, relationships, systems or people.

- **Interpretation**: To enable a researcher to gain insights about the nature of a particular phenomenon, to develop new concepts or theoretical perspectives about the phenomenon and/or to discover the problems that exist within the phenomenon.

- **Verification**: To test the validity of certain assumptions, claims, theories or generalisations within the context of the real-world.

- **Evaluation**: To provide a means by which a researcher can judge the effectiveness of particular policies or innovations.

The term qualitative research encompasses several approaches to research that are, in some respects, quite different from one another, but all of which have two things in common: (1) they focus on phenomena that occur in natural settings and (2) they involve studying those phenomena in all their complexity (Leedy & Ormrod, 2001). This indicates that qualitative researchers rarely try to simplify what they observe. Instead, they recognise that the issue they are studying has many dimensions and layers and needs to be understood and portrayed in its multi-faceted form (Leedy & Ormrod, 2001). The authors further highlight that many qualitative researchers accept that there is not necessarily a single, ultimate truth to be discovered but, instead, multiple perspectives held by different individuals, with each of these perspectives having equal validity or truth (Leedy & Ormrod, 2001).

There are several considerations to be taken into account when deciding to adopt a qualitative research methodology. Strauss and Corbin (1990, cited in Hoepfl, 1997) claim that qualitative methods can be used to better understand any phenomenon about which very little is known. Furthermore, new perspectives can be formed on things about which much is already known by gaining more in-depth information that may be difficult to obtain quantitatively. Thus, qualitative methods are appropriate for research situations where one needs to first identify the variables that might later be tested quantitatively or where the researcher has determined that quantitative measures cannot adequately describe or interpret a situation, as in the case of this study (Strauss & Corbin, 1990, cited in Hoepfl, 1997).

Another important consideration in the choice of qualitative approach is its ability to more fully describe a phenomenon as well as its ability to provide readers with research reports that are typically rich in detail and insights into participants' experiences of the world. When in harmony with the reader's experience, these are more meaningful (Hoepfl, 1997).

3.2 RESEARCH QUESTIONS

The specific research questions that were dealt with in this study are as follows:

a) How was the planning of performance management conducted?

b) What steps were followed for on-going feedback and employee input?

c) How effective was the evaluation and review of the performance management process?

d) How effective was the overall implementation of the performance management system?

3.3 RESEARCH AIM AND OBJECTIVES

The main aim of this study is to investigate the effectiveness of the performance management system at CUT. The specific objectives were to describe the performance planning process, identify the steps followed for on-going feedback and employee inputs, assess the effectiveness of performance evaluation and review process and to identify options or processes for improving the effectiveness of the performance management system.

3.4 RESEARCH DESIGN AND METHODOLOGY

Research design is referred to as all decisions taken by a researcher in the planning and execution of a study. In quantitative research, research design refers to a group of methods and procedures from which prospective researchers can select, adopt or develop one or more methods that may be suitable for their specific research purpose (Fouché, 2005). In qualitative research, however, design is referred to as the entire research process, ranging from conceptualisation of a problem through to the writing of the report (Fouché, 2005).

There are various research designs used by qualitative researchers, depending on the purpose of the study, nature of the research question, skills of the researcher and available resources (Fouché, 2005). However, as each of the possible research designs has its own perspective and procedures, the research process will also reflect the procedures of the chosen design (Fouché, 2005).

The qualitative research design differs from the quantitative research design in that it does not usually provide the researcher with a step-by-step plan or fixed recipe to follow. Qualitative researchers create the research strategy that is best suited to their research problem during the research process (Fouché, 2005). In this study, a quantitative mode of research combined with a qualitative approach is used to generate information for an in-depth understanding of the planning, evaluation and review of the specific performance management system. There are two types of qualitative modes of research: interactive and non-interactive inquiry (Fouché, 2005). In this research, a phenomenological approach of non-interactive inquiry will be employed with limited interactive methods and a limited number of participants.

In this study, the researcher seeks to understand the processes and steps in performance management systems, perceptions and practices and the meaning users assign to this system within the context of the institution, the existing academic processes and resources available to them.

3.4.1 Target Population and Sampling

The research site and participants are selected following a strategy called purposeful sampling. Purposeful sampling is a strategy used to choose small groups or individuals likely to be knowledgeable and informative on the phenomenon of interest (McMillan & Schumacher, 2001). In this study, the target population was identified based on the problem to be investigated. The target population was identified as the full-time permanent academic staff and support staff at CUT who use IPerms. Once the population was selected, a formal request was made with the responsible person to obtain permission for the research. A comprehensive sampling strategy within the framework of purposive sampling was used for both permanent academic and support staff.

3.4.2 Sample

Employees of the university were grouped under two categories, namely, support and academic staff. The list of these two employee categories constituted the sampling frame.

3.4.3 Sample Size

The sample size were about 30% of the sample population, namely, 89% academic staff and 11% support staff drawn purposely from the target population. Figure 3.1 below illustrates the sampling frame and process followed for this research study.
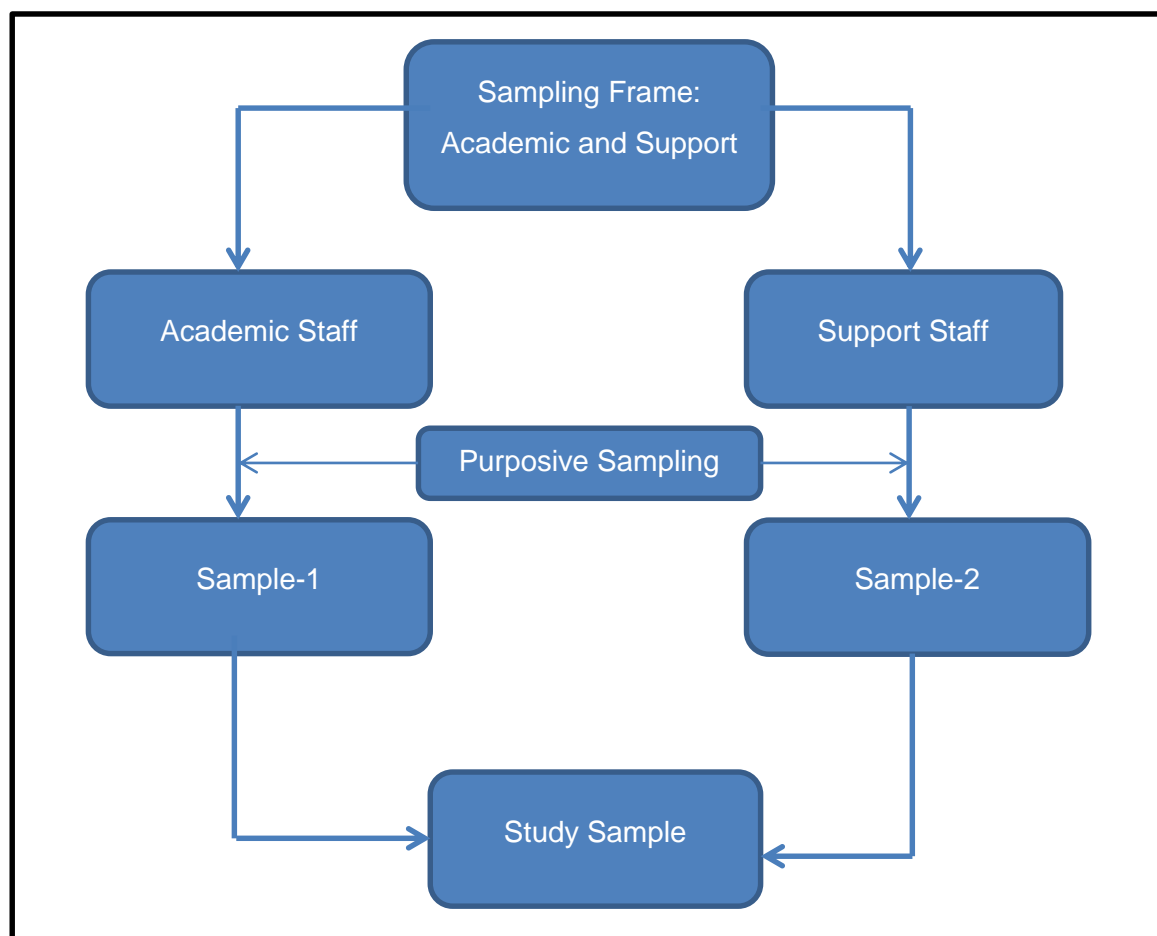

Figure 3.1: Sampling frame and sampling process

3.4.4 Sampling Method

Purposive sampling is a non-probability sampling method in which the units to be observed are selected on the basis of the researcher's judgement about which respondents' views and opinions will be most useful (Babbie, 2010). This sampling technique was employed to draw samples from the population of the two employee categories.

3.4.5 Data Collection Procedures

Many researchers use a wide range of techniques to collect data such as interviews, observational techniques (participant observation and fieldwork) and document consultation or archival research (Myers, 1997). However, many approaches to data collection usually involve direct interaction with individuals for an in-depth interview on a one-to-one basis or in a group setting (Hancock, 2002; McMillan & Schumacher, 2001). In this research, a questionnaire-based technique was chosen. A structured questionnaire was prepared using a five-point Likert scale and distributed to selected individuals. The management of the questionnaire was done using an online tool called Surveymonkey. The link to the questionnaire was sent to the participants via email. The questionnaire was designed to identify the level of agreement or disagreement a participant had with each of the statements made in the questionnaire. The structured questionnaire was also supplemented by open-ended questions which could be answered in the form of comments.

3.4.6 Data Analysis and Interpretation

Quantitative data generated from the structured questionnaires was analysed using graphical representations (Chambliss & Schutt, 2012) such as bar graphs. With qualitative data the researcher looked at trends and patterns in the responses of the participants using free flowing text analysis method and direct quotes (Chambliss & Schutt, 2012).

Qualitative data refers to texts and narratives as expressed by individuals or groups of individuals (Ryan & Bernard, 2000). Ryan and Bernard (2000) refer to texts as "the most archaeologically recoverable information about human thought and human behaviour." The authors highlight two kinds of written texts in the sociological tradition: (1) words or phrases generated by techniques for systematic elicitation and (2) free-flowing texts such as narratives, discourse and responses to open-ended interview questions (Ryan & Bernard, 2000). The following schematic diagram (Figure 3.2) shows the different types of qualitative data and methods of analysis.
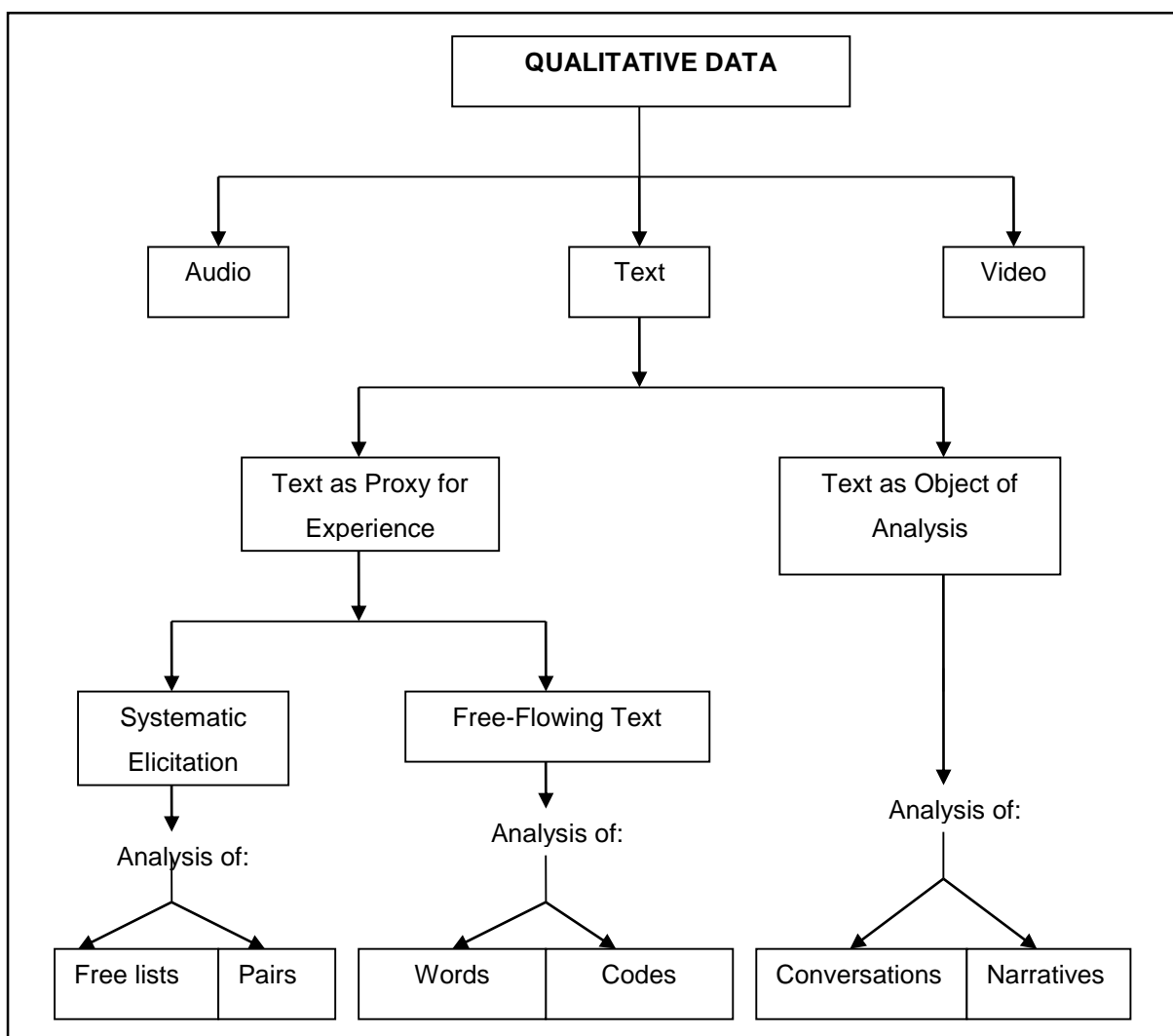

Figure 3.2: Typology of qualitative data analysis techniques (Ryan & Bernard, 2000)

In this research, the "text as proxy for experience" including "systematic elicitation and free-flowing text" techniques (Ryan & Bernard, 2000) were employed.

3.4.7 Reporting the Data

After the data has been collected and analysed, the next major task for the researcher is to present the results in the form of a paper or report (Chenail, 1995). The results of the quantitative data were presented in the form of bar graphs with explanations and descriptions for each of the stages in the performance management process. Presentation of qualitative data can be done in several ways, of which a natural progression from most simple to most complex (from general to specific) appears to be more appropriate (Chenail, 1995). In this research, the reporting followed a presentation style of natural progression by looking at trends and patterns to allow the reader to follow the argument through to the outcomes of the study.

3.5 TRUSTWORTHINESS OF THE RESEARCH

There are two basic questions of trustworthiness that need to be addressed in research (Maykut & Morehouse, 1994). These are: (1) To what extent can we have confidence in the outcomes of the study? and (2) Do we believe what the researcher has reported? (Maykut & Morehouse, 1994). Both of the above questions refer to the validity of the process and outcome of the study. In order to enhance the trustworthiness of the study, the questionnaire was tested using five participants in a pilot study.

On the other hand, some authors propose credibility, transferability, dependability and conformability as the criteria to ensure trustworthiness in qualitative research (Lincoln & Guba, 1985, cited in Morse, Barrett, Mayan, Olson & Spiers, 2002). They recommended that specific strategies be used to attain trustworthiness such as peer debriefing, prolonged engagement and persistent observation, audit trails and member checks (Lincoln & Guba, 1985, cited in Morse et al., 2002). Also important are the characteristics of the researcher such as responsiveness and adaptability to

changing circumstances, readiness to use holistic approach, sensitivity and an ability to clarify and summarise important statements and data (Lincoln & Guba, 1985, cited in Morse et al., 2002).

In this study, the quantitative results were reported using bar graphs combined with analysis and interpretation whereas the qualitative results were presented with additional direct quotes from the respondents to substantiate the arguments. It is hoped that this will contribute to an increased level of trust in the reported outcomes of the study.

3.6   ETHICAL CONSIDERATIONS

With the commitment to individual autonomy, research in social science requires that participants have the right to be informed about the nature and consequences of a study in which they are involved (Christian, 2005). Proper respect for human freedom generally includes two necessary conditions: (1) subjects must agree to participate in the study voluntarily without any physical or psychological coercion; and (2) their agreement must be based on complete and freely-available information (Christian, 2005). Therefore, guidelines and information was provided to all respondents along with the questionnaire.

A code of ethics also insists on having safeguards to protect participants' identities and those of the research locations. Privacy and confidentiality must be assured as a primary safeguard against unwanted exposure (Christian, 2005). None of the respondents gave their name along with their feedback. However, despite the researcher's adherence to privacy and confidentiality principles, it is almost impossible to have watertight situations. For instance, pseudonyms and locations may nevertheless be recognised by insiders and what is considered innocent by the researcher may be perceived as misleading by participants (Christian, 2005).

In this study, the researcher ensured that the participants' identities were protected. With each questionnaire, the researcher clarified some concepts of performance management for common understanding by all participants, requested participant

consent for the recording of relevant discussion and ensured confidentiality. No respondents were pressed into giving their feedback and they were free to choose whether or not to participate in the research.

3.7   CONCLUSION

The distinction between qualitative and quantitative research lies in the quest for understanding and in-depth inquiry. Greenhalgh and Taylor (1997) argue that researchers who use a qualitative approach seek a deeper truth and aim to study things in their natural setting, attempting to make sense of and interpret phenomena in terms of the meanings people bring to them. Greenhalgh and Taylor (1997) make use of a holistic perspective which preserves the complexities of human behaviour. The ability of qualitative data to more fully describe a phenomenon when coupled with a quantitative approach may be considered by the researcher in the choice of which approach to use, according to the nature and purpose of the study.

The main aim of the study is to explore the following research questions:

a. How was the planning of performance management conducted?
b. Is it aligned with the organisational strategy?
c. What steps are followed for on-going feedback and employee input?
d. How effective is the evaluation and review of the performance management process?

Both quantitative and qualitative research methods were employed in this study using structured questionnaire and open-ended questions which is believed to capture as detailed information as possible.

The data is organised and analysed using graphical methods. Moreover, step-by-step procedures were followed to analyse the different stages of performance management with regard to the employees' experience and perceptions. A free flow text analysis method was used to analyse the qualitative data.

CHAPTER 4:   DATA ANALYSIS AND INTERPRETATION

4.1   INTRODUCTION

Performance management systems were developed over the past two decades as strategic, integrated processes which incorporate goal-setting, performance appraisal and development into a unified and coherent framework with the specific aim of aligning individual performance goals with the organisation's wider objectives (Williams, 2002). Consequently, it is concerned with how people work, how they are managed and developed to improve their performance and ultimately how to maximise their contribution to the organisation (Atkinson & Shaw, 2006). It should be noted that some percentages are rounded off to the nearest whole number.

Questionnaires were designed around the six major stages of performance management system and distributed via email to both academic and support staff. The responses were collected via an online survey tool, Surveymonkey and the data exported to a Microsoft Excel spreadsheet and analysed. A total of 63 respondents completed the questionnaire online and the data was recorded accordingly. The characteristics of the respondents show that 89% are academic staff and 11% support staff (see Figure 4.1). The composition of the academic staff (see Figure 4.2 below) is 55% lecturers, 21% senior lecturers and 11% each for associate professors and junior lecturers.

In the following sections (Sections 4.2 to 4.7) the quantitative results on the various stages of the performance management system will be presented. The stages are performance planning, on-going feedback, employee input, performance evaluation, performance review and implementation. This will be followed by qualitative descriptions (Sections 4.8 and 4.9) of the general perceptions of the participants on the effectiveness, expectations and fairness of the performance management system.
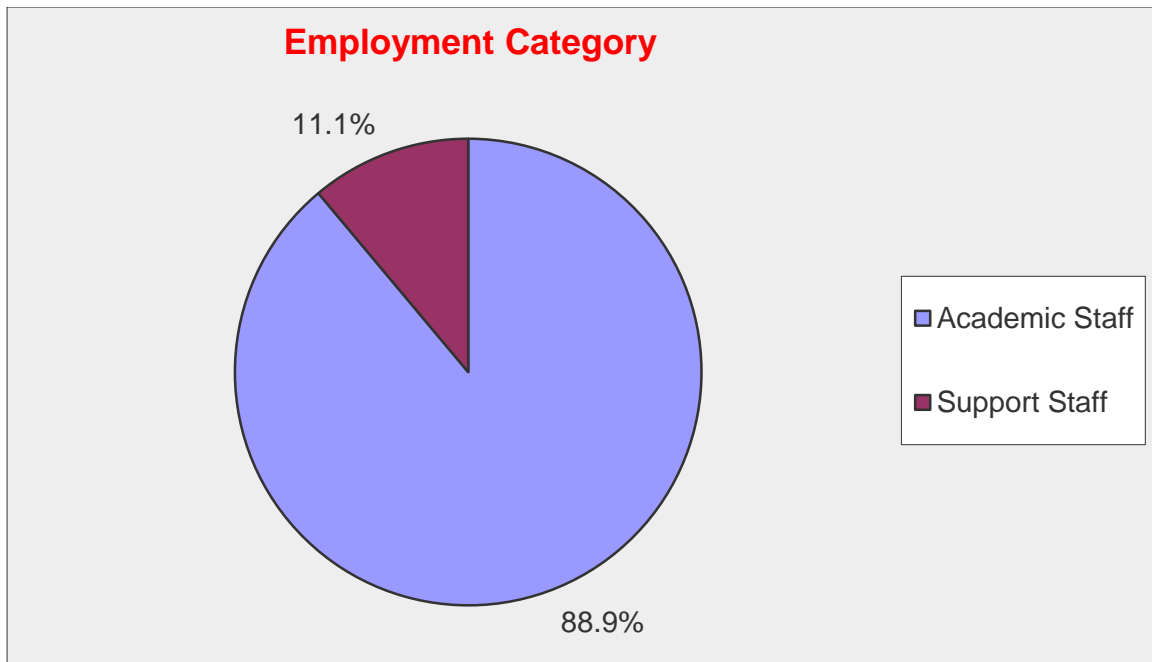
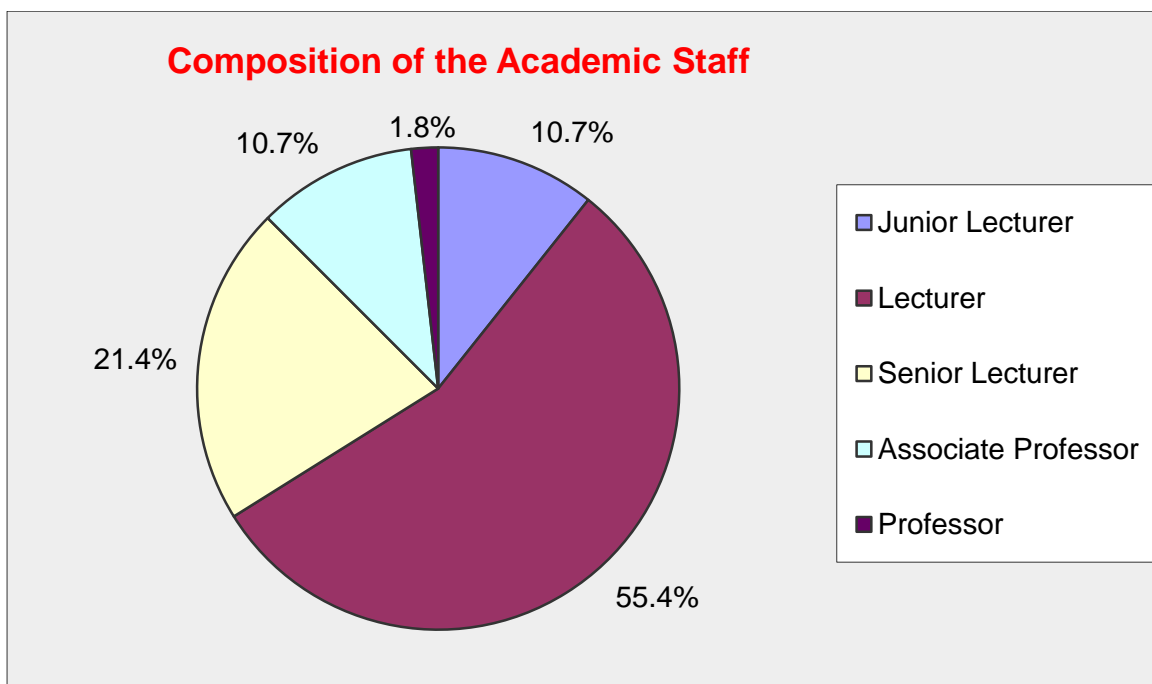**Figure 4.1: Employment category of participants in the survey study**

Figure 4.2: Composition of the academic staff who took part in this study

4.2 PERFORMANCE PLANNING

There were four questions relevant to performance planning that were asked in order to understand whether or not the participants' experience matches or deviates from the recommended practices in performance management planning according to Pulakos' (2004) model. These questions were formulated around the following aspects:

- The developmental needs of employees in the planning process;
- Understanding how behavioural standards of employees relate to their specific jobs;
- Links between the university's strategic goals and the behavioural competences and expectations of the employees; and
- Engagement of employees with their line managers on performance expectations.

The results, presented in Figure 4.3, show that the majority of the respondents do seem to agree with the statements put to them (as indicated on the y-axis of Figure 4.3). For instance, 65% of the respondents agree that their development needs have been taken into account in the goal-setting process. On the other hand, about 21% of the respondents either disagree with the statement or are not sure (neutral) about it and 5% strongly disagree.

Similarly, about 60% of the participants do agree that they have a good understanding of how their behavioural standards relate to their specific jobs. However, up to 20% of the respondents disagree or strongly disagree with either of the statements put to them. Although this is a minority, it is still significant and raises the question of how much the employees have been engaged at the different levels. Furthermore, about 35% of the respondents are either not sure or disagree with the statements. A performance management system is a sensitive issue for both employers and employees and, as such, requires relevant training for all employees so that they understand the planning process and participate actively in goal-setting.
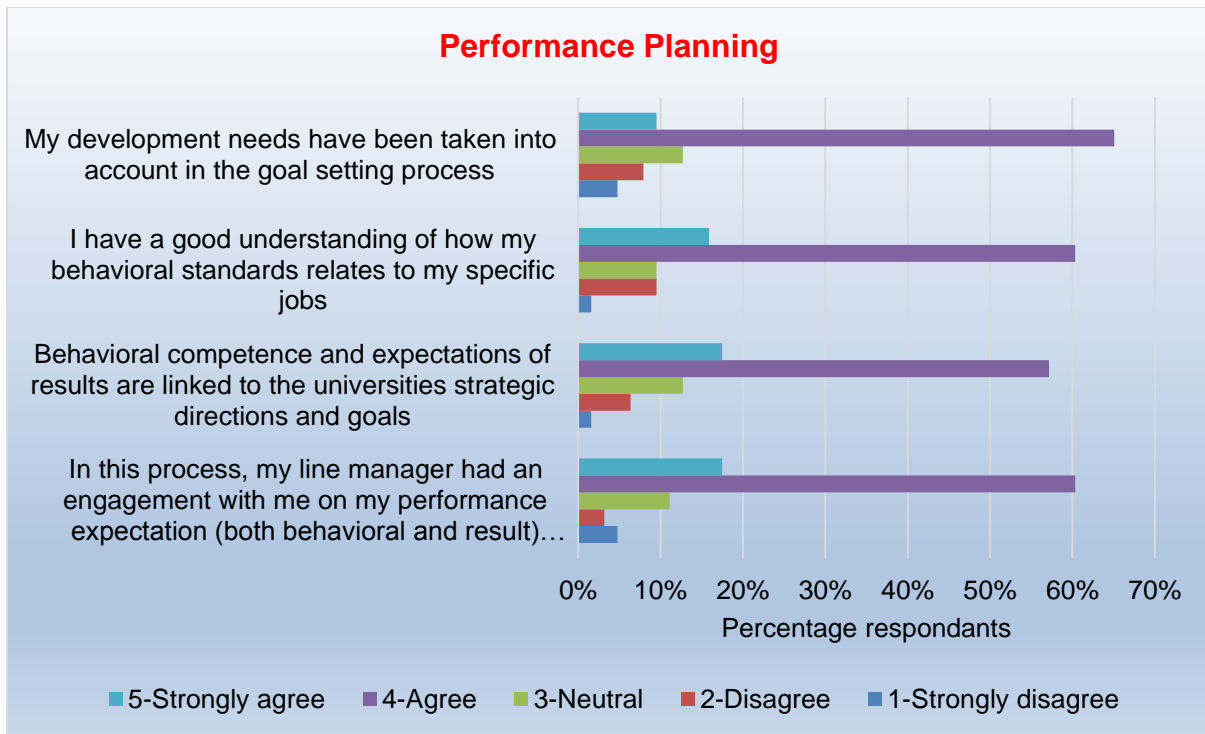
Performance Planning

Figure 4.3: Respondent views on three aspects of performance planning

The aim of performance planning is to establish expectations for employee performance. At the beginning of the performance management cycle, it is important to conduct thorough planning with active involvement from employees on their performance expectations including both the behaviour employees are expected to exhibit and the results they are expected to achieve during the upcoming rating cycle (Pulakos, 2004). Furthermore, getting employees involved in the planning process will help them understand the goals of the organisation in terms of what needs to be done, why it needs to be done and how well it should be done (USOPM, 2011).

Although the results of this study on the performance planning process indicate some agreement with the statements posed to the participants on the topic, there is still room for improvement as a substantial number of the respondents were either in disagreement or unsure about it. In fact, the results show no indication of full employee engagement in the planning process. Partial engagement with the heads of departments only addressed the technical aspect of evaluation and no effort was made to create a platform for joint planning of the performance process.

4.3 ON-GOING FEEDBACK

One of the important aspects of performance management systems is on-going feedback and continuous interaction between the manager and the employees in order to track the progress vis-à-vis the set targets. For this stage in the performance management system, four questions were designed to gauge the understanding of the employees in relation to recommended practices. The issues confronted in these questions are:

- The managers' feedback and method of delivery;
- On-going performance conversation between managers and employees;
- Feedback as a joint responsibility of both the employee and line manager; and
- Provision of feedback by managers for exceptional or ineffective performance.

The results, presented in Figure 4.4, show that more than 40% of the participants agree to the statements put to them, as given on the y-axis of the graph with the exception of the managers' feedback and method of delivery. This particular statement was designed to gain an understanding of whether or not managers shy away from providing an honest assessment of employees for fear of disappointing them or a conflict. About 35% of the participants seem to agree with the statement and 25% of them are unsure about it. The lack of opinion or neutrality in this stage of the performance management system reaches up to 27% of the participants. This is a significant number and may point to a lack of adequate training on the part of the staff members.
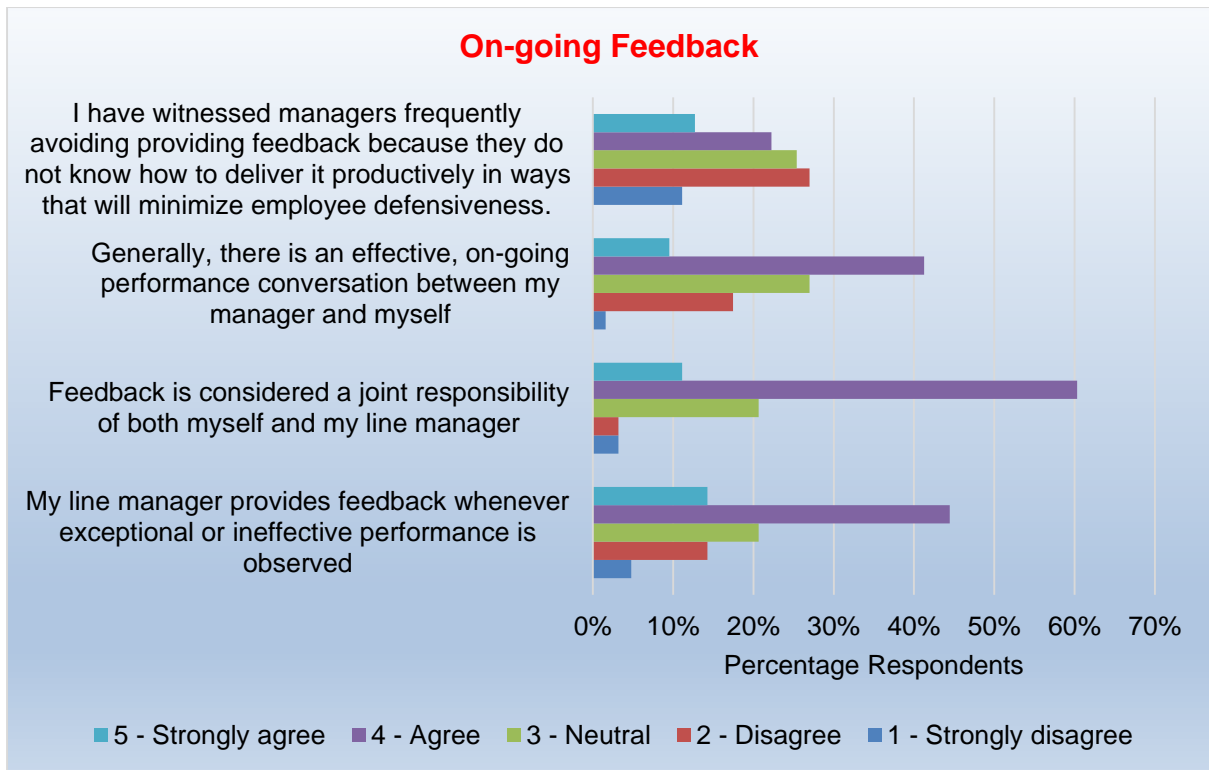
Figure 4.4: Respondent views on four aspects of on-going feedback in the performance management system

Multisource feedback, such as a 360 degree performance management system, provides those involved in the performance management process with multiple sources of feedback which offer different perspectives (Haines & St-Onge, 2012). More than 40% of the respondents in this study indicate that they do not receive feedback from their managers, regardless of whether exceptional or ineffective performance is observed.

4.4   EMPLOYEE INPUT

For this stage of a performance management system, there are two statements designed to understand the involvement of employees in the process. These are:

- Preparation of evidence of key results by the employees at the end of a performance cycle; and
- Use of self-rating as an effective tool for self-assessment.

About 60% and 55% of participants agreed with the above statements respectively. On the preparation of evidence of key results at the end of a performance cycle, about 80% of the respondents agree and strongly agree leaving about 20% who are either unsure (neutral) or do not agree with the statement.
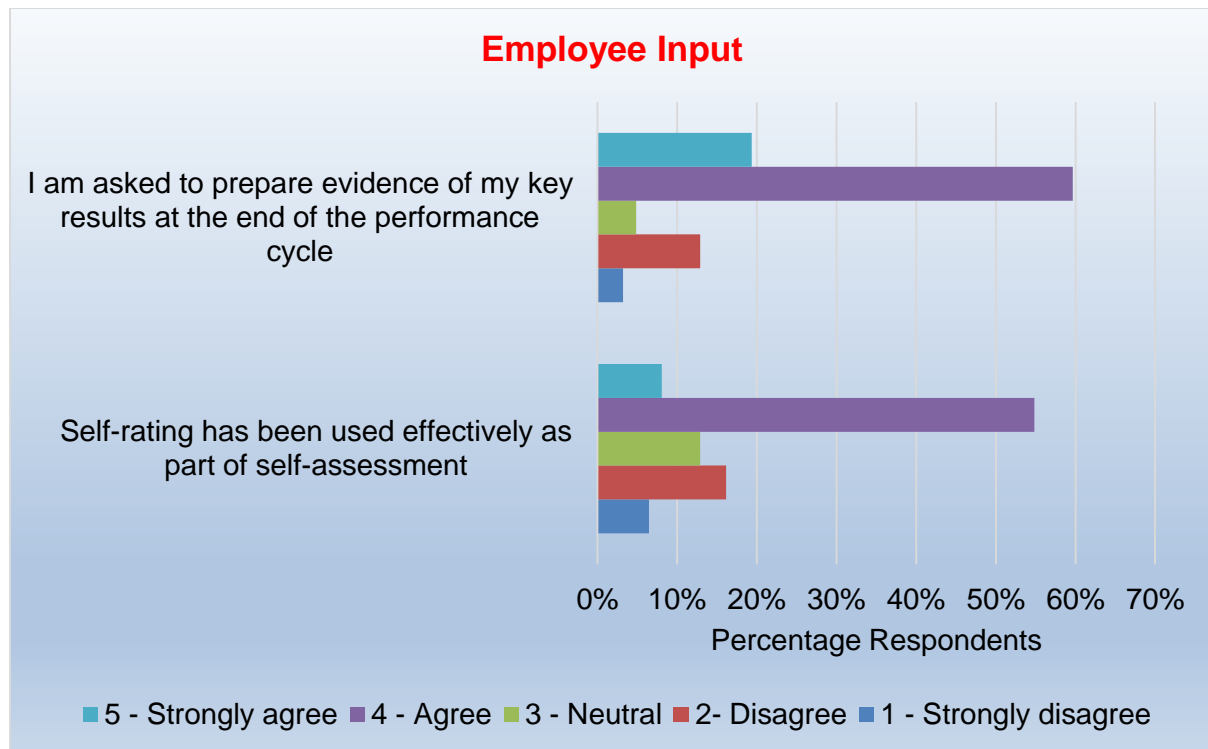
Figure 4.5: Respondent views on two aspects of employee input in the performance management system

4.5 PERFORMANCE EVALUATION

Performance evaluation is one of the critical steps in the performance management system. Its importance lies in the fact that the university's strategic goals are linked to the competencies of the employees in achieving the targets. It also captures the job behaviours and expectations associated with them. In trying to gain insight into this aspect of the performance management system, the following statements were put to the participants:

- Linkage of employee competencies with the university's strategic goals and critical success factors in the departments;

- Definitions of competencies in terms of job behaviours and expectations associated with them;

- Use of competency model and factors associated with the success in the departments; and

- Use of competency model as a basis for performance evaluation.

The proportion of participants who agreed to the above statements ranges from 35% to 63%. In all categories, a higher proportion of participants agree with the statements. However, those participants who remain neutral range from 24% to 27% and those who disagree and strongly disagree range from 5% (for the first statement) to 31% (for the third statement). This data is illustrated in Figure 4.6.

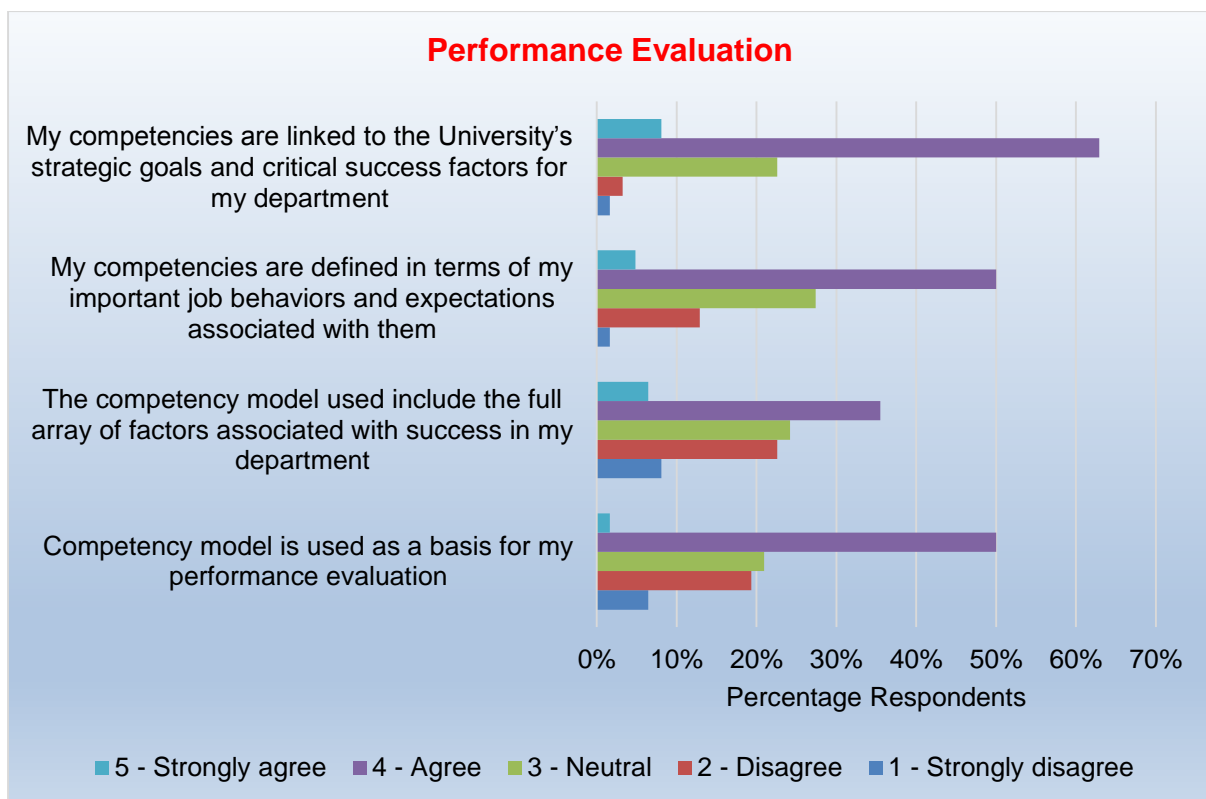**Figure 4.6: Respondent views on four aspects of performance evaluation**

4.6   PERFORMANCE REVIEW

Performance review is the most sensitive stage of performance management system with a potential to affect the overall system either positively or negatively, depending on how well it is conducted. It requires comprehensive training of both managers and employees on how the review process should unfold and how the process can be used for the development of employees so that they prepare themselves for better achievement in the next performance cycle. The following statements were used in the questionnaire in trying to understand conduct related to the review process:

- The manager's ability to identify appropriate staff development interventions (e.g. classroom based training, on-job training, etc.) to improve on employees' performance;
- Performance standards that are not currently being met are identified as development areas for employees;
- Planning for my competence development during review process; and
- Provision of feedback is provided on on-going basis, so there is no surprise during the performance review.

The results, shown in Figure 4.7, indicate that a large proportion of the participants (41% to 63%) agree with the statements given above (also shown on the y-axis of the graph). However, 19% to 30% remain unsure of performance review process. A significant number of participants, ranging from 10% to 24%, disagree with the statements. The highest percentage of disagreement was on the issue of on-going feedback being provided. It must be pointed out that there is only one mid-term evaluation (during the month of June) which is considered an assessment of achievements and identification of areas for improvement going forward for the rest of the year.
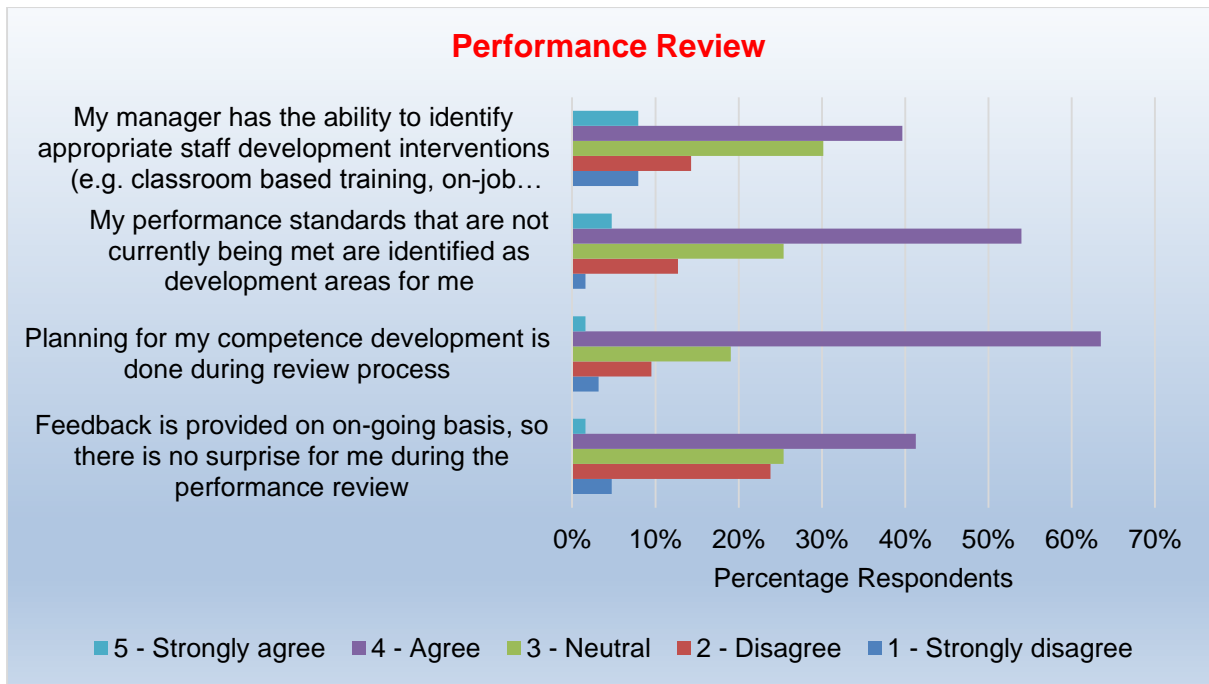
Figure 4.7: Respondent views on four aspects of performance review

4.7   IMPLEMENTATION OF PERFORMANCE MANAGEMENT SYSTEMS

This stage of a performance management system is a decisive one in that whatever system is used, no matter how perfect it may seem, if it is not implemented in the right way it will not bring about the desired outcomes such as staff development and improved performance. In trying to understand the implementation of the performance system in relation to the recommended practices, the following statements were used in the questionnaire:

- Awareness of continuous evaluation and improvement of the performance management system by HR;
- Training about the system by the managers and employees;
- Same competencies used in the performance management system are used by the HR for recruitment, staffing and training; and
- The performance management system is user friendly.

The results, presented in Figure 4.8, show a very different picture from what has been presented so far. On the first statement related to the awareness of continuous

improvement as a component of the performance management system by the Human Resources division, only 29% agree, as opposed to 43% who disagree or strongly disagree. In addition, 29% are not sure (neutral) about the continuous improvement component. Those who replied that they agree may have assumed that improvements to the system have been carried out but, according to the author's knowledge, this has not been the case since its inception.

The second statement is about the training level or availability on the system for employees and managers. Here, the majority of the respondents (42%) either disagree or are not sure about it, confirming a lack of proper training on the implementation of the performance management system.

Another important aspect of this stage in the performance management system is whether or not similar competency criteria is used in recruitment, staffing and training by HR. A lack of proper competency criteria is reflected very clearly in the results presented in Figure 4.8 below. About 38% of the participants indicate that they are unsure (neutral) about the criteria while 43% either disagree or strongly disagree. Furthermore, although the system is understood to be user-friendly by a significant number the participants (32%), the majority (68%) were either in disagreement or unsure.
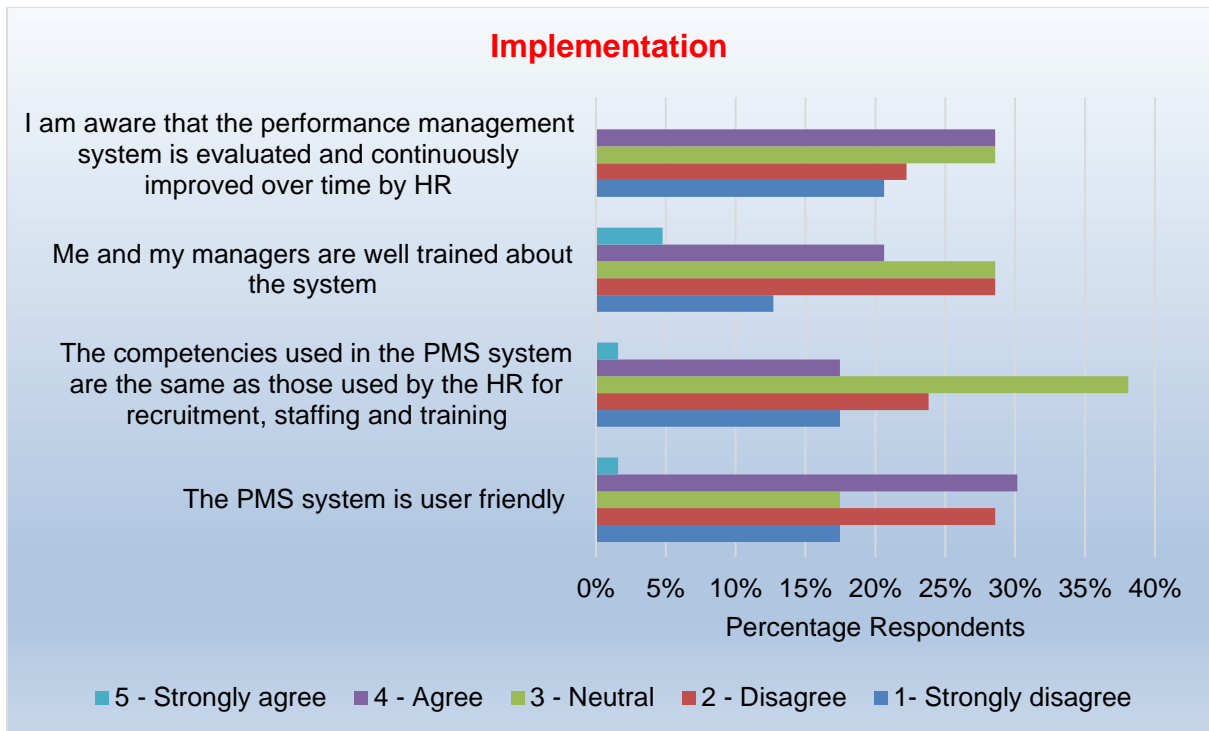
Figure 4.8: Respondent views on four aspects of implementation performance management system

According to Haines and St-Onge (2012), managers should engage continuously in a performance planning process which they are expected to get involved in, such as coaching, assessment and review. As such, the effectiveness of performance management largely rests on their shoulders. However, the system has a much greater chance of delivering desirable outcomes if managers and employees competently engage in the various stages of the performance management process (Haines & St-Onge, 2012).

4.8 GENERAL PERCEPTIONS ON THE EFFECTIVENESS OF THE PERFORMANCE MANAGEMENT SYSTEM

Participants in this study were provided with the option to offer their views and experiences on the effectiveness and fairness of the performance management system using open-ended questions. In the following sections, an analysis of the responses is presented together with direct quotations from the respondents.

4.8.1 Employee Involvement and Target Setting

In order to reach long-term success and improved effectiveness, the performance management system of an organisation must be linked to its strategy. Understanding the organisational strategic context of a performance management programme is essential to maximise the value from process improvement. Performance planning means setting performance expectations and goals for groups and individuals to channel their efforts toward achieving organisational objectives. Getting employees involved in the planning process will help them understand the goals of the organisation in terms of what needs to be done, why it needs to be done, and how well it should be done (USOPM, 2011).

The qualitative data obtained through the open-ended questionnaire showed a variety of responses around the effectiveness of the performance management system. There is a perception of a lack of sufficient participation by the employees in setting targets as targets set have simply cascaded down from top management to the lower-level employees. The minimum targets and weights of the different measures are decided by management and employees are simply told to agree to it. For instance, some argued that the performance management system is highly generic and not geared towards personalised or individual targets, as indicated in the quotation below.

> The PMS [performance management system] is not customised to the targets of individuals. For example you need to state in one of the questions if you met your objectives of raising external funds. Most of us have no performance agreement to raise external funds but no provision is made for things like that. The same principle apply for a great deal of questions. There should be an option in the system to remove the items that are not applicable to your situations and currently there is not.

> A blanket approach for the institution is not going to work. Categories of different responsibilities per job description should be captured for individual programmes, departments or sections.

The above statement is indicative of a lack of participation from employees in the target setting process in particular and in the overall rollout of the performance management system. The most frequent issue raised by the respondents is related to the identification of targets and their weights, as described below by two of the participants.

> The tool is nice and easy to use. I however will rather like it that staff can have more freedom in deciding the weights of different performance areas.

> It is too quantitative, it misses out on the importance of qualitative aspects of performance. The system is also very restrictive, puts people in labelled boxes, there is more to a staff member performance than the system provides.

At the heart of these problems, there is important issue which management seems to have failed to address or at least partially address. There has been a repeated indication of a lack of training and support on the performance management system from the responses to the open-ended questions. When the performance management system was introduced there were a few workshops held for the heads of departments. However, the development and design of the system was done without the involvement of the academic and support staff. Its implementation simply followed the instructions from senior management without much input from employees. The only training provided to staff members was on how to use the performance management system software in the assessment of oneself and one's supervisors (360 degree or multisource feedback) at the end of the performance cycle during the first year of its implementation. The following short statements from two of the participants summarise this key requirement in improving the effectiveness of the performance management system.

> If more training and support can be provided, then it will be more effective.

It has been very challenging for me to interact with the performance management system. It appears staff were not adequately trained to understand the working of the system before it was rolled out.

4.8.2 Implementation

As described in Section 4.7, no matter how perfect the performance management system may seem, if it is not implemented properly, it will not bring about the desired outcomes such as staff development and improved performance. There has been negative feedback from the participants regarding this issue. Apart from measuring the performance targets of the employees, there has not been a clear strategy on the use of the outcomes. For instance, one of the participants explains:

> There are areas of improvement though. For one, there is hardly a follow up from HR to ensure that the staff development plans that are agreed in a given cycle are implemented. Sometimes you hear of budget short falls, which is fine as long as the system provides a mechanism to revise the development plans to match available funds. In the absence of such a mechanism, some of these activities remain academic.

The lack of clear strategy on the implementation and use of the performance management outcomes led to various interpretations and expectations arising among the employees. Some would argue that, if excellent performance does not bring about an increase in salary or a reward in the form of a bonus, performance management remains a futile exercise. Others argue that performance management systems should not be linked to monetary incentives but only to staff development:

> System may be good in theory, but the [non-implementation] and the results being wiped from the table has a very negative effect on motivation to trust the system in future. [No] implementation indicates the lack of seriousness that management show towards it.

Complicated/complex, ineffective in the sense that not coupled with reward system.

It is a white elephant that is suited to industry and not an academic environment. It should also not be linked to monetary incentives. It should only be used for professional development.

4.9   EXPECTATION AND FAIRNESS OF THE PERFORMANCE MANAGEMENT SYSTEM

In any system that involves assessment of one's achievement and consequently one's future professional development, it is important to establish the fairness of the system, as well as the expectations of those who are at the receiving end (i.e. employees). Participants expressed their views and described their experiences with this aspect of the performance management system by answering the open-ended. In the following sections two sets of issues will be discussed, that is, trust and fairness as well as achievement of targets and expectations.

4.9.1   Trust and Fairness

In any agreement there must be trust between the two parties who enter into the agreement. This trust can only be established if there is fairness in the system towards both parties. Similarly, in the performance management system that includes the employees on the one hand and the managers on the other hand, there must be fairness in the system and in the expectation of results by the employees. Only then can trust be established between the two parties. Given the lack of active involvement by employees in the development of the performance management system (as described above), one may deduce that there will be less trust in the system in particular and possibly less trust in the management of the university with regard to this issue. The views expressed by the participants hereunder point to the fact that the majority of employees lack insight into the purpose of the performance management

system, why it is important to the university and the employees and what the implications are for excellent performance or a lack thereof.

Does not consider all competencies fairly; focus areas biased.

Does not value my strong characteristics.

It is currently fair enough, but does however focus on certain performance areas more than others, which has the tendency to motivate a person only to focus on the performance areas that are rated higher.

Because there are no incentives imbedded in this system, it is not being taken seriously, nor considered as being fair.

Line managers don't use the same criteria. Some deem research important, while others believe if you do a lot of administrative duties, then you don't need to render research outputs at all. No understanding for heavy academic load. My line manager expects research output regardless of how many subjects I have to teach.

The system is useless. For PMS to be effective apples must be compared to apples, only if equal opportunities are given to all regardless of who you are so that our performance is assessed knowing we were given equal opportunities.

I am concerned that other people on same appointment was evaluated differently than me.

We need a better system than what we currently have. The system that will be fair and less prone to human manipulation. Line managers dictate the outcomes of your PMS, less favoured

subordinates are assessed differently to more favoured subordinates and that undermines the fairness of the system.

System may be good in theory, but the none implementation and the results being wipe from the table has a very negative effect on motivation to trust the system in future. None implementation indicate the lack of seriousness that management show towards it.

4.9.2 Achievement of Targets and Expectations

As described in the preceding section, clarity on the purpose and implementation of performance management systems creates a sense of trust between employees and managers. However, it appears that this might not be the case in this particular study. One respondent's feedback on targets and expectations is given below.

It creates an expectation of me without a reciprocal evaluation of resources and growth required to achieve expectations. Disabling circumstances are ignored when setting performance standards.

Two problems are evident from this statement. Firstly, there seems to be disagreement on how the targets are set and their relevance to individual performance, as guided by job descriptions. Secondly, there is a perception that the achievement of a set target should result in some form of incentive, mainly in monetary terms. The later indicates a lack of training on the overall purpose of the performance management which is intended to measure whether or not employees are delivering on what they are appointed to and for identifying areas of development for improved performance As a result of this, employees repeatedly indicated the lack of rewards and bonuses as one of the problems with the implementation of the system. Further comments on this are recorded below.

It is good if only the bonus could count to your overall package and not a once-off bonus.

Currently no good as it has no effect on the staff annual increases.

Currently, with or without the PMS system, promotion of staff within a specific job category/level does not take place; only yearly salary increases to compensate for inflation were witnessed.

4.10   SYNTHESIS OF THE FINDINGS

The increased focus on performance at all levels in an organisation arises from the requirement to create competitive advantage and improve productivity. An essential component in creating such competitive advantage is human capital, the value-creating skills, competencies, talents and abilities of an organisation's workforce (Elias & Scarborough, 2004). Performance management is argued to play a key role in developing such human capital, if it is properly planned and implemented (Elias & Scarborough, 2004).

4.10.1   Performance Planning and Employee Involvement

The findings of this study reveal diverse understandings and experiences among the participants at various stages of the performance management process. The first issue is employees' experience with the different components of the performance management planning process. According to the quantitative analysis, the majority of respondents seem to agree on the fact that their development needs have been considered and that their behavioural standards relate to their specific jobs during the planning process. However, according to the respondents, none of the identified development needs have been implemented at the end of the performance cycle. The literature suggests that the level of competence needed to achieve objectives satisfactorily is an important consideration and hence the integration of a competency framework in a performance management system supports the identification of development needs and required resources (Atkinson & Shaw, 2006).

Both quantitative and qualitative analyses show that there is lack of sufficient employee involvement in the planning process which has resulted in a lack of understanding of the purpose of the performance management system and the intended use of its outcomes. Insufficient proper engagement with the employees might have resulted in expectations that were not met by the senior management of the university. Furthermore, the issue of the objectivity of the assessment or measurement of the outcomes has been raised by the participants. For instance, one of the participants stated:

> We need a better system than what we currently have. The system that will be fair and less prone to human manipulation. Line managers dictate the outcomes of your PMS, less favoured subordinates are assessed differently to more favoured subordinates and that undermines the fairness of the system.

Stating specific objectives of exactly what each person in each job should achieve or what his or her performance outcomes are may lead to more accurate assessments and help avoid subjectivity. However, defining objectives is not sufficient in itself. There has to be some agreement and understanding of how performance is to be measured. In practice, this may not be easy as there has been considerable debate on the extent to which performance goals are either hard and objective, which are quantifiable and capable of being directly measured or soft and subjective, which are focused on things such as behaviours or traits (Atkinson & Shaw, 2006). Many organisations use a mix of both hard and soft performance goals (Atkinson & Shaw, 2006). All of these aspects need to be debated during the performance planning process with the active involvement of employees.

4.10.2 Performance Management and Reward

The implications of the relationship between performance management and rewards are very complex. According to Boswell and Boudreau (2000, cited in Chubb et al., 2011) a performance management system has two distinct purposes and these are:

- **Evaluative (judgmental) purpose**: this function includes use of performance management for decision making, such as: salary administration, promotion decisions, retention/termination decisions, recognition of individual performance, and identification of poor performance. To conduct this evaluative function, the manager or appraiser takes the role of the 'judge'. Evaluative functions focus primarily on differentiating between people.
- **Developmental purpose**: this function includes the identification of individual training needs, providing performance feedback, determining transfers and attachments and the identification of individual strengths and weaknesses. For this developmental function, the manager or appraiser takes the role of a coach or mentor. Developmental functions focus primarily on personal analysis.

The performance management system at CUT seems to consist of both functions mentioned above. However, it appears that neither of the functions have come to fruition as far as implementation and outcomes are concerned as the views of the respondents reflect in both the quantitative and qualitative evidence.

In the case of an evaluative purpose, recognition of individual performance can be achieved in what is known as total rewards which consists of financial (extrinsic) rewards which usually relate to merit or contingent pay and non-financial (intrinsic) rewards which include recognition, development, access to other assignments, career guidance and the quality of working life (Armstrong, 2002, cited in Atkinson & Shaw, 2006). Many of the latter can be delivered through developmental forms of performance management. However, debate continues as to the feasibility of performance management systems that can achieve both goals (Armstrong, 2002, cited in Atkinson & Shaw, 2006). Williams (2002) suggests that, in focusing on extrinsic reward, there is a danger that the intrinsic may be diminished. As a result of tension

which may arise between these two aims, Armstrong and Baron (2005) suggest that performance management systems should be entirely focused on the developmental role and that the allocation of merit pay or remuneration increases should be made through other mechanisms. In this study, some respondents have also expressed similar sentiments. One individual said, "It should also not be linked to monetary incentives. It should only be used for professional development."

4.11 CONCLUSION

The quantitative analysis of the responses seem to indicate that a significant number of participants agree or strongly agree with most of the category statements. However, a high number of respondents indicated their disagreement (at different levels) or their neutrality, which point to the fact that there is much to be done to improve the effectiveness of the performance management system. The majority of respondents (68%) were either in disagreement or unsure of the implementation stage of performance management.

The qualitative analysis unveiled interesting points in all aspects of the performance management system, ranging from a lack of involvement in the development of the system and target setting to the implementation of the system and expectations on the performance outcomes. The lack of training and support was found to be one of the key areas which resulted in a lack of trust in the system and created a perception of unfairness in the whole system.

The findings from this study are consistent with the general proposition that effective performance management systems should be supported by practices and organisational contexts with certain characteristics. Indeed, as reported in this study, the institution needs to provide more performance management training, engage employees and emphasise employee recognition if the performance management system is to be effective and deliver valuable and desirable outcomes. Recommendations on the improvement of the effectiveness of the system as a whole are provided in the next chapter.

CHAPTER 5:   CONCLUSION AND RECOMMENDATIONS

5.1   INTRODUCTION

Performance management is a concept in the field of human resource management defined as a "continuous process of identifying, measuring and developing the performance of individuals and aligning performance with the strategic goals of the organization". The performance management system known as IPerms was implemented at CUT about four years ago, starting first with senior managers and cascading down to all employees at all levels within the two portfolios of the university, namely, academic and support staff.

This study was conducted to evaluate the effectiveness of the performance management system. The research questions were formulated around the generally accepted performance management stages, as proposed by Pulakos (2004). These stages were used as a framework of analysis in trying to understand and evaluate the effectiveness of performance management at CUT. These stages are: performance planning, on-going feedback, employee input, performance evaluation and performance review. A structured questionnaire was distributed to selected academic and support staff together with open-ended questions. The questionnaire was designed to capture both quantitative and qualitative data. The quantitative data was analysed using bar graphs and statistics while the qualitative data was analysed using the text as proxy for experience technique including systematic elicitation and free-flowing text (Ryan & Bernard, 2000). Both quantitative and qualitative methods were used effectively to highlight the experiences and perceptions of the employees with regard to the effectiveness of the performance management system in general and the different stages of the system in particular.

5.2   ADDRESSING THE PROBLEM STATEMENT

In the next sections, the quantitative and qualitative results are revisited which relate to the research questions in order to address the problem statement and formulate conclusions.

5.2.1   How was the planning of performance management conducted?

Performance planning refers to setting of performance expectations and goals for individuals and groups to channel their efforts toward achieving organisational objectives. Getting employees involved in the planning process will help them understand the goals of the organisation, what needs to be done, why it needs to be done, and how well it should be done (USOPM, 2011).

The quantitative data analysis revealed various responses around the effectiveness of performance management system in general and the planning process in particular. A quantitative assessment of the employees' experience with the different aspects of the planning process was conducted. The percentage of respondents who agreed to the statements are as follows: consideration of employee development needs in the goal setting process (65%); understanding of how behavioural standards relate to specific jobs (60%); linkages of behavioural competence and expectations of results with the university's strategic directions and goals (57%); and engagement of the manager and employee on performance expectations (60%). The quantitative results showed that the majority of respondents do seem to agree with the goal-setting requirement in the planning process. However, a significant number (40%) of respondents either disagreed or are unsure about the process. Given the diversity of the respondents in terms of their rank, it appears that a uniform planning approach is not being used.

The qualitative data obtained through the open-ended questions show a variety of responses on how the planning process is conducted and its effectiveness. There is a perception of a lack of sufficient participation by the employees in the setting of targets

and respondents claim that it simply cascaded down from top management to lower-level employees. The minimum targets and weights of the different measures are decided by management and employees simply have to agree with them.

The most important problem commonly cited is the lack of training and support on the performance management system starting from the initiation to the implementation of the system. Furthermore, there is no clear strategy on the implementation and use of the outcomes of the performance management system which has created various interpretations and expectations among employees.

5.2.2 What steps were followed for on-going feedback and employee input?

One of the important aspects of performance management system is on-going feedback and continuous engagement between the manager and employees in order to track progress vis-à-vis the set targets and identify areas for improvement. The following are statements designed to understand the effectiveness of on-going feedback and employee input and the corresponding percentage respondents' agreement to the statements: managers' feedback and method of delivery (22%); on-going performance conversation between managers and employees (41%); feedback as a joint responsibility of both the employee and line manager (60%); provision of feedback by managers for exceptional or ineffective performance (44%); preparation of evidence on key results by the employees at the end of performance cycle (60%); and the use of self-rating as an effective tool for self-assessment (55%).

About 40% of the respondents are of the view that there has not been proper feedback and employee input in the processes of the performance management system. This is a cause for concern because multisource feedback, such as the 360 degree or multisource performance management system, provides those involved in the performance management process with multiple sources of feedback that offer different perspectives (Haines & St-Onge, 2012).

5.2.3 How effective was the evaluation and review of the performance management process?

Performance evaluation and review are the most sensitive stages of performance management with the potential to affect the overall system either positively or negatively, depending on how well it is conducted. The proportion of participants who agree with statements for this stage ranges between 35% and 63%. In all categories, a higher proportion of participants seem to agree with the statements. However, those participants who remain neutral range from 24% to 27% and those who disagree and strongly disagree range from 5% to 31%. The highest percentage of disagreement was for on-going feedback. It must be pointed out that there is only one mid-term evaluation (during the month of June) which was an assessment of achievements and identified areas needing improvement going forward towards the end of the year.

5.2.4 How effective was the overall implementation of the performance management system?

The introduction of any new system in an organisation may bring about the desired outcome only if it is implemented correctly and if all employees are on board. In trying to understand the implementation of performance systems in relation to the recommended practices, the following statements were posed to the respondents regarding their awareness of continuous evaluation and improvement of the performance management system by HR; training on the system for managers and employees; whether the same competencies used in the performance management system are used by HR for recruitment, staffing and training; and whether the performance management system is user friendly.

The results show a very different picture compared to those on the different stages of performance management discussed above. For instance, regarding the awareness of continuous improvement based on the performance management system by the HR division, only 29% agree as opposed to 71% who disagree or are not sure (neutral). Moreover, according to the author's knowledge, there has not been any

improvement to the system since its inception. With regard to the availability of training on the system for both employees and managers, the majority of the respondents either disagree or are unsure, which confirms the lack of proper training on the implementation of the performance management system. Another important aspect of this stage in the performance management system is whether or not similar criteria are used in the recruitment, staffing and training by HR. About 81% of the participants indicated that they disagree or are not sure (neutral) about the use of such criteria.

Responses studied in the qualitative analysis reveal that a clear strategy on the implementation and use of the outcomes of the performance management is lacking and this might have created inaccurate interpretations and expectations among the employees. Some argue that if excellent performance does not bring about an increase in salary or a reward in the form of a bonus, performance management remains a futile exercise. Others argue that the performance management system should not be linked to monetary incentive but only to staff development.

5.3   ADDRESSING THE PRIMARY RESEARCH OBJECTIVE

The main aim of this study is to investigate the effectiveness of the CUT performance management system. In order to achieve this primary objective, several research questions were formulated and a questionnaire designed accordingly. The performance management system was divided into five stages based on standard practices and each of these stages was tested and closely examined using structured and open-ended questions.

The findings on the different stages of the performance management system, as highlighted in the previous section show that not all the requirements for the various stages are being met, as measured by the corresponding statements. Although a higher percentage of respondents agree with the statements, a significant number disagree or are unsure. Investigation into the overall implantation of the system has also revealed indications of a lack of insight into the implementation process in general and a lack of training and support in particular. The qualitative data was very useful in trying to understand the views of the respondents especially regarding their lack of

participation and engagement in the whole process. The integration of the findings (see Section 4.10) shows that the effectiveness of the system in bringing about the desired outcomes is very much in doubt. Hence, it can be concluded that the performance management system at CUT is mostly ineffective in its current form and stage of implementation.

5.4   RECOMMENDATIONS

The findings of this study highlight several issues at various stages of the performance management system. The experiences and perceptions of employees at the different stages of a performance management system point to the existence of problems that are thought to impact on the effectiveness of the system. In the following sections an attempt is made to identify recommendations which, if implemented properly, can contribute to increased effectiveness of the performance management system. These recommendations follow the various stages of a performance management system starting from performance planning through to the implementation of the system.

5.4.1 Performance Planning

The quantitative study revealed that about 60% of the respondents do agree with the positive statements on the planning process. Some of these respondents could be heads of departments or programmes who might have had more privileged access to the planning process than other staff members. However, a significant number (about 40%) disagree or are unsure about it. This shows that there has not been serious engagement with all employees at all levels. The introduction of performance management system in any organisation requires a concerted effort from senior management to inform employees of the main purpose of the system in order to clear doubts, establish trust and involve all employees. The following are points of recommendation towards a better planning process.

Series of workshops and training for all staff at all levels on the main purpose of the performance management system. Performance management is associated with creation of a shared vision and aims of the organisation. In so doing, it helps each individual employee to understand and recognise their part in contributing to them and, in so doing, manage and enhance employee performance (Fletcher & Williams, 1996:).

Ensure active participation of staff in target setting for the performance management system at all department levels depending on job profiles, strengths of employees and resource availability. Performance planning means setting performance expectations and goals for groups and individuals to channel their efforts toward achieving organisational objectives. In this regard, employees need to play an active role in defining and redefining their job. Getting employees involved in the planning process will help them understand the goals of the organisation, what needs to be done, why it needs to be done and how well it should be done (USOPM, 2011).

5.4.2 On-going Feedback and Coaching

Performance in the areas of behavioural and result expectations should be discussed and feedback provided on an on-going basis throughout the rating period. In addition to providing feedback whenever exceptional or ineffective performance is observed, periodic feedback about day-to-day accomplishments and contributions is also highly valuable (Pulakos, 2004). In this study, about 40% of the respondents indicated that they do not receive feedback from their managers, regardless of their performance. This requires training for both managers and employees about their roles and responsibilities in the performance feedback process (Pulakos, 2004).

Training for managers and employees on their roles and responsibilities in the performance feedback process. The benefit of providing on-going feedback and coaching is that, during the year, managers or supervisors are responsible for coaching and mentoring employees in order to assist them in reaching their goals and achieving optimal performance. On-going feedback and coaching are used to

communicate about and correct performance deficiencies, reinforce appropriate behaviour, develop employees with new skills, motivate high performance and mentor employees so they understand their role in the organisation (UNH, n.d.). Multisource feedback, such as a 360 degree performance management system, provides those involved in the performance management process with multiple sources of feedback offering different perspectives (Haines & St-Onge, 2012).

5.4.3 Performance Reviews and Rewards

During the process of performance evaluation, managers discuss with employees their ratings, narratives and rationale for the evaluation given. A critical issue faced by organisations is how to measure and evaluate these results. Some results can be evaluated by tracking various objective indicators of performance but the problem with such measures is that the results can be affected by differences in opportunities that are available to different employees (Pulakos, 2014). About 40% of the participants in this study disagree or are unsure on the elements of the evaluation process.

Possible reasons for the ineffectiveness of a performance management system and its failure in organisations are reported to be a lack of focus and emphasis and its attempt to achieve too many objectives at the same time. In other words, the purposes of a given performance management system should be determined by considering the business needs, organisational culture and the system's integration with other human resource management systems (Pulakos, 2004). Furthermore, Pulakos (2004) argues that while performance management for the purpose of decision making and employee development are certainly related, a single performance management system rarely supports these two objectives.

Focus on the use of the performance management system as a developmental tool. Higher education institutions as places of learning and professional development should focus more on the use of performance management systems to guide training, job experiences, mentoring and other developmental activities that employees will engage in to develop their capabilities.

5.5   ACTION PLAN

The following action plan is proposed in order to improve the effectiveness of the performance management system at CUT.

Table 5.1: CUT Performance Management System Action Plan

Action	Responsible Department	Target date	Measurement
1. <u>**Training and Support**</u> Series of workshops and training for all staff at all levels on the main purpose of the performance management system	Human Resources Division	Jan-Feb 2016	Staff members are well informed about the main purpose of the performance management system
2. <u>**Participation of staff in the target setting**</u> Ensure active participation of staff in target setting for the performance management system at department levels, depending on job profiles, strengths of employees and resource availability	Faculties and Departments	Jan-Feb 2016	Targets set with active participation of staff members
3. <u>**Training for managers and employees**</u> Training of both managers and employees about their roles and responsibilities in the performance feedback process	Academic and Support Division	Mar 2016	Managers and employees know their responsibilities with regard to the performance management system

4. **Use of performance management system** Focus on the use of the performance management system as a developmental tool	Academic and Human Resources Division	Dec 2016	Performance management system outcomes used for designing appropriate staff development initiatives

5.6   LIMITATIONS OF THE RESEARCH

This study provides a general overview of the perceptions and practices of the performance management system with particular emphasis on its effectiveness, based on the responses from employees. The limitation of the research lies in its lack of detailed analysis of the different categories and ranks of the employees which will allow the researcher to see if there are any significant differences in their understanding, practices and perceptions on the performance management system at CUT. Moreover, the use of the performance management system in its proper form was discontinued in 2015, although there was an "irregular" run of the system at the end of the year for which the planning was done in October (originally intended to take place in January) and the final evaluation is to be November. The absence of system implementation during the time this study was conducted might have had an influence on the response of the study participants.

5.7   FUTURE RESEARCH

Research in the area of performance management systems could be diverse but, for this particular case, the following topics could be considered in future:

- Investigating the effectiveness of performance managements for different categories of employees.
- Impact of employee rank on perceptions about the effectiveness of a performance management system.

- Testing differential performance management systems for different departments and/or categories of employees.

5.8   SUMMARY AND CONCLUSION

The findings from this study reveal that effective performance management systems should be supported by practices and organisational contexts with certain characteristics. Indeed, as reported in this study, the main problems are a lack of institutional provision for training and support on performance management, a lack of employee engagement in target setting and absence of emphasis on employee recognition in order for the performance management system to be effective and to deliver more valuable and desirable outcomes.

One of the important factors that may be considered as an impediment to achieving an effective performance management system is the lack of trust between the two parties (employer and employee) on the implementation of the system. It is implied that when there is no trust there is a perception of unfairness. This perception might have led to the views expressed by most participants, which point to the fact that the majority of employees have little insight into the purpose of the performance management system, why it is important to the university and the employees and the implications for excellent performance or a lack thereof.

However, it needs to be recognised that, as a holistic system, the notion of performance management has been introduced in the higher education sector only recently (Franco-Santos et al., 2014). Performance management systems in higher education institutions may relate to various activities such as teaching, research, knowledge transfer, student learning experience, community engagement, etc. but the emphasis will depend on the institution's strategy and goals. It is argued that higher education institutions can manage performance in two ways: either by using mechanisms that focus on the control of who does the work or by using mechanisms that focus on how well the work is done. It was further suggested that a combination of both approaches would be more appropriate with tight or loose emphasis on either of them, depending on the circumstances. In the case of higher education institutions,

loose control on outcomes and tight control on the selection of staff and students with the appropriate knowledge, abilities and motivation seems more appropriate (Franco-Santos et al., 2014).

The above arguments point to the fact that higher education institutions are unique and present unique challenges for academic management. Training on performance management is required at levels of management including the human resources division, especially on alignment with the organisational strategy, its main purpose and on how the outcomes of this exercise are used.

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