

## **CHAPTER 1: INTRODUCTION TO THE STUDY**

### **1.1. Introduction**

Performance Management is a tool for integration of organizational level and individual level and in terms of organisational level. It also links individual and team performance to strategic goals through an appropriate organisation and management framework. In individual level, performance management links all the people and management process to the strategic goals coherently in a process that starts with human resource planning, knowing what the purpose of a job is and what competencies are required to do it (De Waal & Fourman, 2000). Performance Management is an essential tool for the Top Management of an organization in implementing strategies.

Performance Management and Development System (PMDS) is a broad term to describe the way an individual's work performance, career and development needs are managed. Performance management and development system may be regarded as a process for establishing a shared understanding about what is to be achieved, how it is to be achieved, and an approach to managing and developing people, which increases the probability of achieving success. The goal of performance management and development system is to contribute to continuous improvement in performance across the public service by aligning individual and team performance with the goals of the organisation, through greater clarity in setting objectives and related performance targets for individuals and teams, and by monitoring progress in their achievement. This system also provides a context in which the development needs of jobholders can be addressed. It allows organisations to manage their resources within a strategic framework and to achieve more effective performance.

### **1.2. Rationale on the introduction of PMDS**

The former Minister for Public Service and Administration, Honourable Fraser-Moleketi introduced a system of performance agreements in 1998 for Senior Managers in the public service, including Heads of Department (HOD). Performance Agreements are a systematic process through which institutions

involve their employees as individuals or as members of a group in improving organisational effectiveness and in the accomplishment of institutional missions and goals (DPSA). The PMDS provides for constant feedback on performance between supervisor and their staff and is intended to control and monitor employee performance. It ensures alignment with strategic plans and uses the agreements and workplan as the tools/instruments. For this purpose performance management has become a crucial building block in the management of government as it faces increasing demands in a world that is rapidly changing. However the non-compliance with regards to the signing of Performance Agreements may require disciplinary intervention as lack of accountability can seriously affect service delivery. (Andree de Waal; 2000)

In terms of the Constitution of the Republic of South Africa, Act 1996, the Public Service Commission (PSC) must propose measures to ensure effective and efficient performance in the public service, which includes National and Provincial departments (Section 196). The need to improve service delivery was underpinned by the government's acceptance of the challenge to improve service delivery. As stated in the White Paper on Transforming Service Delivery (1997) a transformed public service will be judged by one criterion above all, namely its effectiveness in delivering services that meets the needs of the citizens of South Africa.

In October 2000 the Simeka Consortium was appointed through the Integrated Provincial Support Programme (IPSP) to design and implement a performance management system for the Eastern Cape Provincial Government (ECPG).

Managing performance is a key element in the delivery of services by the public sector and if it is not implemented correctly it will result in poor service delivery. It is Top Management's responsibility or task to steer and coach the organisation to maintain alignment and to deliver strategy (Andre de Waal, 2000).

Effective performance management requires a framework that integrates organisational, business and individual planning and performance. It can

involve: clarifying performance objectives (this could include tasks, outcomes behaviours and values based systems or a combination of these) and linking these with organisational business plans. PM also involves periodic performance appraisal of individuals or teams against the achievement of these objectives; feedback from this appraisal; recognition or reward for performance, including performance pay and salary progression guided by performance. Effective PM team and individual development to build capabilities; counselling, or other actions to deal with poor performance. PM establish a link between the development of capabilities with organisational and business planning (i.e. not only cascading down from corporate and business planning outcomes but also having a system that feeds back up); and evaluating the contribution of individual, team and organisational performance.

### **1.3. Challenges faced in non- implementation and poor management of PMDS**

- Key Performance Areas (KPA) and related activities are not clearly Defined / identified according to the Operational Plan and Strategic Plan of the Department
- Lack of ownership and accountability to managers to drive PMDS in all line functions within the department causes a problem at the end of the year where one may find out that the employees are not properly evaluated for incentives.
- Managers use PMDS as a tool for punishment rather than for development.
- The existing perception of performance management system by most managers makes it ineffective and at the same time, employees end up not realizing their individual contribution to the organisation's objectives.
- There is more favouritism on appraisal
- Employees take/perceive performance management system as Monetary gain

#### **1.4. Statement of the problem**

The purpose of the study is to come up with interventions to critically evaluate the management and implementation of the performance management development system (PMDS) in the Eastern Cape Department of Local Government and Traditional Affairs. Performance Management and Development System (PMDS) is not managed properly by both Supervisors and employees and this hinders the achievement of goals of the department as the tool is perceived as a money making scheme in the form of performance bonus. Performance bonuses are not viewed as one of the incentives for good performance.

Most managers confuse performance management which entails systems, processes and tools used to manage performance with management of performance which is actually the competence of managers. Most of the times when managers fail to undertake their responsibility, they often blame the system.

##### **1.4.1. Difference between management of performance and performance management concept on PMDS**

- **Management of Performance** involves Capacity, Commitment, Resources, Work ethics, Motivation, Culture, Competence, Leadership and Attitude.
- **Performance Management** involves Policies, Systems, Processes, Practices, Results, Appraisal, Measurement, Bonuses and Grievances (DPSA; 37)

##### **1.4.2. Main objectives and principles of the performance management system**

According to the Provincial PMDS Manual; 2007, the performance management system aims to:

- Clarify and align broader organisational, departmental, team and individual efforts and expectations, thereby ensuring that energies are directed at achieving provincial strategic goals;
- Be developmental and not punitive in nature;
- Allow for joint responsibility and accountability based on mutual trust and respect;
- Provide a clear and detailed framework for:
  - Concluding performance agreements;
  - Determining measures of good performance;
  - Creating a balance between organisational needs and employee rights.
- Identify the potential, strengths and weaknesses of individuals and align these to provincial priorities;
- Ensure that the assessment process is fair and transparent and promotes equity and accountability in managing performance and implementing remuneration, affirmative action, employment equity and promotion policies;
- Develop a results and quality-orientated culture that ensures the provincial administration operates efficiently and effectively;
- Facilitate and build open communication in order to agree on the prioritisation and importance of job related activities;
- Recognise and reward excellent performance and address non-performance.

#### **1.4.3. Objectives of the study**

The primary objective of the study was to improve the management and implementation of PMDS. The following objectives were pursued:

- To verify whether the performance management and develop system is the right tool to be utilized by management and staff to achieve the goals / objectives of the department.
- To examine whether existing guidelines, procedures and policies support initiatives for departmental performance and service delivery.

- The above objectives, depict the challenges faced by the department in the implementation and management of PMDS and the status quo of the department in improving service delivery.

#### **1.4.4. Research Questions**

The research questions specify what intrigues and focuses the researcher will study (Maree 2011, 3). The study prepares several questions that will serve as the engine of the study and therefore, guide the entire study to the highest potential answer/s to the main problem.

- What do staff members from the Department of Local Government & Traditional Affairs expect from the PMDS system?
- Is the non-implementation and poor management of PMDS caused by lack of knowledge of the system or is the problem of incapacity on Managers?
- What causes poor service delivery in the Department of Local Government and Traditional Affairs?

#### **1.4.5. Significance of the study**

To transform the public service and improve service delivery, the performance management and development system may assist the department to assess what is to be achieved not only what it has done through the activities and outputs and also whether these outputs have achieved the outcomes and impact it intended by improving the lives of the citizens.

It will also help the department to learn effectively from its experience so that it can continuously improve its contribution to the effective management and implementation of policy and strategy.

#### **1.4.6. The mandate for performance agreements**

According to the DPSA guidelines (Leaders at Change), the mandate to implement performance agreements comes from Resolution 13 of 1998 of the Public Service Co-ordinating Bargaining Council. Measures that have been

included in the Public Service Laws Amendment Acts of 1997 and 1998 and the Regulations will further supplement the resolution. Collectively they will form the regulatory framework in terms of which performance agreements must be implemented and managed.

#### **1.4.7. What is performance management?**

Performance management is a process of harnessing all available resources (human and material) within an organisation and ensuring that these perform to the maximum, in order to achieve the desired results. Performance management involves building processes, systems, culture and relationships that facilitate the achievement of organisational objectives. (Simeka Management Consulting, 2002)

According to Bacal (1998) Performance Management is the comprehensive guidebook on how to establish a communication system to get top performance and value from each employee. It shows how to conduct goals-focused performance planning meetings and performance appraisals and foster a true commitment to success within each employee.

#### **1.4.8. Challenges of performance management and development systems**

Most managers do not commit themselves fully to the performance management exercise. They do not incorporate these systems into an ongoing performance management process. Performance contract, in fact the whole performance management itself is just another farce on the part of organizational management to force management to face the unruly and troublesome employees who are too lazy to work and who always come up with excuses and delaying tactics to avoid work. To be realistic about the whole issue, employees may sometimes try their luck, in most cases just to test whether the manager is really conversant with aspects pertaining to human resources and the policies of the department apart from their day-to-day work.

Employees only attend to performance appraisal issues when these are required by their managers at the end of each quarter.

Managers do not always have a way of recording the success of performances after the development of an employee has taken place. In fact, sending employees on development courses is done simply because the requirement is in the performance contract. This contract should in fact be a flexible document, and agreed upon by both parties. Employees should therefore be sent on development courses on a need basis. This eliminates the unnecessary expenditure of training employees in skills that are not relevant to their work.

Subordinates on the other hand sometimes tend to regard it as the responsibility of management to pursue what has been agreed upon in the performance contract. This contract is between two people (the manager and the employee) and both should honour the contract; not just the manager. Performance management systems do not make provision for follow-ups on performance evaluations by senior management. Follow-ups are done only when there is a dispute between the appraiser and the employee. This is problematic, think of a very good, very productive, and very efficient employee who is rated down because he/she is not the manager's favourite. Think also of a manager who rates an irresponsible and unproductive employee very highly because the former is not bold enough to stand up to the unruly and arrogant behaviour of the employee.

Performance appraisals should be linked to the overall management philosophy and culture of the organisation. Because of fast changing organisational behaviour, performance contracts should be designed to accommodate these changes.

### **1.5. Research methodology**

In this part, the content includes the following topics: data collection, research design, target population and sample. The applied method used in the study is the quantitative and qualitative method which will be used to collect data.

Quantitative data will be collected by means of a survey design, from a sample implementing a standardised research instrument in the form of a questionnaire. Thereafter qualitative data will be selected by means of instrumental case studies. The reason to use the combine method is to acquire multiple measures of the sample phenomena by applying different research measures (De Vos 2002). The secondary source of information on research study is based on the annual reports of the department and Auditor General's report.

Through this method, the researcher has the opportunity to complete some important details within the organization and identify the essential factors that will be needed in the study. The reports will allow the study to pick the essential performance management wherein the organization can assess as their key benefits. De Vos (2000) is of the opinion that the researcher gains the advantages of both methods by mixing qualitative and quantitative approaches. Cresswell (2003) points out that this model is well known to the majority of researchers and that it might lead to confirm and validate findings which are regarded as another advantage of the mixed method approach.

**1.5.1. Research design:** The focus of the study is the Department of Local Government and Traditional Affairs. The survey method will allow the researcher to establish employee's views of what they think, believe, feel or value in order to discover views for their own sake and /or to support an argument that the researcher is presenting. Cresswell, (2009; 3-4) suggests that qualitative and quantitative research design should not be viewed as opposite poles but rather as different ends in a continuum. Quantitative research can be defined as a means for testing objective theories by examining the relationship among variables which can be measured with the use of instruments and the numbered data analysed with the use of statistical instruments. Quantitative data will be collected through questionnaires. Individual interviews and focus group interviews will be conducted to obtain qualitative data which can be defined as a

means of exploring and understanding the meaning individuals or groups ascribe to a social or human problem.

**1.5.2. Data collection:** A perception survey will be conducted to measure variables using structured questionnaires. The researcher will conduct a telephonic survey, using a questionnaire which implies that the researcher will be physically removed from the respondents. The content of the questionnaire will be communicated verbally. The advantages of implementing a questionnaire in this study are that the telephonic questionnaire should provide the researcher with the opportunity to explain the study, participants will not be required to be literate and due to that, the participation response should be high (Delpont, 2002). The data will be obtained from departmental statistics reports, annual reports and provincial report from Office of the Premier.

**1.5.3. Target population:** The population of this study is from DLGTA. The total number of personnel is 1587. In the qualitative part aiming to verify the implementation and management of PMDS, levels of the target groups will be included. They are as follows:

Level 13 -16 = (78) Senior Management Services (SMS) responsible for planning and formulating strategies

Level 9 – 12 = (296) Middle Management Services (MMS) who implement strategies

Level 3 – 8 = (1213) Operational: It is where programmes and projects are operational and resources are aligned and scheduled to operationalized strategies

**1.5.4. Random sampling:** As the above seniority list, the study will be conducted in a sampling method. Questionnaires will be utilized so as to obtain an indication of the best method and instrument for measuring performance. Employees on Levels 3-5 and 6-8 can discuss the questionnaire together. The technique used will be tested for validity and reliability in order to ensure the relevant and accurate data. Sampling will

imply unbiasedness coupled with every employee and manager having a chance to be selected (Creswell, 2003, 220).

### **1.6. Ethical considerations**

The researcher will ensure confidentiality of the information gathered by showing proof of undertaking of consent or affidavit in respect of honesty to that effect. All participants' information and responses shared during the study will be kept private and the results will be presented in an anonymous manner in order to protect the identities of the participants. Bak (2004:28) concurs that "any research that involves people must show an awareness of ethical considerations as well as agreement to conduct the research in accordance with ethical procedures". Also to ensure that the respondents are not harmed both physically and emotionally during the process of the research project. The respondents will not be forced or threatened to give information. They must provide information on a voluntary basis and are at liberty to withdraw from the process when the circumstances permit so. The researcher will also respect rights to privacy of respondents who participate in the research project and ensure them that the information collected will be handled with a great deal of confidentiality. According to Burns (2000) both the researcher and participants should have a clear understanding regarding the confidentiality of the results and findings of the study. Confidentiality will be maintained throughout the study. A letter to the Superintendent General of the Department of Local Government and Traditional Affairs will be written before conducting research so as to get permission to conduct the research.

### **1.7. Delimitation of study**

Insofar as the application of PMDS also applies in the Municipalities, the study is restricted to DLGTA in the Eastern Cape. Time estimates will be made in advance in preparation of corrections, data collection and information gathering.

## **1.8. CLARIFICATION OF CONCEPTS AND TERMS**

### **Performance management and development system;**

Performance management is a process of harnessing all available resources (human and material) within an organisation and ensuring that these perform to the maximum, in order to achieve the desired results.

### **Performance management**

The larger process of defining what employees should be doing, ongoing communication during the year, linking of individual performance to organization needs, and the evaluating of appraising of performance

### **Performance agreements**

Is the outcome of a process that links individual performance plan to organisational goals and analyse what will be required to achieve performance.

### **Strategic Plan**

Is a documentation of the major milestones, allocation of resources, and assignment of responsibilities and aligning of actions required to achieve

### **Objectives**

Are statements that are correctly and specifically describe a result to be achieved.

### **Strategic objectives**

High-level measurable statements of what is planned to be achieved in a given time period in order to contribute to the realization of the mission and ultimately the vision

### **Strategic goals**

Strategic goals are the outcomes that the province as a whole wishes to achieve

**Workplan agreement**

The workplan agreement is one of the performance plans used to assess individual performance. It is usually used for project-oriented jobs, or where activities have defined start and end points

**Performance planning**

The process of communication between manager and employee that results in mutual understanding of what the employee is to be doing during the next period of time. Often includes setting objectives and standards of performance.

**Targets**

A performance target is the intended level of performance that is to be achieved within a specified period of time.

**Key Performance Areas;**

These are areas of a job that are critically in terms of making an effective contribution of organisational goals.

**Performances review/monitoring;**

Monitoring individual or team performance is crucial to ensure that employees work towards the objectives and key performance areas agreed to during the contracting phase. Performance monitoring is conducted through a series of review discussions which form a continuous process of monitoring and assessing individual and/or team performance.

**Annual performance appraisal;**

It is the process of assessing performance.

## 1.9. Preliminary framework for the research

This resembles a research plan in which the researcher indicates what he/she plans to do and how to go about doing it. This study will then be divided into five chapters as follows:

- **Chapter one:** This chapter offers an introduction as well as rationale of the study. It will also contain the problem statement, research questions, objectives, aims, significance and delimitation of the study, definition of concepts and research techniques.
- **Chapter two:** This chapter will provide a review of the literature pertaining to the causes of the non-implementation and management of performance in the department and the relevant local government legislative frameworks, policies, guidelines and acts will also be discussed.
- **Chapter three:** This chapter outlines the research design and methodology, scope of the study, how the data will be collected, and verified.
- **Chapter four:** This chapter is the field work of the researcher focusing on the analysis, interpretation and utilization of results of the research findings.
- **Chapter five:** This is the final chapter where the researcher will give an overview of the study. The chapter will be containing recommendations as to how to rectify shortcomings and provide the conclusion.

## Conclusion

This chapter introduced the reader to the study, and identified the main and sub-problems. The relevance of the research was identified and the essence of performance management was outlined. Key terms were defined and the importance of tying the performance management system into the strategic objectives of the organisation was introduced. Chapter 2 will deal with the Literature Review.

## CHAPTER 2: LITERATURE REVIEW

### 2.1. UNDERSTANDING PERFORMANCE MANAGEMENT SYSTEM

In this chapter a detailed presentation of literature review on performance management and implementation, theoretical concepts of performance management and motivation, as well as studies conducted regarding performance management will be discussed. The most important focus in this study is to distinguish between what has been done from what needs to be done in terms of implementing and managing PMDS (Price, 2000: 177).

In a globally competitive environment that of today, it is no longer sufficient to have excellent Strategic and Operations plans in place. It is crucial for organisations to have systems that will ensure that these plans are efficiently achieved. Performance Management plays a critical role in the efficient implementation of these plans and strategies.

Three major components on managing and implementing PMDS are:

- Performance appraisal
- Performance review and
- Performance management

**2.1.1. Performance Appraisal:** is a process of systematically evaluating performance and providing feedback on which performance adjustments can be made. Grobler, Warnich, Carrell, Elbert & Hatfield (2000: 260) define Performance Appraisal as “an on-going process of evaluating and managing both the behaviour and outcomes in the workplace. Byers and Rue (1994: 288) define Performance Appraisal as a process that involves determining and communicating to an employee how he or she is performing on the job and, ideally, establishing a plan of improvement”. Properly conducted Performance Appraisals not only indicate the level of employee performance but also influence future level of effort and task direction. Organisations use various terms to describe this process and

some of the terms used include: performance rewards; annual appraisal; performance evaluation; employee evaluation; and merit evaluation. An analysis of the definitions of Performance Appraisal emphasise the following important aspects:

- It is an on-going process;
- It is an evaluation of performance;
- It includes feedback and communication;
- It allows for performance adjustment or plan of improvement.

According to Byers and Rue (1994) performance refers to the degree of accomplishment of the tasks that make up an employee's job. It reflects how well an employee is fulfilling the requirements of a job. Unlike effort, performance is measured in terms of results, end products or outcomes. Performance is thus, the net effect of an employee's effort as modified by abilities and role (or task) perceptions. This implies that in a given situation performance can be viewed as resulting from the interrelationships among effort, abilities, and role perception. Performance appraisal can be defined as a periodic evaluation of the output of an individual measured against certain expectations (Yong, 1996). The most commonly used appraisal system is the informal one where both the employee and manager meet on a regular, day-to-day basis. Maund (2001:572) states that performance appraisal focuses on what has been achieved and what needs to be done to improve it. It is a process intended to facilitate effective communication between managers and employees. Ideally, appraisal discussions provide employees with useful feedback that they can immediately apply to improve their performance. This feedback includes suggestions for change, as well as encouragement to continue with positive behaviours. Managers show employees how improving their overall performance and developing new skills will lead to additional responsibilities, promotions and increased monetary benefits.

**2.1.2. Performance Review:** Douglas Max and Robert Bascal (2011) define performance review as the formal evaluation stage when a review of

performance over a period takes place, covering achievements, progress and problems, as the basis for revised performance agreements and personal development plans. The purpose of performance and development reviews is to enable the immediate supervisor and subordinate to get together so that they can engage in a dialogue about the employee's performance and development and the support provided by the supervisor which is an essential part of PM (Armstrong 2000).

A performance and development review should be regarded as a conversation with a purpose, to reach a firm and agreed conclusion about the employee's development, and if applicable, any areas for improvement and how such improvements will be achieved.

A key element of the PMDS is the review of progress. While it is expected that every supervisor will monitor work and provide assistance on a continuous basis, formal occasions should be arranged for the adjustment of goals, guidance, feedback on progress and remedial action if required. The review provides the opportunity for non-blame related problem solving and early identification and turnover of unacceptable performance (Kaye & Jordan-Evans, 1999)

During the review meeting a supervisor and staff member jointly review the employee's performance and discuss progress, taking into account any changes in circumstances since the beginning of the cycle. These reviews facilitate improving performance during the cycle.

Quarterly reviews may comprise –

- checking the relevance of the agreement/plan in the light of any changed circumstances and adjusting them if necessary;
- reviewing performance against the agreement/plan so far, and agreeing on any adjustments necessary to improve performance;
- discussion of performance to date against the objectives agreed upon; and
- making arrangements for agreed training, coaching or development activities.

- Adjustments to the performance objectives/outputs are added to the existing Performance Plans.

**2.1.3. Performance Management:** is a means of getting better results from the organisation, its teams and individuals, by understanding and managing performance within an agreed framework of planned goals, objectives and standards (GSSE, 2003). According to Bussing (1992) Performance management is “a systematic approach to managing people, goals, measurement, feedback and recognition as a way of motivating employees to achieve their full potential, in line with the organisation’s objectives”. Grobler et al (2000) maintain that performance management is a broader term than performance appraisal, emphasizing the use of all the management tools, including performance appraisal. Tools such as reward systems, job design, leadership and training should be part of a comprehensive approach to managing performance. Performance management plays a vital role in helping the organisation achieve its goals by providing a link between strategic planning and performance appraisal. The White Paper on Human Resource Management in the Public service (1995) highlights the importance of performance management in the Public Sector and states that “the success of the Public Service in delivering its operational and developmental goals depends primarily on the efficiency and effectiveness with which employees carry out their duties”. Managing performance is therefore a key Human Resource Management tool to ensure that:

- Employees know what is expected of them;
- Managers know whether the employee’s performance is delivering the required objectives;
- Poor performance is identified and improved; and
- Good performance is recognised and rewarded.

Figure 2.1 below illustrate the sequence of planning and performance management as a continuous process that reflects normal good management practises of setting direction, monitoring and measuring performance and taking action accordingly. PM starts from the development of the Strategic Plan of the department which is 3-5 years and Operational Plan of the department which is one year and clearly reflects inter-linkages with other directorates which culminate in the individual performance plans.

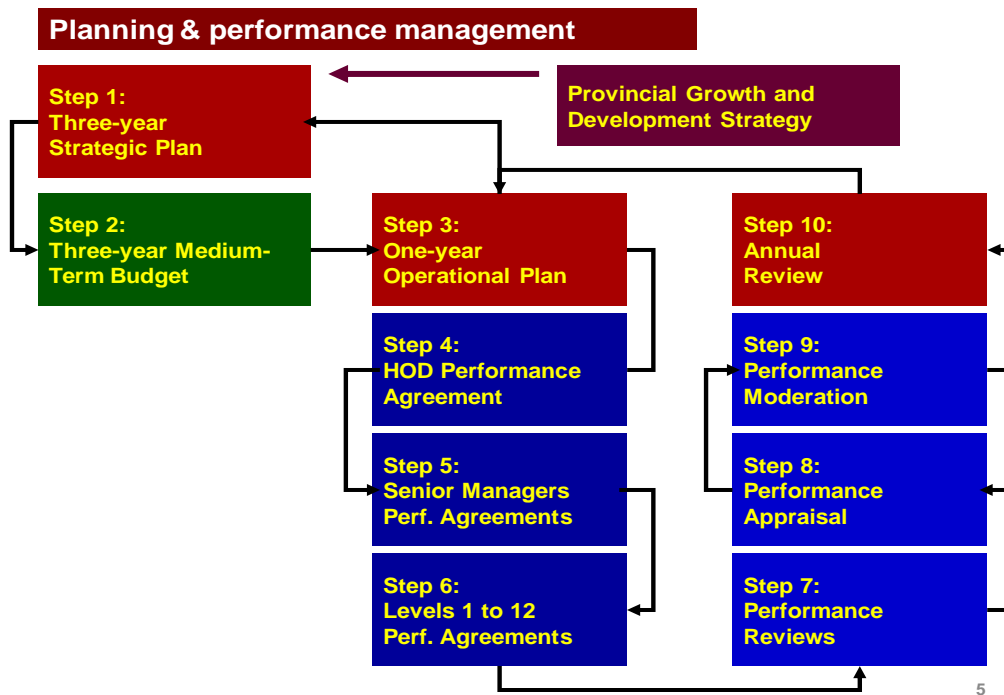
The White Paper further suggests the following principles to be applied in the implementation of a performance management system in the Public sector:

- Results orientation;
- Training and development;
- Rewarding good performance;
- Managing poor performance; and
- Openness, fairness and objectivity.

Performance Management is therefore an integral part of an effective Human Resource Management and Development strategy. It is an on-going process, in which the employee and employer, together, strive constantly to improve the employee's productivity and his /her contribution to the organisation's wider objectives.

The question that arises then, is that if performance appraisal and performance management have such good intentions, why do they bring out such strong feelings of dread when they are to be implemented?

Figure 2.1



## 2.2. The Purpose of Performance Management

Performance Management encompasses all those aspects of human resources management that are designed to improve the efficiency and effectiveness of both the individual and the organization. Brown & Armstrong (1999) consider performance management to be anything that an organization does to improve its total performance. They suggest that it has four primary purposes. Performance Management assists organizations in providing a basis for managing both organization and employee expectations.

This is achieved by enabling individuals and organizations to clarify the nature of the psychological contract (Argyris, 1960; Schein, 1970) between them. It also aims to provide a framework which facilitates the integration of corporate and individual objectives, beginning with the communication and integration of the organization's core values. Performance management and development systems aim to motivate towards established and clearly communicated

expectations, and also, to provide a developmental process for the organization by setting guidelines that assist in establishing future needs and outcomes.

PMDS typically involves “the setting of performance objectives, the measurement of performance against these objectives, the identification of developmental support and a review process to develop performance and subsequent objectives” (Brewster, Carey, Dowling, Grobler, Holland & Wörnich, 2003: 261).

PMDS is a way of providing a measurement of the performance of the organization, the team and the individual through a variety of performance measurement techniques (Price, 2000). As has already been shown, the performance management system depends on performance measurement, but has a wider role in evaluating and developing individuals to encourage improved performance results, and assisting in managing these results.

### **2.3. WHAT IS PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM?**

Davis Goss (1997) defines PMDS as a systematic process by which an organization involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of organizational mission and goals. According to Armstrong and Baron (1998), Performance Management is both a strategic and an integrated approach to delivering successful results in organizations by improving the performance and developing the capabilities of teams and individuals.

The term performance management gained its popularity in the early 1980's when total quality management programs received utmost importance for achievement of superior standards and quality performance. Tools such as job design, leadership development, training and reward system received equal momentum along with the traditional performance appraisal process in the new comprehensive and much wider framework. Performance management is an ongoing communication process which is carried between the supervisors and

the employees throughout the year. The process is very much cyclical and continuous in nature. A performance management system includes the following actions.

- Developing clear job descriptions and employee performance plans which includes the key result areas (KRA) and performance indicators.
- Selection of right set of people by implementing an appropriate selection process.
- Negotiating requirements and performance standards for measuring the outcome and overall productivity against the predefined benchmarks.
- Providing continuous coaching and feedback during the period of delivery of performance.
- Identifying the training and development needs by measuring the outcomes achieved against the set standards and implementing effective development programs for improvement.
- Holding quarterly performance development discussions and evaluating employee performance on the basis of performance plans.
- Designing effective compensation and reward systems for recognizing those employees who excel in their jobs by achieving the set standards in accordance with the performance plans or rather exceed the performance benchmarks.
- Providing promotional/career development support and guidance to the employees.
- Performing exit interviews for understanding the cause of employee discontentment and thereafter exit from an organization.

A performance management process sets the platform for rewarding excellence by aligning individual employee accomplishments with the organization's mission and objectives and making the employee and the organization understand the importance of a specific job in realizing outcomes. By establishing clear performance expectations which include results, actions and behaviours, it helps the employees in understanding what exactly is expected out of their jobs and setting of standards helps in eliminating those jobs which are of no use any longer. Through regular feedback and coaching, it provides an advantage of diagnosing the problems at an early stage and taking corrective actions.

According to Fay, in Spangenberg (1994:14) performance management is “a set of techniques used by a manager to plan, direct and improve the performance of subordinates in line with achieving the overall objectives of the organisation”. Performance management is based on the principle of management by agreement or contract, rather than management by command (Armstrong, 2001:465). It provides a framework for managers to support employees, subordinates and team members. Performance management is a transformational process and not an appraisal process.

According to Lockett (1992), performance management aims at developing individuals with the required commitment and competencies for working towards the shared meaningful objectives within an organizational framework. Performance management frameworks are designed with the objective of improving both individual and organizational performance by identifying performance requirements, providing regular feedback and assisting the employees in their career development. Performance management aims at building a high performance culture for both the individuals and the teams so that they jointly take the responsibility of improving the business processes on a continuous basis and at the same time raise the competence bar by upgrading their own skills within a leadership framework. Its focus is on enabling goal clarity for making people do the right things at the right time.

Schultz et al. (2003:84) postulate that performance management seeks to align individual effort behind the strategy of the organisation, and that if it is properly implemented, performance management can lead to substantial improvement in the performance of individual employees. Furthermore, and for the purposes of this study, most importantly they state that performance management is nothing less than a strategy implementation tool. It is clear that a performance management system is a holistic system which is made up of many individual but interrelated processes, and this includes the process of performance appraisal. When this is integrated into the performance management process, real value is added to the organisation.

Armstrong M (1992) concludes that performance management can be regarded as a proactive system of managing employee performance for driving the individuals and the organizations towards desired performance and results. It is about striking a harmonious alignment between individual and organizational objectives for accomplishment of excellence in performance.

### **2.3.1. Guidelines for developing a work plan**

The following documents are key in the implementation of PMDS, workplan agreement, job description and quarterly review forms and are attached as annexures.

#### **➤ Work plan agreement (Annexure 3)**

A Work Plan is an important tool in the process of managing performance. The drafting of work plans fosters a culture of focusing on outputs and how they are achieved. They also provide the basis for continuous communication between the individual and the supervisor.

#### **The work plan should seek to:**

1. Align work activities to meet the strategic goals of the organization
2. State clearly the outputs expected from an individual employee
3. Promote quality work

#### **The work plan should be:**

1. Developed in consultation between supervisors and, employees with objectives to be achieved agreed and prioritized for the next period.
2. Flexible, that is, it can be adjusted as agreed, to accommodate changes in priorities and resources.
3. In developing the work plan, an updated output focused job description should be used as a reference document, as it provides in detail the main objectives and key outputs of the job.

➤ **Generic assessment factors (GAFs)**

**GAFs** are elements and standards used to describe and assess performance, taking into consideration knowledge, skills and attributes. The supervisor and employee must agree on at least five out of the fifteen GAFs that are deemed to be most important for effective performance in that particular job. (DPSA; EPDMS, 2007). These are,

- Job knowledge
- Technical skills
- Acceptance of responsibility
- Quality of work
- Reliability
- Initiative
- Communication
- Interpersonal relationships
- Flexibility
- Team work
- Planning and execution
- Leadership
- Delegation and empowerment
- Management of financial resources
- Management of human resources

● **Progress review process (Annexure 4)**

A key element of the PMS is the review of progress that happens quarterly. While it is expected that every supervisor will monitor work and provide assistance on a continuous basis, formal occasions should be arranged for the adjustment of goals, guidance, feedback on progress and remedial action if required. The review provides the opportunity for non-blame related problem solving and early identification and turnover of unacceptable performance.

● **When is an employee's progress reviewed?**

The supervisor should discuss each employee's progress with her/him formally and in its full context at least –

- Four times a year. Although these quarterly discussions could be verbal, all conclusions/further actions that are jointly decided upon, should be recorded in writing and the employee afforded the opportunity to respond/appeal to the next higher person in the component;
- At least twice in the six months before the employee's annual formal performance assessment date; and on the annual formal performance appraisal date, in writing.

### 2.3.2. Annual performance appraisal ( Annexure 5)

The annual performance management meetings provide the opportunity for supervisors and employees to discuss/consider –

- how well objectives/outputs have been achieved in relation to measures set;
- how well an employee has demonstrated required capabilities; and
- what ratings, career development, recognition or performance remedial actions are appropriate.

### 2.3.3. Categories of performance and rating scale

- The following five categories of performance are used for the purpose of performance rating, review and the annual assessment of employees.

RATING	CATEGORY	DISCRIPTION	SCORE
5	Outstanding/ Excellent Performance	Performance far exceeds the standard expected of a jobholder at this level. The review/assessment indicates that the jobholder has achieved better than fully effective results against all of the performance criteria and indicators as specified in the PA and Workplan and maintained this in all areas of responsibility throughout the performance cycle.	150% -167%  Cash Bonus of 13%-18%
4	Commendable Performance	Performance is significantly higher than the standard expected in the job. The review/assessment indicates that the jobholder	100% -114%  130% -149% Cash Bonus of 5% to 8%

		has achieved better than fully effective results against more than half of the performance criteria and indicators as specified in the Performance Agreement and Workplan and fully achieved all others throughout the performance cycle.	and 9% to 12%
3	Satisfactory Performance	Performance fully meets the standard expected in all areas of the job. The review / assessment indicates that the jobholder has achieved as a minimum effective results against all of the performance criteria and indicators as specified in the Performance Agreement and Workplan.	100% - 114% Pay Progression only ( 1%)
2	Performance not Satisfactory	Performance meets some of the standards expected for the job. The review/assessment indicates that the jobholder has achieved less than fully effective results against more than half of the performance criteria and indicators as specified in the Performance Agreement and Workplan.	70% - 99%
1	Poor Performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the jobholder has achieved less than fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreement and Workplan.	69% and lower

#### 2.4. Factors affecting implementation

Fullan (1982) is of the opinion that while more research is needed to loosen the complexity of the implementation process, existing evidence consistently emphasise the following factors as especially critical to changing practice namely Planning, Monitoring, Appraisal. Fullan (1982) further maintains that the factors that affect implementation operate in a changing way as a progression over time, and form a network of variables which interact. If any of the three factors are working against implementation, the process will be less effective. The more factors supporting implementation, the more effective it will be.

### **2.4.1. Implementing a change in performance management**

Implementation is the process of putting into practice an idea, or set of activities, which is new to the people attempting to bring about change (Taylor, 1988). Performance management is normally introduced to bring about change or to contribute to service delivery to ensure that government services are accessible to the people. The top team members need to understand their role as change leaders and must be prepared to model the change.

### **2.4.2. The complexity of the change process**

Stacey (1992) in Fullan (1993) explains that one of the reasons why it is difficult to control change is that the change process is uncontrollably complex and in many contexts unknown. Change is complex because a number of aspects are at stake. In the context of Performance Management, change may include use of new policies, new instruments, new processes, and alteration of beliefs, philosophy or conception. All or many of these aspects may be involved in Performance Management change because together they represent the means of achieving a particular goal or set of goals.

## **2.5. KEY ASPECTS IN MANAGING THE IMPLEMENTATION OF CHANGE IN PERFORMANCE MANAGEMENT**

### **2.5.2. Management**

Management is a continuous process through which members of an organisation are co-ordinated and their resources utilised in order to fulfil the various tasks of the organisation as efficiently as possible. It is essentially an activity involving responsibility for getting things done through other people (Bush, 1995). Management is “a process whereby people in leading positions utilise human and other resources as efficiently as possible in order to provide certain services, with the aim of fulfilling particular needs and achieving the stated goals of the organisation” (Marx, 1984 in Kroon, 1990).

Management as a process consists of a continuous cycle of four basic management functions of planning, organising, supervising and communicating

all processes and activities that lead towards attaining a goal or objective (Leithwood, 1982).

### **2.5.3. Planning**

Planning generally involves deciding what to do. This entails establishing a framework for performance. Bacal (1999:27) argues that performance planning is the usual starting point for an employee and manager to begin the performance management process.

Hartle (1995:65) describes performance planning as the process of identifying desired performance and gaining employees' commitment to perform to those expectations. He further emphasises that it is of vital importance because unless individuals know what is expected of them, in the future they will be unable to work effectively to achieve the objectives. Planning in managing Performance Management implementation among other things entails determining the goals to be achieved by the implemented Performance Management, identifying key role players in implementation, determining an implementation strategy, developing a coordinated plan of action, deciding on the time frames and determining the kind of resources and support that will be needed for implementing Performance Management change.

### **2.5.4. Organising**

Organising generally involves deciding how things will be done and this entails establishing order and function. Organising in managing Performance Management implementation entails establishing organisational support and communication structures, estimating costs of implementation, allocating resources appropriately, diagnosing obstacles to the achievement of implementation goals, designing and applying actions to overcome obstacles and determining whether the obstacles have been overcome.

### **2.5.5. Supervising**

Supervising generally involves directing performance and influencing people in such a way that they contribute towards the activities in order to achieve the organisations' goals and objectives. Supervising in managing Performance

Management implementation, among others: requires collecting and using information about the continuing appropriateness of implementation goals and modifying these goals as warranted; collecting and using information about the extent to which implementation goals are being achieved; collecting and using information about the effectiveness of implementation structures and actions and modifying them as warranted; and collecting and using information about the training needs of personnel and providing training as warranted.

#### **2.5.6. Communication**

Communication is the transfer of a message by any means and is concerned with the activities of the organisation between two or more persons and/or to the relationship between the people involved (Marx, 1994: in Kroon, 1990). Communication in managing Performance Management implementation on the other hand, requires using a variety of mechanisms to give and get feedback about the progress towards implementation of goals in relation to the plan of action and time schedule, and about the effectiveness of implementation structures and actions; designing and using procedures to get feedback on the ongoing status of implementation and continuously refining or revising implementation goals, plans and structures as warranted (Leithwood, 1982).

#### **2.6. Performance management practices can have a positive influence on job satisfaction and employee loyalty by:**

- Regularly providing open and transparent job feedbacks to the employees.
- Establishing a clear linkage between performance and compensation
- Providing ample learning and development opportunities by representing the employees in leadership development programmes.
- Evaluating performance and distributing incentives and rewards on a fair and equal basis.
- Establishing clear performance objectives by facilitating open communication and joint dialogue.
- Recognizing and rewarding good performance in an organization.
- Providing maximum opportunities for career growth.

An effectively implemented performance management system can benefit the organization, managers and employees in several ways as depicted below:

<b>Organization's Benefits</b>	Improved organizational performance, employee retention and loyalty, improved productivity, overcoming the barriers to communication, clear accountabilities, and cost advantages.
<b>Manager's Benefits</b>	Saves time and reduces conflicts, ensures efficiency and consistency in performance.
<b>Employee's Benefits</b>	Clarifies expectations of the employees, self assessment opportunities clarifies the job accountabilities and contributes to improved performance, clearly defines career paths and promotes job satisfaction.

Clearly defined goals, regular assessments of individual performance and the company's wide requirements can be helpful in defining the corporate competencies and the major skill gaps which may in turn serve as a useful input for designing the training and development plans for the employees.

### **2,6,1, Challenges encountered when implementing PMDS**

- Submission of annual assessments is less than submission of agreements , this is caused by :
  - Officials refuse to be assessed.
  - Quarterly reports are not submitted (some officials only have one or two quarterly reports per annum).
  - Officials are in possession of annual assessments but the cycle for assessments is not met.
  - Officials are not assessed by virtue of submitting agreements and annual assessment only.
  - Adherence on the submission of PMDS tools due dates

- Non compliance on the dates signed by both parties shows that they did not discuss the agreement.
- Contradiction of ratings against the comments made by Supervisor.

## **2.7. Legislative Framework**

The basis for a performance management system in the public sector can be established in the Constitution of the Republic of South Africa Act, 1996. The Constitution entitles people to a vital set of services and requires of the bureaucracy to treat people with dignity and respect. In this regard, a reformed public service that places recognition on service delivery and accountability, remains a critical instrument to improve the quality of lives of all South Africans (Labour Bulletin, 2003).

In South Africa the Public Service Law Amendment Act of 1997 introduced Performance Management in South Africa. The Public Service Regulations of 1999 gave Performance Management more flesh (Miller 2005:86-89). It was originally for Directors and above. Senior managers who were not head of departments would enter into a performance management contract with the immediate supervisor, while in the case of the Director-General it would be with the Minister.

The Public Service Regulations, 2001 (Chapter 1, Part viii) serve as the primary guide to the public sector in developing and implementing departmental performance management systems. However, the Regulations contain only minimum guidelines, stipulating that performance management should be implemented in a consultative, supportive and non-discriminatory manner, in order to enhance organisational efficiency and effectiveness, accountability and the achievement of results.

The focus of performance management should be developmental; Performance management in the public service is guided by the Public Service Act, the Public Service Regulations, Resolutions of the Public Service Co-

ordinating Bargaining Council (PSCBC) and the Treasury Regulations, 2001. The National Treasury Regulations propose that the Accounting Officer of an Institution has to establish procedures for quarterly reporting to the Executing Authority to facilitate effective performance monitoring, evaluation and corrective action.

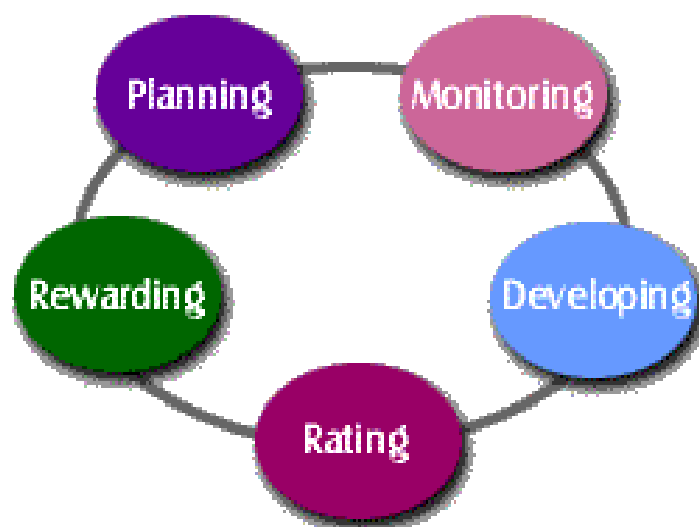
Public Finance Management Act (1 of 1999 (PFMA) is a key element in a set of reforms in the management of State finances. The Act also recognises the importance of sound information for good management practises and enabling the various stakeholders to execute their responsibilities.

## 2.8. PROGRESS IN THE IMPLEMENTATION OF PMDS

Performance management stages are the following;

- **planning** work and setting expectations,
- continually **monitoring** performance,
- **developing** the capacity to perform,
- periodically **rating** performance in a summary fashion, and
- **Rewarding** good performance.

Figure 2.2: Extracted from the US Office of Personnel Management



### **2.8.1. Planning phase**

The first phase is the creation of a personal performance plan. The employee will sit down with his/her manager and define role profile. This sets out the part that the employee play in achieving the goals set in the Business Plan. Together, manager and the employee set concrete objectives, detail the deliverables (i.e. what precisely you are going to achieve) and then identify the competencies needed to do the job successfully.

Agreeing training, coaching or self-development opportunities is just as important as the setting of objectives. This means the employee can deal with any gaps that exist between the current level of competencies and what he/she needs to do the job successfully. This approach benefits both employee and manager - to improve skills and capabilities and the manager has someone who is growing, learning and adding more and more value in the achievement of the objectives laid out in the Business Plan. The combination of role profile, objectives, competencies and development needs makes up the personal performance plan (workplan agreement) for the individual jobholder.

In an effective organization, work is planned out in advance. Planning is the setting of performance expectations and goals for groups and individuals to channel their efforts towards achieving organizational 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.

The regulatory requirements for planning employees' performance include establishing the elements and standards of their performance appraisal plans. Performance elements and standards should be measurable, understandable, verifiable, equitable, and achievable. Through critical elements, employees are held accountable as individuals for work assignments or responsibilities. Employee performance plans should be flexible so that they can be adjusted for changing program objectives and work requirements. When used effectively, these plans can be beneficial working documents that are discussed often, and not merely paperwork that is filled in a drawer and seen only when ratings of record are required.

### **2.8.2. Monitoring phase**

The second phase involves assessing progress against the performance plan with the manager on an ongoing basis. In practice, this will happen in day-to-day discussions between the manager and the employee in a semiformal way, through a series of interim review meetings, evenly spaced over the cycle. This monitoring of performance means identifying both the areas that are going well and the areas which need improvement as the year progresses. An open and supportive climate which promotes two-way communication is important in this phase. This will allow everyone the opportunity to express their experiences and concerns frankly.

This phase makes sure that the objectives remain realistic and feed into the Business Plan. If a new objective is introduced or an old objective becomes unrealistic due to changing circumstances, the individual performance plan, the objectives and, of course, the training, self-development or coaching plans may have to be adjusted at this stage, either at an individual or team level.

In an effective organization, assignments and projects are monitored continually. Monitoring well means consistently measuring performance and providing ongoing feedback to employees and work groups on their progress toward reaching their goals.

Regulatory requirements for monitoring performance include conducting progress reviews with employees where their performance is compared against their elements and standards. Ongoing monitoring provides the opportunity to check how well employees are meeting predetermined standards and to make changes to unrealistic or problematic standards. By monitoring continually, unacceptable performance can be identified at any time during the appraisal period and assistance provided to address such performance rather than wait until the end of the period when summary rating levels are assigned.

### **2.8.3. Developing phase**

In an effective organization, employee developmental needs are evaluated and addressed. Developing in this instance means increasing the capacity to

perform through training, giving assignments that introduce new skills or higher levels of responsibility, improving work processes, or other methods. Providing employees with training and developmental opportunities encourages good performance, strengthens job-related skills and competencies, and helps employees keep up with changes in the workplace, such as the introduction of new technology.

Carrying out the processes of performance management provides an excellent opportunity to identify developmental needs. During planning and monitoring of work, deficiencies in performance become evident and can be addressed. Areas for improving good performance also stand out, and action can be taken to help successful employees improve even further.

#### **2.8.4. Rating phase**

From time to time, organizations find it useful to summarize employee performance. This can be helpful for looking at and comparing performance over time or among various employees. Organizations need to know who their best performers are.

Within the context of formal performance appraisal requirements, rating means evaluating employee or group performance against the elements and standards in an employee's performance plan and assigning a summary rating of record. The rating of record is assigned according to procedures included in the organization's appraisal program. It is based on work performed during an entire appraisal period.

#### **2.8.5. Rewarding phase**

In an effective organization, rewards are used well. Rewarding means recognizing employees, individually and as members of groups, for their performance and acknowledging their contributions to the organization's mission. A basic principle of effective management is that all behavior is controlled by its consequences. Those consequences can and should be both formal and informal and both positive and negative.

Good performance is recognized without waiting for nominations for formal awards to be solicited. Nonetheless, awards regulations provide a broad range of forms that more formal rewards can take, such as cash, time off, and many non-monetary items. The regulations also cover a variety of contributions that can be rewarded, from suggestions to group accomplishments.

**2.8.5.1. Performance-based pay and rewards often fail because of the following:**

- Lack of objective and quantitative measures
- Poor link between pay and performance (no immediate reinforcement)
- The aspects that get rewarded are not linked to strategy – the “wrong” behaviours and achievements are sustained
- Poor communication regarding objectives, benefits and procedures (the “rules of the game”)
- Level of performance-based-pay not proportionate to effort
- Resistance to change
- Union perceptions and involvement

**2.8.5.2. Important requirements for an effective performance-based reward strategy include:**

- Establish a pay-for-performance work culture
- Ensure employee acceptance
- Ensure a clear line of sight
- Set high, but attainable standards of performance
- Standards should be clear, well defined and accepted
- Rewards should be simple and understandable
- Effective administration

**2.8.6. Performance Rewards**

- Performance-based increases (pay progression to the 2<sup>nd</sup>/3<sup>rd</sup> notch)
- Individual and team-based incentives
- Performance bonuses

### **2.8.7. Managing Performance Effectively**

In effective organizations, managers and employees have been practising good performance management naturally all their lives, executing each key component process well. Goals are set and work is planned routinely. Progress towards those goals is measured and employees get feedback. High standards are set, but care is also taken to develop the skills needed to reach them. Formal and informal rewards are used to recognize the behavior and results that accomplish the mission.

### **2.8.8. The performance cycle**

According to Fox (2006:91), “performance depends on the motivation and ability of individuals, that is, they have to be willing to do the job, know how to do it, be able to do it, and have to receive feedback on how they are performing”.

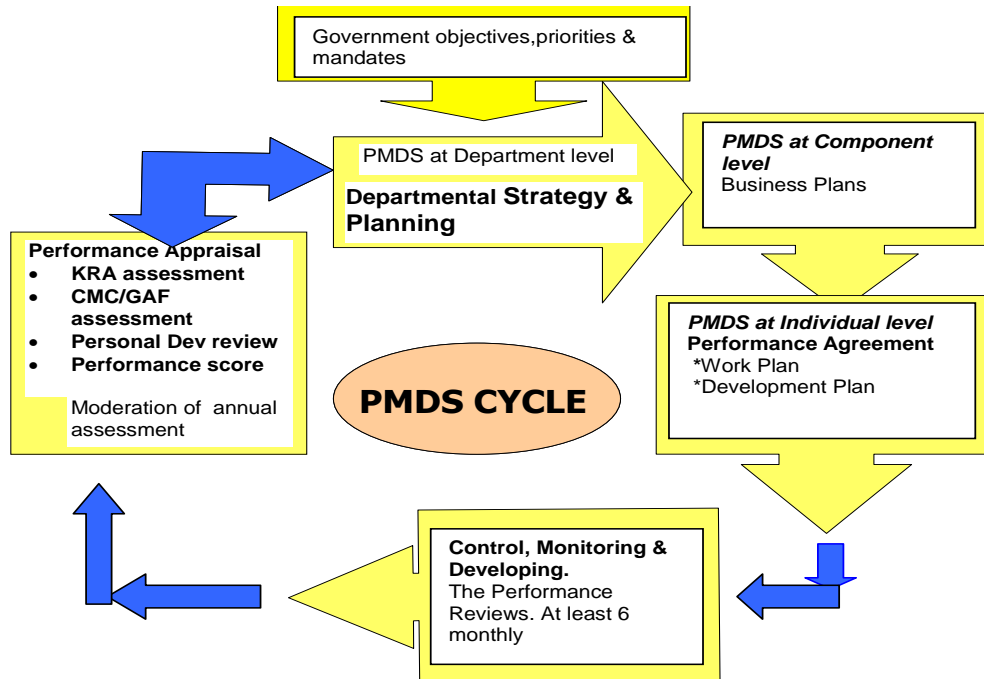
Performance management at the employee level is an on-going interactive process between an employee and her/his supervisor about the employee’s performance. Face to- face on-going communication is an essential requirement of the process and covers the full performance cycle. For effectiveness of operation the cycle is divided into integrated phases or elements of –

- Performance planning and agreement;
- Performance monitoring, developing and control;
- Performance assessment or appraisal; and
- Managing the outcomes of assessment

As illustrated in figure 2.3, the performance cycle is a 12-month period for which performance is planned, executed and assessed. It must be aligned to the same period as the Department’s annual business plan i.e. 1st April to 31st March of the following year. The 12-month cycle is also linked to the financial

year for the purpose of planning, pay progression and other performance related incentives such as performance awards or cash bonuses.

Figure 2.3: Source: Schneier, Beatty and Baird, (1987:98).



**2.9. There are four main role players that combine to make up the pmds and these are,**

**2.9.1. Role of Top Managers in Performance Management**

The top managers play a lead in the entire process by setting trends for the lower level and acting as role models for the employees. Their responsibility is to design policies which ensure an efficient management of performance in an organization and to define and act upon the core values relating to performance. Top management plays a vital role in convincing the line managers that performance management can be instrumental in the achievement of business goals and thus ensure that they take this aspect seriously in their work for maximizing employee satisfaction and productivity.

Top managers are expected to develop a high performance culture in an organization by ensuring the following:

- communicating an organization's mission and values to its customers and employees.
- clearly defining the work expectations and communicating to everyone for ensuring success in the achievement of business goals and facilitating an overall performance improvement.
- keeping the employees informed about their progress towards the achievement of goals and suggesting corrective actions for non-achievement of performance.
- establishing a shared belief amongst the employees regarding the importance of continuous improvement in performance.

### **2.9.2. Role of Line Managers in Performance Management**

The line managers or the front line management play a very crucial role in implementing and enacting the HR policies. Thus, it is very important for management to ensure that line managers possess the right attitude towards the performance management approaches and equally possess the right competencies for executing it. The line managers mostly consider the performance management process as a mere bureaucratic chore and thus consider it as a sheer waste of time. Some managers lack the required skills for reviewing the performance of the employees, providing feedback and identifying objectives along with them. These limitations can be overcome by adopting the following remedies:

- providing leadership from the top,
- communicating with the line managers about the importance of performance management in driving successful results and how it is a part of their responsibility;
- maintaining simplicity in the overall process of performance management,
- reducing the pressure from the line managers by making the process an ongoing one instead of an annual review,
- involving the line managers in the design and development of the performance management processes by representing them in pilot studies.

### **2.9.3. Role of Employees in Performance Management**

The employees have a vital role to play in the performance management cycle as the entire process revolves around them. They play an active part in formulating performance agreements along with their line managers and participate in 360 degree assessment schemes. They discuss their roles and the competencies required and define objectives in conjunction with their superiors, thus, the employees should be trained in all these activities. The performance agreement is reviewed at least after six months, but as often as is required, and annual appraisal takes place at the end of the performance cycle (DPSA IPMDS document website).

### **2.9.4. Role of Labour Unions in Performance Management (LU)**

The LU is a representative and legitimate body which is, in accordance with the Labour Relations Act, Act (66 of 1995), vested with the responsibility to ensure that the introduction, design, implementation and monitoring of the PMS are in accordance with fair and equitable labour practices and employees' rights are protected. The LU may make recommendations to the Superintendent General on any matters related to the PMDS provided it follows the correct channels to do so.

The LU must ensure that a culture and work situation for a performance appraisal system is established and maintained. Furthermore, that the system is designed to take individual employee needs into consideration and provide a mechanism for resolving disputes concerning the implementation of the system.

## **2.10. Flaws in implementing PMDS**

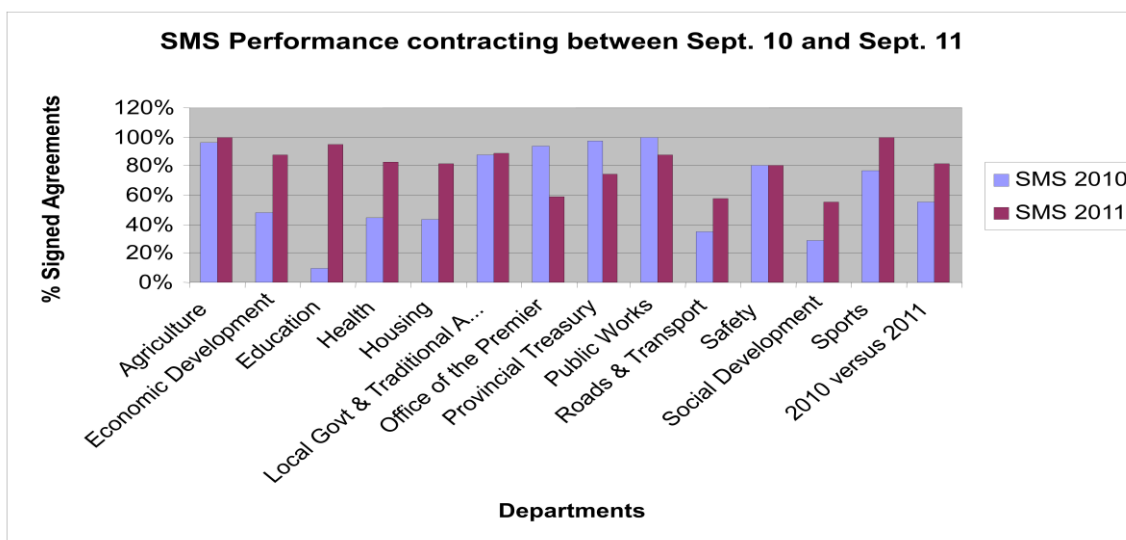
To allow for a PMS to be successful, McMahon (2009) points out that it needs involvement from all stakeholders – managers, employees, trade unions, shareholders and customers. A well designed system will fail if it is not put into practice correctly. Senior management plays a key role in the support and implementation of the PMS designed for their organisation and is the key to its success.

According to Pulakos (2004), managers are loath to provide candid feedback and have honest discussions with employees for fear of reprisal or damaging relationships with the very individuals they count on to get work done. Employees feel that their managers are unskilled at discussing their performance and ineffective at coaching them on how to develop their skills. Many employees complain that performance management systems are cumbersome, bureaucratic and too time consuming for the value added. This leads both managers and employees to treat performance management as a necessary evil of work life that should be minimized rather than an important process that achieves key individual and organizational outcomes.

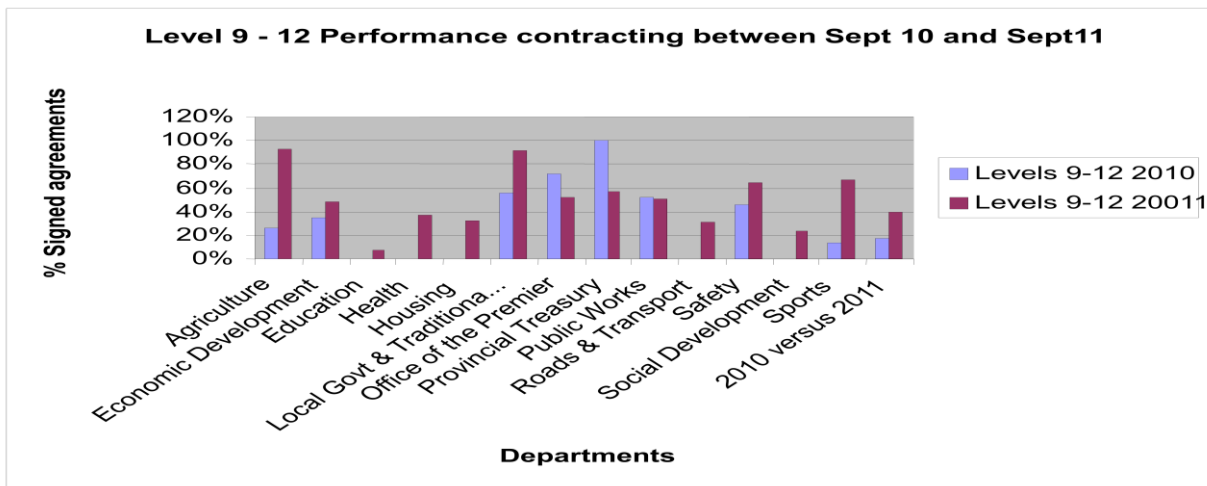
### 2.10.1. PMDS Provincial statistics data

Below is the statistics report from the Office of the Premier on the submission of performance agreements by all officials in all Eastern Cape departments. The data reflects the contracting statistics by all Provincial government departments in all levels that proves that there is lack of managing and implementing of PMDS. This also proves that the officials do not meet the 100% for contracting.

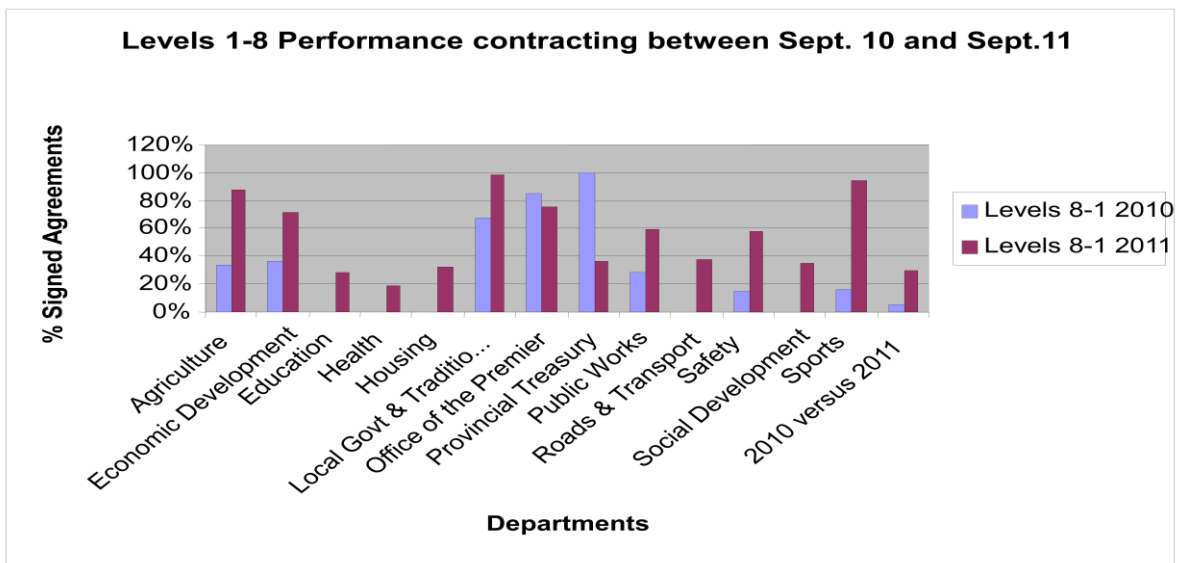
Figure 2.4



**Figure 2.5**



**Figure 2.6**



The department of Local Government and Traditional Affairs from the SMS category; i.e. Level 13 – 16 the submission of Performance Agreements in 2010 is 82% and in 2011 is 83%. Same applies in Middle Management category Level 9-12 in 2010 submitted performance agreements is 60% which is poor and in 2011 rise to 90%. For lower level posts i.e. level 1-8 submitted agreements are 65% in 2010 and 100% in 2011. As the time goes on the improvement on the submission of performance agreements by employees in the department is satisfactory which means that there is a continuous improvement in the managing of submission of performance agreements.

## **2.11. Conclusion**

Chapter 2 provided the reader with the review of the relevant literature within the context of the study objectives. Performance evaluations are becoming an integral part of any organisation. It is important to be able to give feedback on a team and individual's performance and the success of a performance management programme resides with both management and employees. Management needs to be committed to the programme, and the well-being of their employees. Management also needs to be able to eliminate problems that negatively influence performance.

On the other hand, employees need to realise that a performance management programme is not only linked to pay, but also the development of each individual, and the improvement of performance. Furthermore Performance Management and Development can be seen as a process for establishing a shared understanding about what is to be achieved, and how it is to be achieved, and an approach to managing and developing people that increases the probability of achieving success. This chapter also identifies the steps to be taken to ensure the effective implementation of the Performance Management & Development System. Chapter 3 deals with the Research Methodology.

## CHAPTER 3:

### 3. RESEARCH METHODOLOGY

#### 3.1. Introduction

In this chapter, the content includes the following topics: data collection, research design, target population and sample. The methods used in the study are the quantitative and qualitative methods which will be used to congregate data.

Quantitative data collection will be by means of a survey design, from a sample implementing a standardised research instrument in the form of a questionnaire. Thereafter qualitative data will be selected by means of instrumental case studies. The reason to use the combine method is to acquire multiple measures of the sample phenomena by applying different research measures (De Vos 2002). The research study is entirely based on the annual reports of the department and Auditor General's report.

According to Creswell (1994), "research method" refers to the rationale and the philosophical assumptions that underlie a particular study relative to the scientific method, and is directly connected to the problem statement and goal of the research. Research is a purposeful, precise and systematic search for new knowledge, skills, attitudes and values, or for the re-interpretation of existing knowledge, skills, attitudes and values (Creswell, 1994).

Van der Waldt et al (2002:288) state that, the following key questions should be considered when designing research plan.-

- For what **purpose** is the research being done (what do you want to be able to decide as result of the research?)
- What kind of **information** is needed to make the decisions you need to make and/or to enlighten your intended audience?
- From what **sources** should the information be collected, e.g. employees, communities, political groupings, scientific literatures?

- How can that information be **collected**, e.g. questionnaires, interviews, examining documentation, observing, conducting focus groups, etc.?
- **When** is the information needed (by when must it be collected)?
- **What** resources are available to collect the information?

In this chapter, the sampling procedures and the research demarcation are discussed. The advantages and disadvantages as well as the recruitment procedure for the focus groups teams are discussed, followed by a justification for selecting this particular approach from among possible alternatives. The research instrument which was designed is attached as an annexure.

Through this method, the researcher has the opportunity to complete some important details within the organization and identify the essential factors that will be needed in the study. The reports provided will allow the study to pick the essential performance management which the organization can assess as their key benefits. De Vos (2000) is of the opinion that the researcher gains the advantages of both methods by mixing qualitative and quantitative approaches. Cresswell (2003) points out that this model is well known to the majority of researchers and that it might lead to confirm and validate findings which are regarded as another advantage of the mixed method approach.

**3.1.1. Data collection:** A perception survey will be conducted to measure variables using structured questionnaires. The researcher will conduct a telephonic survey, using a questionnaire which implies that the researcher will be physically removed from the respondents. The content of the questionnaire will be communicated verbally. The advantages of implementing a questionnaire in this study are that the telephonic questionnaire should provide the researcher with the opportunity to explain the study. The data will be obtained from departmental statistics reports, annual reports and provincial report from Office of the Premier.

**3.1.2. Research design:** The focus of the study is the Department of Local Government and Traditional Affairs which means that the case study and survey method will be conducted because the researcher wants to identify the factors involved in the department. The survey method will carry out the researcher to establish employee's views of what they think, believe, feel or value in order to discover views or their own sake and /or to support an argument that the researcher is presenting. Cresswell, (2009; 3-4) suggests that qualitative and quantitative research design should not be viewed as opposite poles but rather as different ends in a continuum. Quantitative research can be defined as a means for testing objective theories by examining the relationship among variables which can be measured with the use of instruments and the numbered data analysed with the use of statistical instruments. Quantitative data will be collected through questionnaires. Individual interviews and focus group interviews will be conducted to obtain qualitative data, and qualitative data can be defined as a mean of exploring and understanding the meaning individuals or group ascribe to a social or human problem.

**3.1.3. Target population:** The population of this study is personnel in Local Government and Traditional Affairs. The total number is 1583. In the qualitative part aiming to verify the implementation and management of PMDS, levels of the target groups will be included. They are as follows:

Level 13 -16 = (81) Senior Management Services (SMS) responsible  
for planning and formulating strategies

Level 9 – 12 = (289) Middle Management Services (MMS) they  
implement strategies

Level 3 – 8 = (1213) Operational: It is where programmes and projects  
are operational and resources are aligned and scheduled to  
operationalized strategies

**3.1.4. Sampling:** The target population for the study will be conducted in a sampling method. Questionnaires will be utilized so as to obtain an indication of the best method and instrument for measuring performance.

Focus groups can discuss together the questionnaire. The technique used will be tested for validity and reliability in order to ensure the relevant and accurate data. Sampling will imply unbiasedness coupled with every employee and manager having a chance to be selected (Creswell, 2003, 220). According to Collis and Hussey (2003:155), a sample is made up of some of the members of a population. A sample frame is a list of the population from which all the sampling units are drawn.

### **3.1.5. Questionnaire Structure**

According to Brewerton et al (2001:69-70), interviews could take place in a variety of forms depending on the type of data required in the research questions being asked, which also depends on the availability of resources.

Questionnaires collect data systematically by obtaining answers on the key issues and opinions that need to be explored in a research project. They are frequently used as a means of gathering information on matters of fact or opinion. One way use a variety of methods, namely closed questions that require a yes or no answer, ranking in order of importance or value, or Likert scales.

The types of interviews are detailed below:

### **3.1.6. Structured interviews**

This involves a prescribed set of questions, which the researcher asks in a fixed order. The interviewee generally responds by selection of one or more options. The data is easy quantifiable, as is the comparability of responses and guaranteed coverage of the area of interest to the researcher.

### **3.1.7. Semi-structured interviews**

This method integrates elements of both quantifiable, fixed choice responding and the ability to explore. One is also able to probe more in depth certain areas of interest.

### **3.1.8. Unstructured interviews**

This method allows the researcher carte blanche to address any or all of the given topics to be researched. Questions are not fixed and may change during the interview process. Comparability and ease of analysis and quantification are secondary to obtain rich, relevant data from each individual using open-ended rather than forced-choice, questions.

### **3.1.9. Ethnographic interviews**

This amounts to unstructured interviews, but in the context of the target research area and extending beyond the restrictions of an unstructured interview, it allows the interviewees to develop their responses in their own way, using their own frame of reference.

The researcher developed a structured questionnaire to collect the data for the analysis of the research. This method is most suitable for the purpose of this specific research.

### **3.1.10. Open-ended and closed questions**

#### **3.1.10.1. Open-ended questions**

Oppenheim (1996:40) argues that all questions are either “open” or “closed”. This method gives freedom to the respondent. Once the respondent understands the intent of the question, he/she is able to let his/her thoughts roam freely, unhindered by a prepared set of replies. The spontaneity is often extremely worthwhile to record.

#### **3.1.10.2. Closed questions**

This type of questions could be attitudinal as well as factual. The question guides the respondent's answer. Closed questions are comparatively easy and quick to answer. They require no writing and the quantification is

straightforward. A disadvantage of the closed questions is the loss of spontaneity and expressiveness. Closed questions are often cruder and less subtle than open ones.

### 3.2. Selection of the target group

The researcher selected 70 participants of 3 groups for the focus groups. First group 10- consisted of SMS members (level 13-14) consists of Senior Managers and General Managers and 20- MMS (Level 9-12 )consists of Assistant Managers and Managers last group of 40 (Operational and General Assistants) were employees from different units in the department (Head Office) Senior Clerks, Administrative Officers and Senior Administrative Officers. This selection was an attempt to get as many different points of view as possible within the department.

The staff compliment as indicated below consists of all the categories (employment equity) in the department and the data is derived from the Employment Equity Plan of the department for the 2011/12 financial year.

Figure 3.1 Extracted from the Annual Report of the department 2011/12 financial year

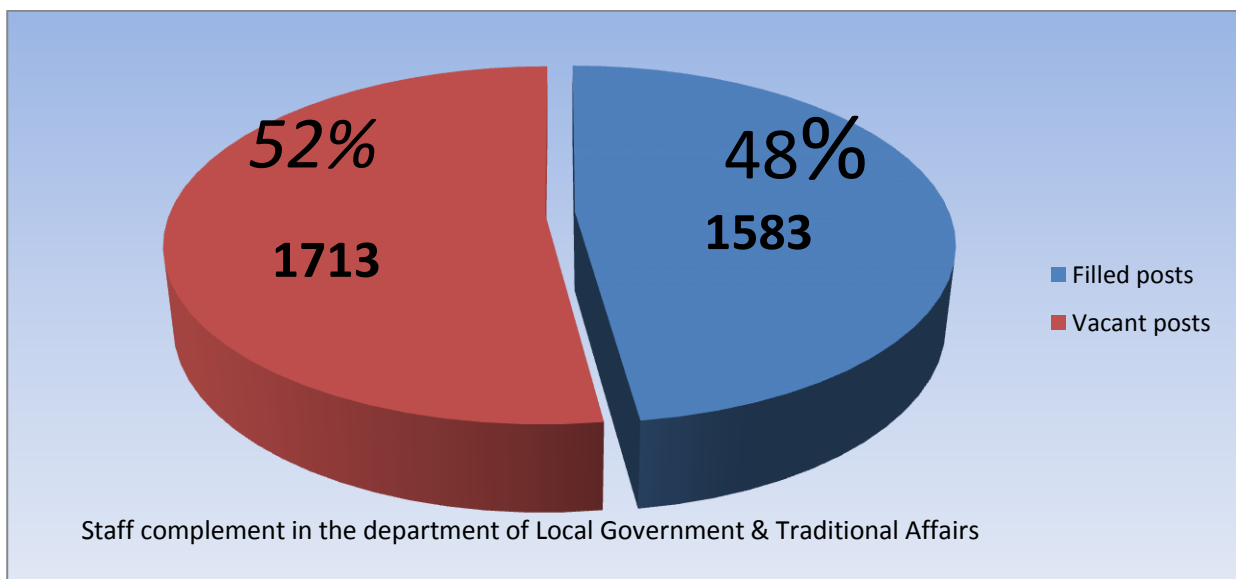


Figure 3.2

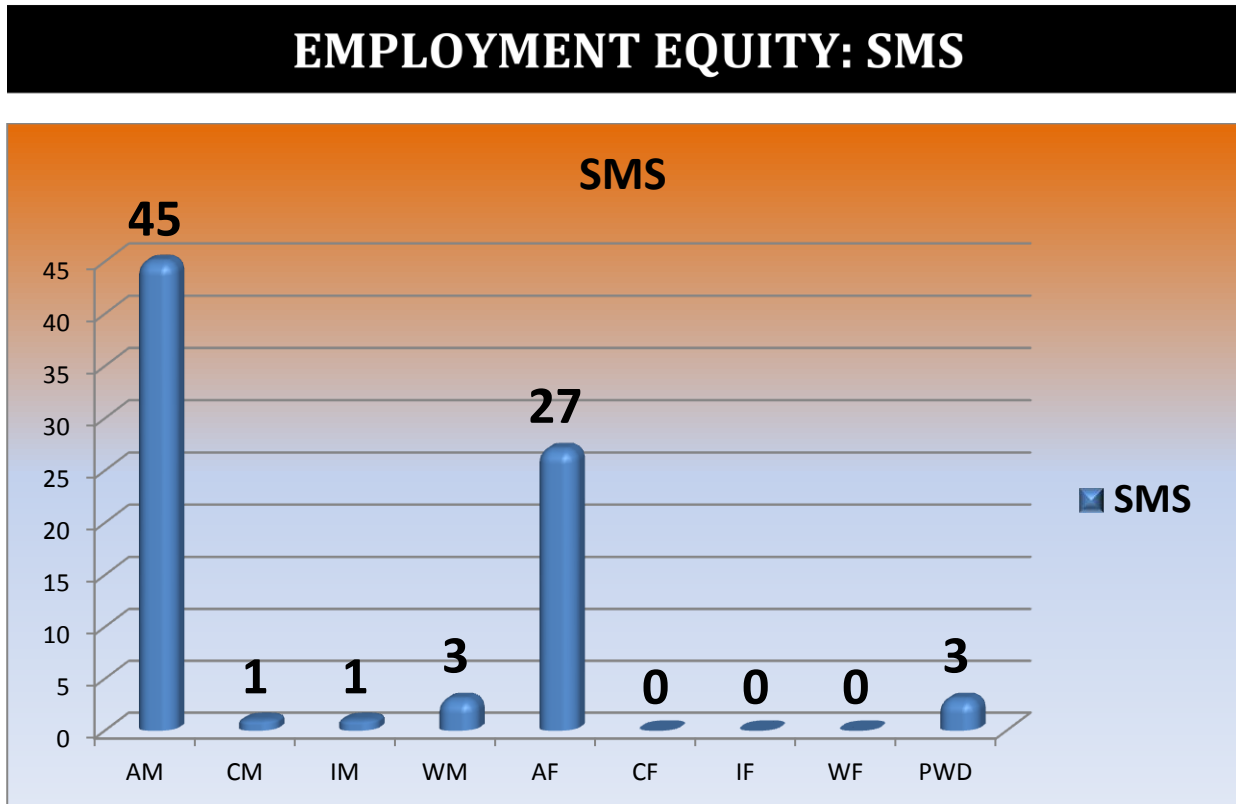


Figure 3.3

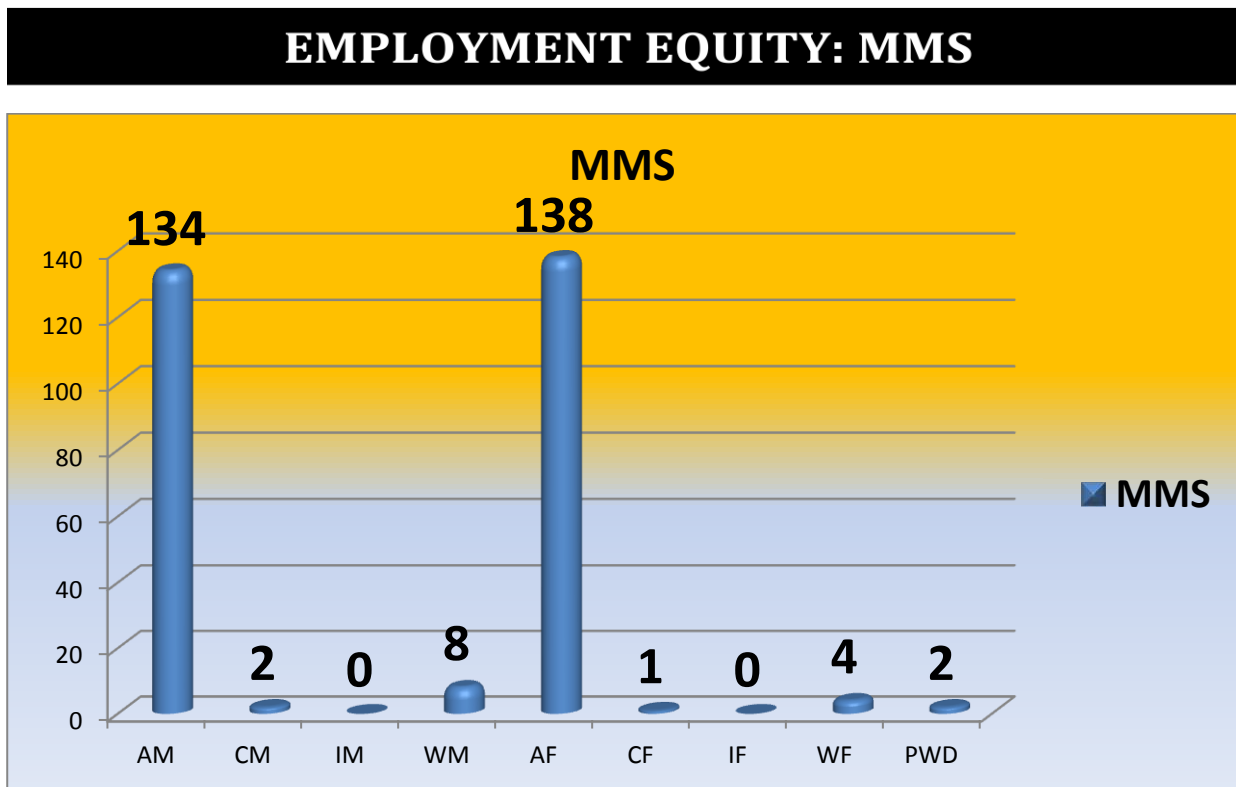
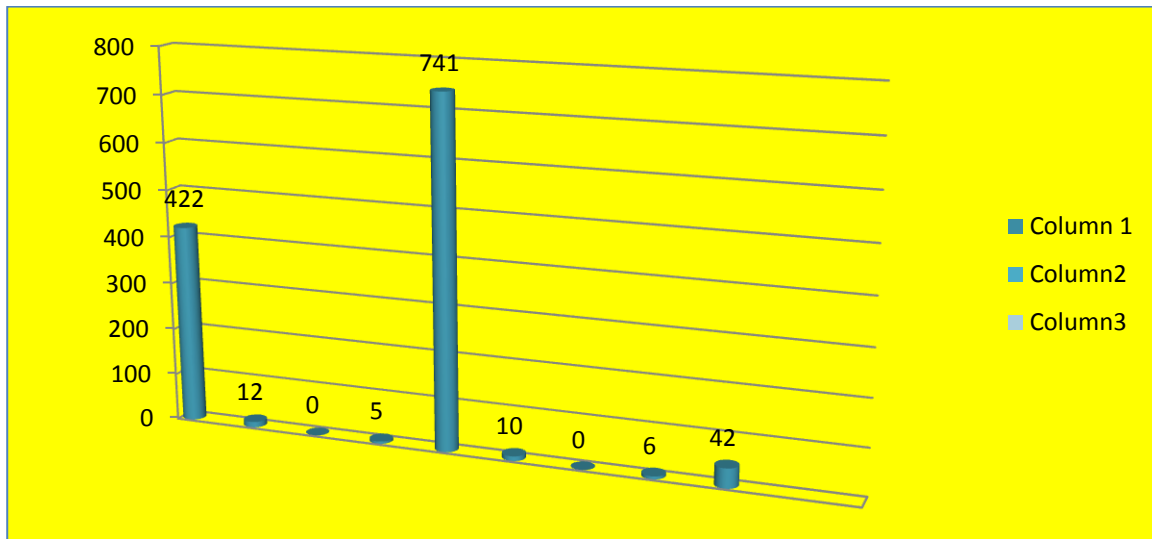


Figure 3.4

## EMPLOYMENT EQUITY: OPERATIONAL



### 3.3. CONCLUSION

This chapter has attempted to provide the reader with an overview of the methodology that was used to conduct the research. During the discussion on the methodology, special attention was given to the development and administration of the questionnaire and the selection of the sample. The researcher believes that the qualitative and quantitative data obtained, as a result of the primary and secondary research, has met the research needs and aspirations. . An analysis of the biographical information (Section A of the questionnaire) was provided by means of explanatory tables. The next chapter will deal with data presentation, analysis and interpretation.

## CHAPTER 4: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

### 4.1. Introduction

The objective of this chapter is to present and analyse the findings of the study. As discussed in the previous chapter, the method of data collection used was focus group interviews, where direct questions on the employees' understanding and experiences of performance management system and process for implementation were posed. The questionnaire was distributed amongst the target population and the interviews were conducted by means of the sample, based on the availability of staff. The purpose of this chapter is to use the information obtained from Section B of the questionnaire to further assist the researcher in resolving the main problem on the critical evaluation of PMDS that is not managed properly by both supervisors and employees and thus hinders the achievement of goals of the department. The tool is perceived as a money making scheme in the form of performance bonuses.

The discussion of the findings of the focus group are clustered into categories and sub-categories based on the three broad questions.

- i. General Profile
- ii. Nature of existing performance management
  - Monitoring and feedback
  - Goals and performance
- iii. Performance management and implementation

### 4.2. PMDS SURVEY: QUESTIONNAIRE FOR ALL FOCUS GROUP

**Section A:** includes 6 questions on the respondents' general profile..

**Section B:** includes a set of 18 questions on the nature of existing performance management for evaluation criteria to gain the experiences of all staff, of which 10 questions are on monitoring and feedback; 4 questions deal with goals and performance measures and the last 4 questions are on training and development.

**Section C:** includes 7 questions which deal with the performance management and implementation.

**The total number of questions in all target groups is 25 excluding 6 questions on general profile**

As per the response from the various categories, below are the findings received and compiled according to the levels of the department.

#### **4.3. RESPONSE OF LEVEL 13-14: SENIOR MANAGEMENT SERVICES (SMS)**

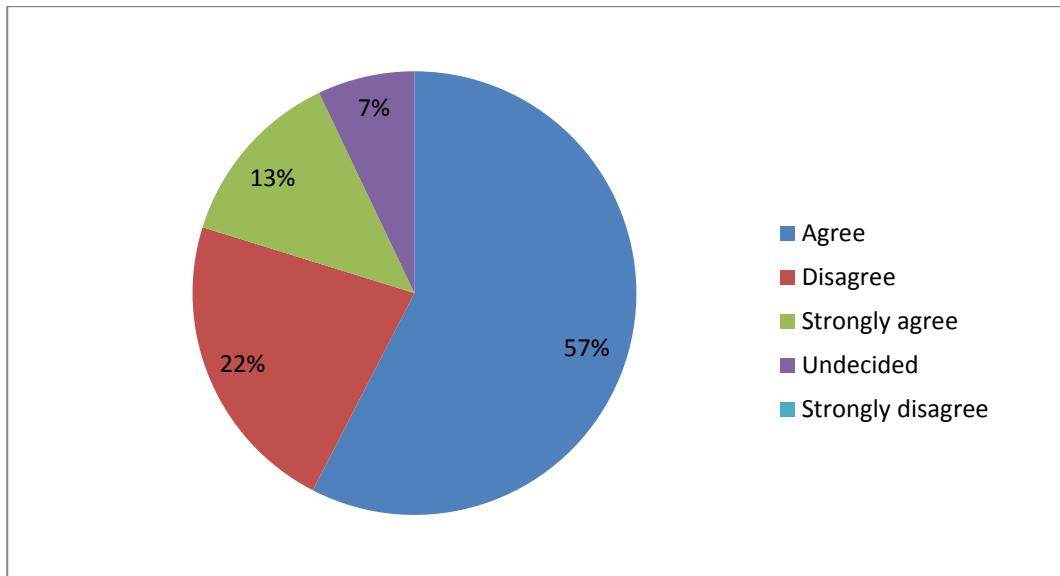
**Section A;** shows that;

- Both sexes were represented equally in terms of the existing employment equity in the department reflected in Chapter 3:3.2
- 99% of the group has vast work experience
- The target group is highly educated and understand the staff compliment of the department.

**Section B;** illustrates that;

- SMS members were generally positive about the PMDS implementation
- SMS members were more positive concerning the linkage of the PMDS
- There are different views in terms of monitoring and feedback received meaning that it needs attention. In this part the researcher has categorised the finding in terms of percentages as follows:
  - i. 57% agreed with the conduct of monitoring and feedback
  - ii. 22% disagree
  - iii. 13% Strongly agreed
  - iv. 7% undecided whether monitoring and feedback is conducted
  - v. 1% Strongly disagree

Figure 4.1; Monitoring and feedback



This indicates that further improvements are needed to;

- enhance the effectiveness of the PMDS,
- better target and act on the training and development requirements,
- ensure constructive upward feedback, and
- link PMDS with HR strategy and processes

According to the SMS, further development is needed for the PMDS as identified in the list of challenges. This list indicates that;

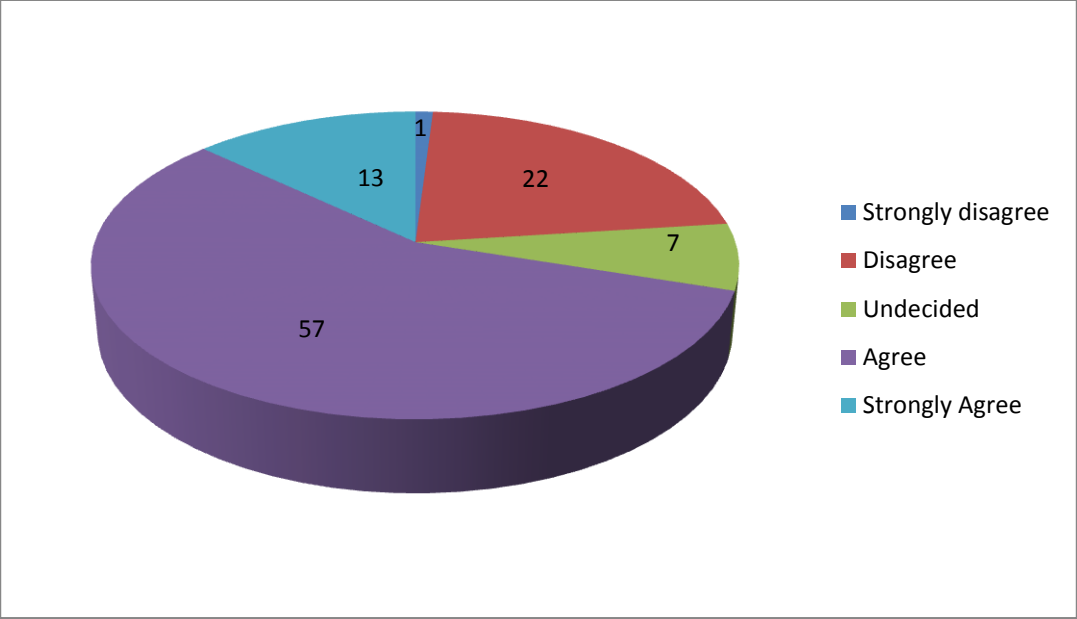
- more clarity is needed around the assessment and rating system as well as how performance will be measured (measurements of success) and under-performance dealt with,
- the PMDS needs ongoing monitoring to ensure appropriate (i.e., timely) and consistent (regular and fair) implementation of all stages in the process,
- the PMDS needs to be supported by an atmosphere of honesty, confidentiality and trust,

- the competency framework needs to be revisited so that it adds better value to the process as regards identifying performance objectives, enabling performance feedback and facilitating personal development,
- training needs to be targeted to ensure that investments in training will result in better individual performance and accomplishment of business objectives, and
- linkage of PMDS with other processes is essential to sustaining the system and the system's credibility.

**TABLE 4.1: Performance monitoring and feedback**

No	Performance monitoring and feedback	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	My performance is effectively monitored.	1	6	3		
2	My manager communicates with me frequently about my performance.	1	6	1	2	
3	My manager encourages open and frank dialogue with respect to performance related issues.	1	6		2	1
4	I am encouraged to prepare for performance review meetings.	2	4	1	3	
5	Priorities in terms of objectives are reviewed during the performance review meeting.	3	4	1	2	
6	My performance is measured against prior, mutually agreeable, set objectives.	1	7		2	
7	I am provided with verbal and written feedback about positive performance.	1	6	1	2	
8	Where performance has not met minimum standards, my manager and I discuss the reasons for this and ways of improving performance.	1	6		3	
9	During the performance review meeting, my manager and I set mutually agreeable action plans for future improvements.	1	6		3	
10	During the performance review meeting, my manager and I set mutually agreeable action plans for future improvements.	1	6		3	
	<b>TOTAL</b>	<b>13</b>	<b>57</b>	<b>7</b>	<b>22</b>	<b>1</b>

**Figure 4.2; Performance monitoring and feedback**



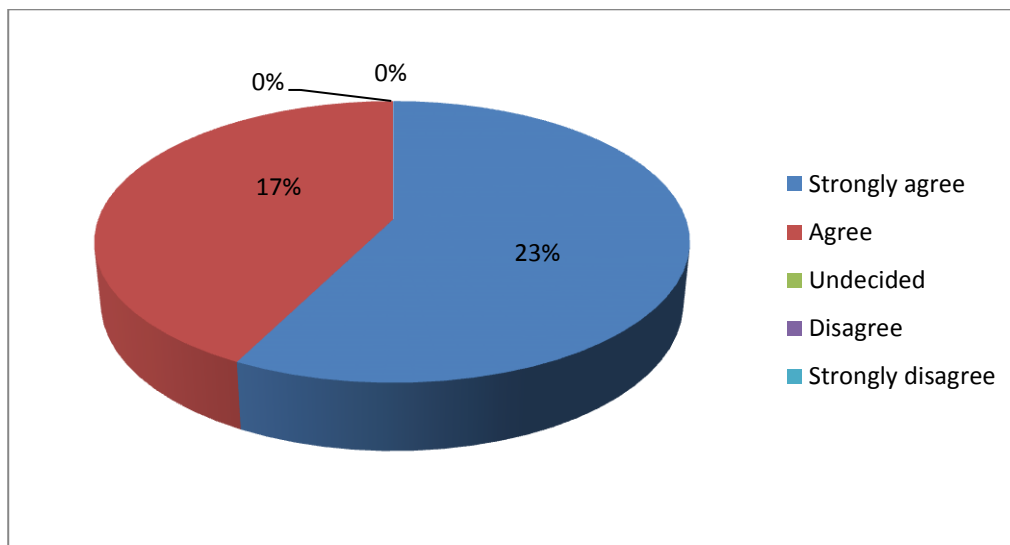
According to Schultz et al. (2003:79) one of the main reasons for monitoring performance is to be able to provide feedback to the subordinates. Feedback serves two purposes; it allows the manager to provide consequences for performance and it allows the manager to redirect the efforts of the subordinate if necessary. Philpot and Sheppard (1992:103) state that feedback should be relevant, immediate and frequent. It should be constructive, balanced and specific, and lastly, it should be focused on critical success factors of task behaviour.

Based on Table 4.2 and 3 findings, it is evident that the majority of respondents are clear on their own divisional goals and objectives as well as those of their division. They have a good understanding of the level of performance expected from them and are committed to achieving their set objectives. Most agree that they have the necessary skills and competencies to achieve their individual goals and objectives

**TABLE 4.2: Goals and performance measures**

o	Goals & performance measures	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	I am aware of the organisation's mission statement.	6	4	-	-	-
2	I am fully aware of the organisation's strategic objectives	6	4	-	-	-
3	The division in which I am employed has clear goals and objectives	6	4	-	-	-
4	I have the necessary skills and competencies to achieve my individual goals and objectives	5	5	-	-	-

**Figure 4.3: Goals and performance measure=40%**

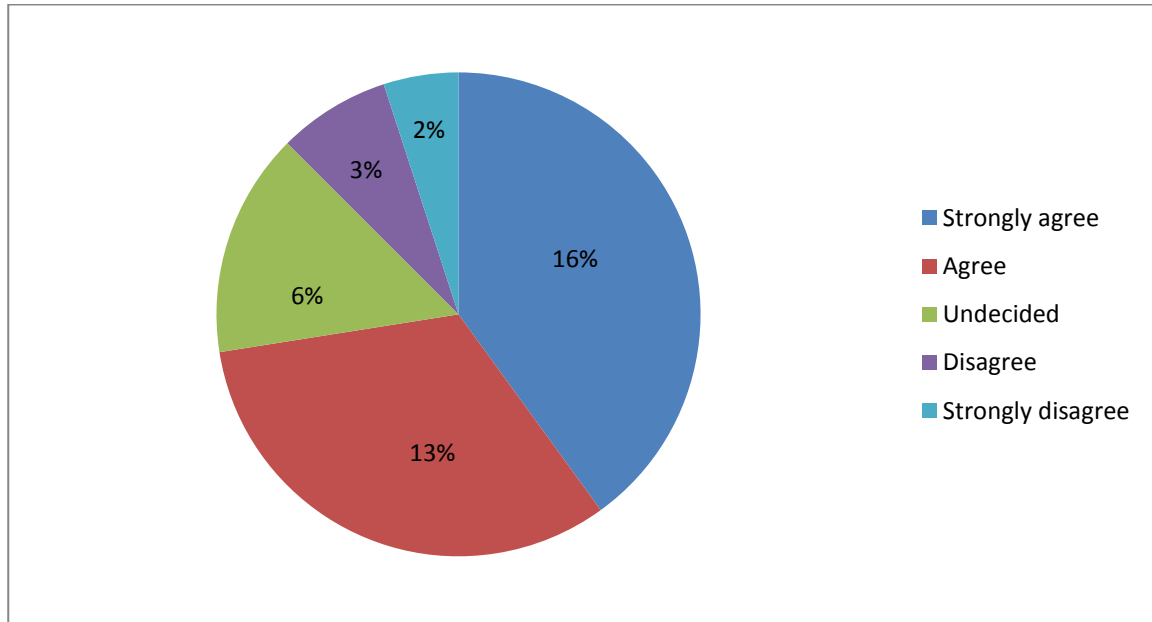


**TABLE 4.3: Training and development**

No	Training and development	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	Training and developmental needs are identified and documented during the performance review process	4	3	2	1	-
2	Performance discussions during the review process emphasise personal development and growth.	3	3	2	1	1
3	I am provided with required training such that I am in a position to	3	3	2	1	1

	complete tasks effectively					
4	I have a structured personal development plan.	6	4	-	-	-

**Figure 4.4; Training and development = 40%**



#### **4.4. SMS FINDINGS**

##### **4.4.1. Performance Assessment**

- The PMDS is weak in distinguishing the different levels of performance, in recognising staff that perform well and in handling underperformance.

##### **4.4.2. Performance Management and implementation**

- The SMS level agreed that the PMDS was formally introduced but they do not see any change in service delivery and they differ in terms of clear lines of communication which means that monitoring is not happening in the department.

#### **4.4.3. Underperformance**

- The lowest level of agreement in the PMDS survey was around the area of underperformance. All grade group categories indicated that underperformance was not appropriately dealt with by managers.

The results from the SMS focus group led to a list detailing the positive aspects about the PMDS and challenges for the future, such as areas that need more development and attention.

SMS indicated that the PMDS has encouraged better communication, motivation and business awareness, which makes them feel more included in the process giving them greater role clarity. But they also indicated that the PMDS process needs streamlining.

The major challenge stated by SMS was that the PMDS needs to be supported by an atmosphere of honesty, confidentiality and trust, without this change, the system could possibly lose its sustainability and credibility. Another "challenge" suggested by the SMS group was more on clarity needed around the assessment and rating system, as well as how under-performance will be dealt with and how success will be measured and monitored.

#### **4.5. RESPONSE OF LEVEL 9-12: MIDDLE MANAGEMENT SERVICES FINDINGS**

**Section A** of the questionnaire, required of the respondents to complete the general biographical data. The results obtained in the empirical study referred to are general biographical details of the respondents, their qualifications, their length of service in the department, how long they have been in their current positions and their job categories. The biographical data results are presented below.

The findings of the analysis will be presented in the same order of the questionnaire. The researcher used Microsoft Word 2003 and the services of a statistician to help analyse the data to achieve meaningful results. The

biographical analysis follows immediately and thereafter there will be an analysis of the results of the rest of the study.

## **SECTION A: MMS RESPONSE**

### **GENERAL PROFILE (BIOGRAPHY)**

1. Sex:

Male	Female
10	7

2. Age group:

Under 25;	25 – 35;	36-45	46+
	2	5	10

3. Designation:

Level - 9 - 10	Level - 11 - 12
9	8

4. Work Experience:

Less than 1 year;	2-4years	5-7 years	More than 7 years
		2	15

5. Academic Level / Highest Degree Attained:

Matric	Diploma	Jun. Degree	Honours	Masters	Ph. D
3	5	2	6	1	

6. Approximately how many people are employed in your organisation?

Less than 100;	101-500;	501-1000;	More than 1000
			16

### **1- Spoilt**

Out of the total number of MMs in the department, the sample has been done to 20 MMS members and the response received was 17.

The majority of respondents were males, constituting of fifty per cent, while female respondents represented thirty eight per cent. Most respondents are at the age of 46 and above and a few are below.

It is apparent that the majority in DLGTA are highly qualified 75% of staff is in possession of tertiary education certificates and 15% in NQF level 4.

The length of service in the department is very long and shows that the respondents are dedicated and loyal in their work and to the department.

**SECTION B:** The results from Section B of the questionnaire will be used to support the researcher in determining whether a performance management system would help implement strategy and improve service delivery.

From the literature review in Chapter 2, it has been established that performance management unites a number of related tasks: monitoring, coaching, giving feedback, gathering information, and assessing an employee's work. It accomplishes those tasks in the context of objectives - the immediate objectives of the department and overall goals of the organisation

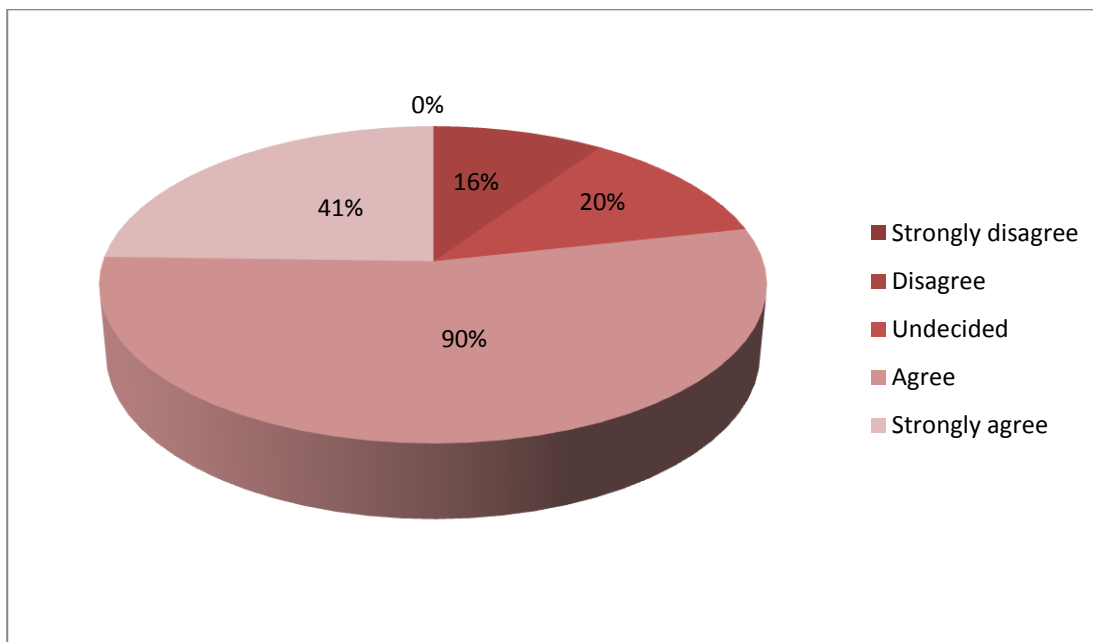
1. The results of the questionnaire for section B, part 1 - Performance monitoring and feedback were tabulated as follows:

**Table 4.4; Performance monitoring and feedback**

NO	Part 1 – Performance monitoring and feedback	Strongly disagree	Disagree	Undecided	Agree	Strongly Agree
1	My performance is effectively monitored.		4		8	5
2	My manager communicates with me frequently about my performance.		1	1	11	4
3	My manager encourages open and frank dialogue with respect to performance related issues.		2	1	10	4
4	I am encouraged to prepare for performance review meetings.		2	2	7	6
5	Priorities in terms of objectives are reviewed during the performance review meeting.		1	3	9	4
6	My performance is measured against prior, mutually agreeable, set objectives.			3	8	6
7	I am provided with verbal and written feedback about positive		3	2	8	4

	performance.					
8	Where performance has not met minimum standards, my manager and I discuss the reasons for this and ways of improving performance.		2	2	10	3
9	During the performance review meeting, my manager and I set mutually agreeable action plans for future improvements.		1	4	9	3
10	During the performance review meeting, my manager and I set mutually agreeable action plans for future improvements.			2	13	2
	<b>TOTAL</b>		<b>16</b>	<b>20</b>	<b>93</b>	<b>41</b>

**Figure 4.5: MMS- monitoring and feedback**

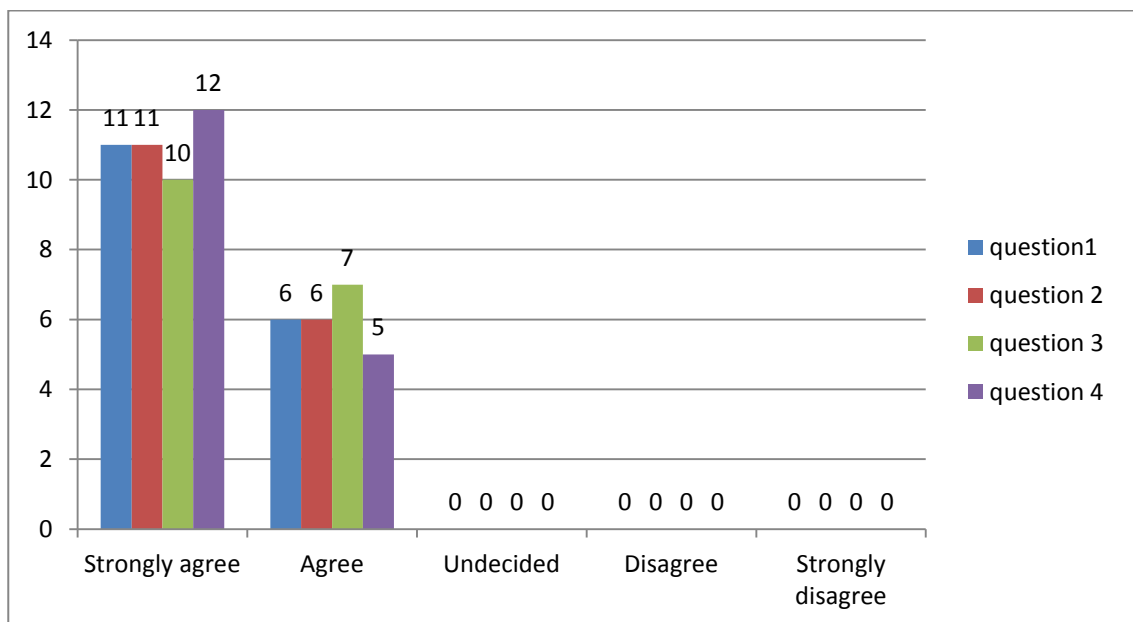


2. The results of the questionnaire to section B, part 2 – Goals and performance measures, were as follows:

**Table 4.5: Goals & performance measures-Part 2**

No	Goals & performance measures-Part 2	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	I am aware of the organisation's mission statement.	11	6			
2	I am fully aware of the organisation's strategic objectives	11	6			
3	The division in which I am employed has clear goals and objectives	10	7			
4	I have the necessary skills and competencies to achieve my individual goals and objectives	12	5			
	<b>TOTAL</b>	<b>44</b>	<b>24</b>			

**Figure 4.6: Goals and performance measures**



Performance management is a powerful business process, which may be used to help implement the organisation's strategy. It does this by directing individual and team efforts within an organisation towards the overall accomplishment of defined, strategic organisational goals, and through its interactive nature, it helps create a participative culture.

The starting point of any performance management system is to create a shared vision of the organisation's goals and objectives. It is important that every individual within the organisation understands the vision. All the focus

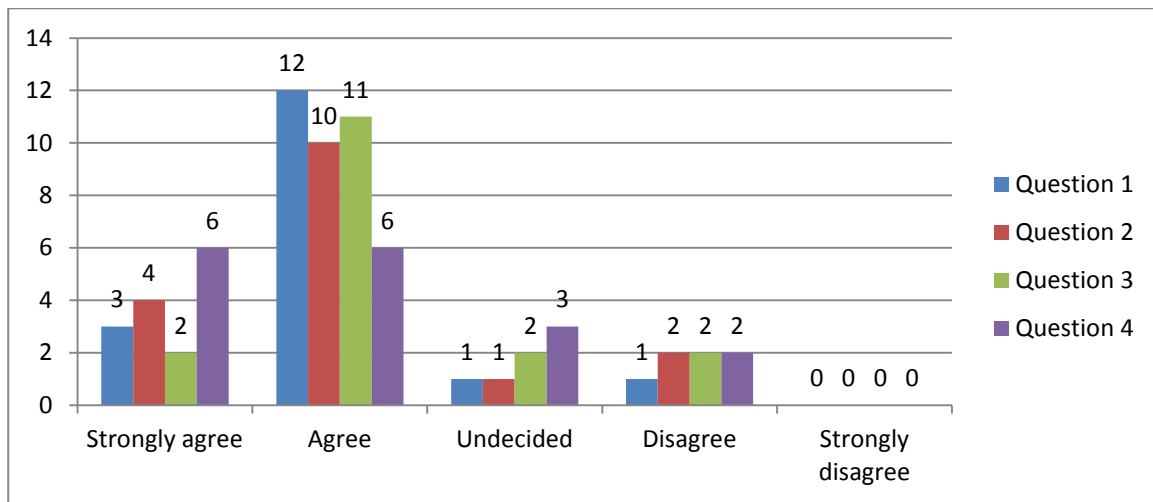
group did understand the goals and performance measures of the department. The response in this category is 100%.

- The results of the questionnaire to section B, part 3 – Training and development, were as follows:

**Table 4.6: Training and development-**

No	Training and development- Part 3	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	Training and developmental needs are identified and documented during the performance review process	3	12	1	1	
2	Performance discussions during the review process emphasise personal development and growth.	4	10	1	2	
3	I am provided with required training such that I am in a position to complete tasks effectively	2	11	2	2	
4	I have a structured personal development plan.	6	6	3	2	
	<b>TOTAL</b>	<b>15</b>	<b>39</b>	<b>7</b>	<b>7</b>	

**Figure 4.7: Training and development**



## **SECTION C**

The results for Section c: There were 7 questions in this section.



## 4.6. SECTION A: LEVEL 3-8: OPERATIONAL RESPONSE

### GENERAL PROFILE

#### 2. Sex:

Male	Female
15	20

#### 2. Age group:

Under 25;	25 – 35;	36-45	46+
	17	4	14

#### 3. Designation:

Level - 3 - 8
3 5

#### 4. Work Experience:

Less than 1 year;	2-4years	5-7 years	More than 7 years
	15	1	19

#### 5. Academic Level / Highest Degree Attained:

Matric	Diploma	Jun. Degree	Honours	Masters	Ph. D	Illiterate
10	5	4		1		15

#### 6. Approximately how many people are employed in your organisation?

Less than 100;	101-500;	501-1000;	More than 1000
3		1	31

## **SECTION B:**

4. The results of the questionnaire for section B, part 1 - Performance monitoring and feedback were as follows:

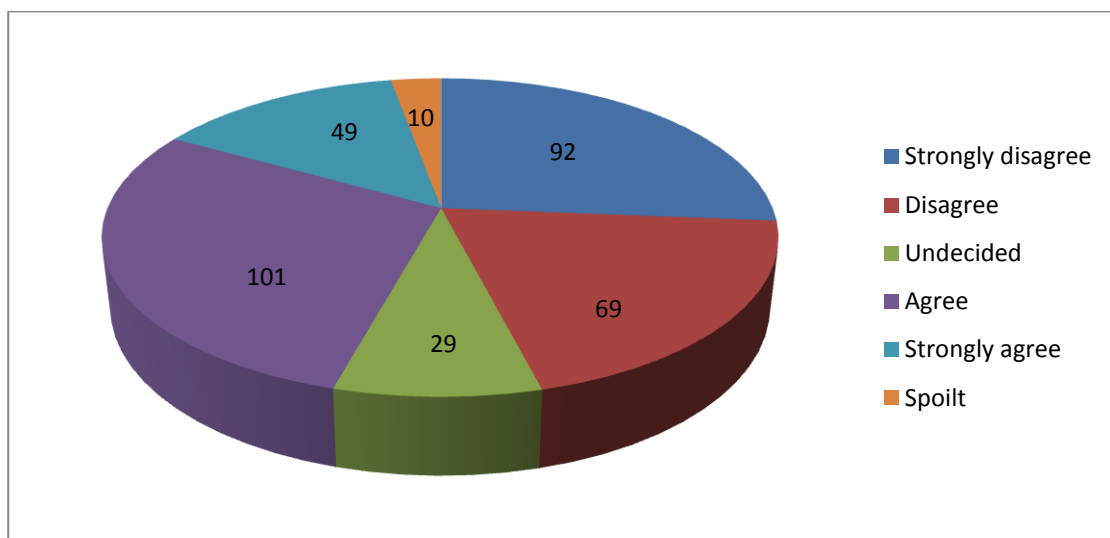
**Table 4.7: Performance monitoring and feedback**

<b>NO</b>	<b>Part 1 – Performance monitoring and feedback</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Undecided</b>	<b>Agree</b>	<b>Strongly Agree</b>	
1	My performance is effectively monitored.	2	10	0	15	8	
2	My manager communicates with me frequently about my performance.	1	10	4	15	5	
3	My manager encourages open and frank dialogue with respect to performance related issues.	4	13	4	8	6	
4	I am encouraged to prepare for performance review meetings.	3	13	3	11	5	
5	Priorities in terms of objectives are reviewed during the performance review meeting.	11	8	3	5	5	3 spoilt
6	My performance is measured against prior, mutually agreeable, set objectives.	15	2	2	11	4	1-poilt
7	I am provided with verbal and written feedback about positive performance.	15	3	5	7	5	
8	Where performance has not met minimum standards, my manager and I discuss the reasons for this and ways of improving performance.	14	6	1	11	3	
9	During the performance review meeting, my manager and I set mutually agreeable action plans for future improvements.	14	3	4	9	4	1 spoilt
10	During the performance review meeting, my manager and I set mutually agreeable action plans for future improvements.	13	1	3	9	4	5-spoilt
	<b>TOTAL</b>	<b>92</b>	<b>69</b>	<b>29</b>	<b>101</b>	<b>49</b>	<b>10</b>

Below is the number that shows negative response marked A as compared to the number below with positive response Marked B. Meaning that most focus group does not agree with the performance and feedback of managers and there is lack of communication between operational level, MMS and SMS.

- A**
- Strongly agree – 92
  - Agree – 69
- B**
- Undecided – 29
  - Disagree – 101
  - Strongly disagree- 49
  - Spoilt- 10

**Figure 4.7: Performance monitoring and feedback**



5. The results of the questionnaire to section B, part 2 – Goals and performance measures, were as follows:

**Table 4.8: Goals & performance measures**

No	Goals & performance measures	Strongly agree	Agree	Undecided	Disagree	Strongly disagree	
1	I am aware of the organisation's mission statement.	9	20	-	5	-	1-spoilt
2	I am fully aware of the organisation's strategic objectives	10	12	2	-	10	1-spoilt

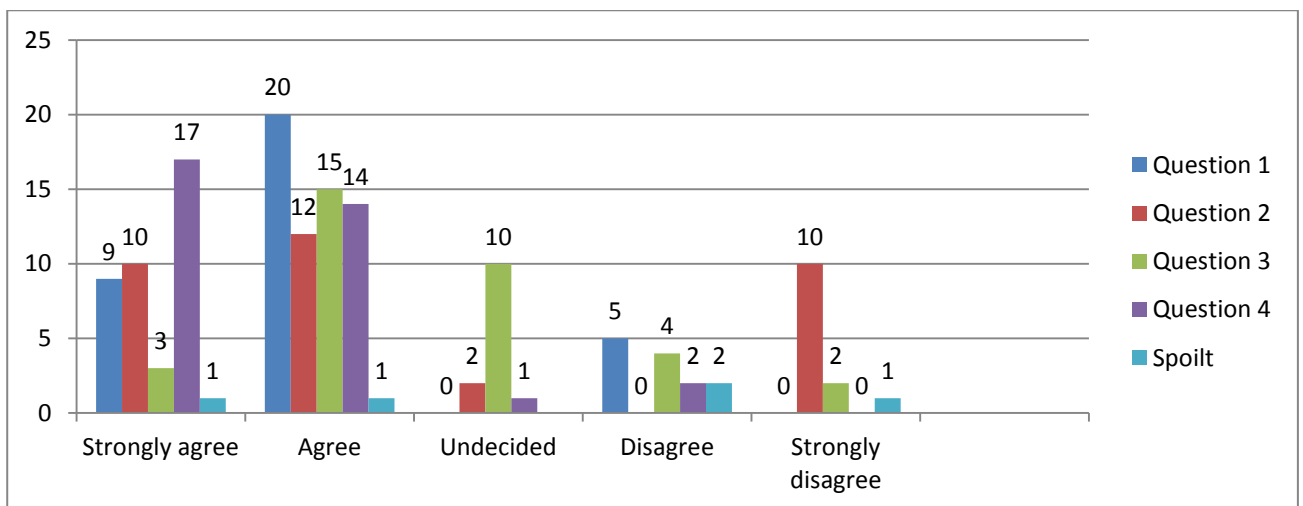
3	The division in which I am employed has clear goals and objectives	3	5	10	4	2	2-spoilt
4	I have the necessary skills and competencies to achieve my individual goals and objectives	17	14	1	2		1-spoilt
	<b>TOTAL</b>	<b>49</b>	<b>51</b>	<b>13</b>	<b>11</b>	<b>12</b>	<b>5</b>

Strongly agree – 49  
 Agree – 51

The above table 2 showed positive response that most employees agreed with the knowledge of strategic objective of the department as compared the number below with negative response.

Undecided – 13  
 Disagree – 11  
 Strongly disagree- 12  
 Spoilt - 5

**Figure 4.8: Goals and performance measures**



6. The results of the questionnaire to section B, part 3 – Training and development, were as follows:

**Table 4.9: Training and development**

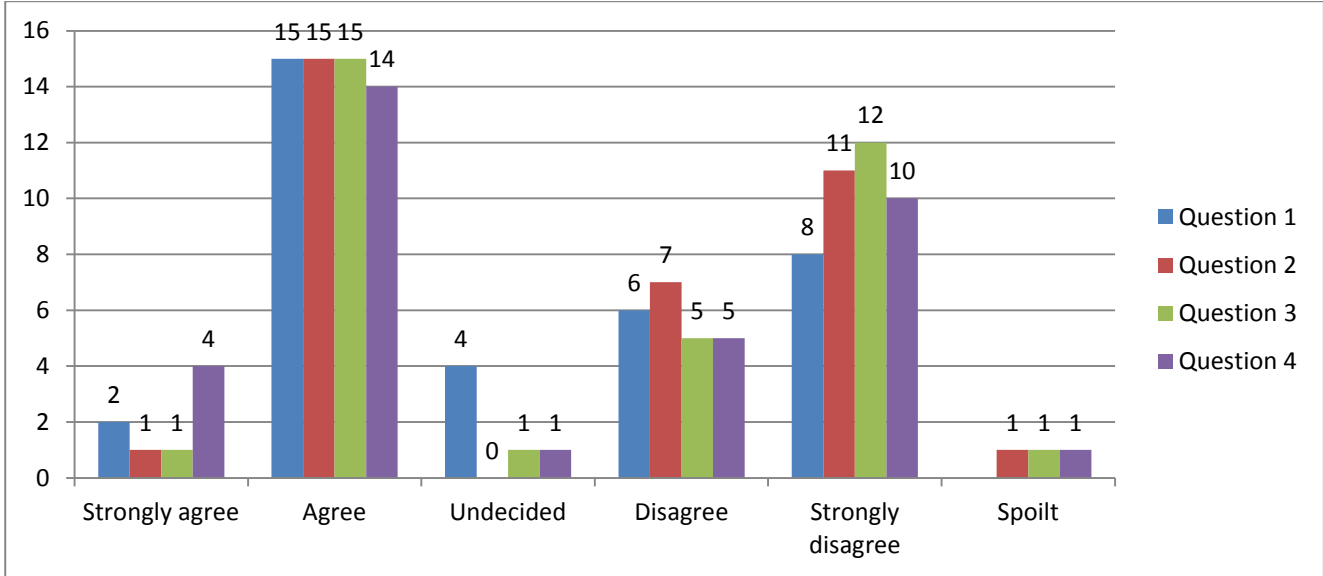
No	Training and development	Strongly agree	Agree	Undecided	Disagree	Strongly disagree	
1	Training and developmental needs are identified and documented during the performance review process	2	15	4	6	8	
2	Performance discussions during the review process emphasise personal development and growth.	1	15		7	11	1-spoilt
3	I am provided with required training such that I am in a position to complete tasks effectively	1	15	1	5	12	1-spoilt
4	I have a structured personal development plan.	4	14	1	5	10	1-spoilt
	<b>TOTAL</b>	<b>8</b>	<b>59</b>	<b>6</b>	<b>23</b>	<b>41</b>	<b>3</b>

Strongly agree- 8  
 Agree- 59

Training and development is not happening in the DLGTA, the number of positive (agree & disagree) response is less than the number of negative response. (Undecided, disagree & strongly disagree) The graph below shows the response of the focus group.

Undecided- 6  
 Disagree – 23  
 Strongly disagree- 41  
 Spoilt - 3

**Figure 4.9: Training and development**



**SECTION C**

The results for Section c: There were 7 questions in this section.

1. Was the system officially and formally introduced to you by the department?

Yes	No
14	20

**1-spoilt**

2. Are Managers or Supervisors giving you report concerning your performance?

Yes	NO
15	20

**6-no comments**

2- Did you see any changes in service delivery since the implementation of PMDS?

Yes	No
12	17

3- How do your Managers/Supervisors deal with non-performers?

**Responses;** the response from the group requested that the managers must be trained as they are unable to manage PMDS. Managers are doing nothing in so much that what are they really doing because underperformers are getting

performance bonus without valid reasons. They are demotivating the good performers.

4- Are there clear lines of communication as far as whom you report to?

Yes	No
28	5

**2-no comments**

6.- In your opinion do you think there is a need for the PMDS?

Yes	No
30	4

**1- Spoilt**

5- Generally, comment on the management and implementation of PMDS in the department and how challenges and problems could be resolved?

**Responses:** Operational staff put blame on Managers for not managing PMDS Managers need to be trained. There is favouritism on rewards.. Managers are not committed and perceive PMDS as a punitive tool.

#### **4.7. Conclusion**

The analysis of the results indicates that there are staff members who have no understanding of what performance management entails. The majority of the staff are qualified with professional tertiary diplomas and degrees, which reflects the level of intellect of those staff members who completed the questionnaire. They raised their concern of what the system seems to represent and the majority expressed their opinion that they are not happy with the appraisal system. Because there was a perception that the system was perceived as a money maker when it was implemented in 2001 Managers expressed their concern during performance appraisals about the attitude of staff, because there does not seem to be any positive spin-offs for those who are being appraised.

The study reveals that there is no staff development programme in place that would help develop staff members to grow in the different fields of their jobs. This is a

sound reason why staff responded that they are not happy with the current system. It would appear that management does not devote a great deal of time to staff development.

## **CHAPTER 5: FINDINGS, RECOMMENDATIONS AND CONCLUSION**

### **5.1. Introduction**

The aims of this chapter (Chapter 5) are as follows: (1) to summarise the discussion on research methodology and the subsequent findings of the study, (2) to draw conclusions from the findings, and (3) to make relevant recommendations based on the findings.

Effective management of individual and team performance is a crucial and central requirement to ensure stakeholder requirements, organisational strategy and business goals are attained. This requires accurate data regarding performance levels of business units, teams and individuals, and therefore the need for a standardised and formal performance management system.

An effective performance management system is the centre of an integrated Human Resource System and the performance data feeds into a variety of processes and systems, for example:

- Career planning
- Rewards
- Training and development
- Disciplinary decisions
- Promotions

Despite the importance of performance management, most organisations find it difficult to implement, manage and sustain performance management systems and processes effectively. It is therefore crucial to ensure adequate planning, evaluation and training is done that will support a sustainable process.

Given the strategic role played by the SMS, especially the management of Performance Agreements in the realization of government programmes, it is important that departmental officials make efforts to ensure compliance with its provisions. This study has shown that officials have not been rigorous enough in their implementation of the PMDS.

This is even more worrying considering the important role played by senior managers as drivers of various departmental programmes. Improvement in the management of Performance Agreements will not only strengthen service delivery initiatives but also boost the morale of senior managers as the instrument would be applied fairly, impartially and consistently. This will also ensure that exceptional performance by senior managers and staff is recognized and rewarded appropriately, while at the same time identifying gaps that could negatively impact on the delivery of departmental goals.

## **5.2. FINDINGS OF THE STUDY**

The lack of communication between managers and subordinates at Local Government and Traditional Affairs has been identified as a key area for improvement. It would appear that the biggest problem experienced at the department is that of communication. Effective performance management stipulates communication as one of its underpinnings. It relies on interpersonal relationships, as well as frank and open discussions between subordinates and managers regarding performance issues. If nothing else, the implementation of a performance management system would improve communication in the department, which would in turn go a long way in improving both individual and group performance.

### **5.2.1. Organisational strategy**

- There is lack of understanding by employees of the organisation's overall strategy;
- Many employees are not aware of the mission statement;
- There is a constructive culture present in the organisation.

### **5.2.2. Goals and performance measures**

- Divisionally, goals and objectives have been established and these have been communicated to employees. From the findings relating to

organisational strategy, it has been established that many respondents do not know or understand what the overall organisational strategy is. Performance management systems are effective when tying divisional goals and objectives to organisational goals and objectives;

- The setting of individual goals and objectives which are reasonable, by mutual agreement between managers and subordinates is not satisfactory according to the respondents surveyed;
- All employees have an understanding of the levels of performance that are expected from them;

#### **5.2.3. Performance monitoring and feedback:**

- There is lack of feedback and communication from managers to subordinates regarding their performance. This is evident from the closed-end questions in the survey as well as the open-ended probed format question at the end of the survey;
- Measurement of performance against prior mutually agreed set objectives is lacking;
- Employees are not involved in decisions which affect the way in which they work;
- Most respondents surveyed indicated that they are not encouraged to prepare for performance review meetings.

#### **5.2.4. Training and development:**

- Training and developmental needs are not sufficiently addressed. There is little formal planning for personal development and growth;
- Few employees are encouraged to prepare for greater responsibility in the future.

An effective performance management system requires buy-in from all stakeholders if it is to achieve the desired goals. Without commitment from

top management a performance management system will not function properly. Because the organization's goals cascade down into individuals goals, top management needs to be supportive of the system. Employee buy-in is also important to enable the system to work smoothly. Employees need to understand how they and the organization can benefit from the system, so from the beginning get them involved. Workshop ideas with them and continually ask for their input and feedback. Enablers of the system are a culture of trust and an effective communication system.

In Local Government and Traditional Affairs performance management is actually used for performance appraisal and when the term performance management is used, it is seen as equivalent to performance appraisal. The reason for this is that the majority of staff only have the opportunity to speak about their performance when it comes to that time of the year when objectives are set and performance appraisals are carried out. The study reveals that the department of Local Government and Traditional Affairs environment is not performance driven. Staff would perform their work in terms of what is expected, but they are not focused on a performance driven culture.

The result is that the system is not well supported by the majority of staff members, which would be a concern to management. When interviewing some of the managers, a statement came out, that, staff members feel that they are not rewarded for their hard work and no recognition is given when they deliver good work. On the other hand there are positives, revealed in the study, that management is seen to be serious about performance appraisals because few individuals receive rewards. The study also reveals that no one actually manages performance management.

### **5.3. RECOMMENDATIONS**

The recommendations of the research study on the critical evaluation of the performance management system used by Local Government and

Traditional Affairs have highlighted some shortcomings that should be eliminated to help ensure the success of the performance management system. It is recommended that management ensure that proper performance management training is provided to all staff so that there are no misunderstandings amongst staff that they do not understand what performance management is. This is vital for the system to be understood in this context. Training and development is an essential ingredient for the ongoing success of the PMDS. Training is needed to sustain and further progress the system, to equip managers and staff to fully engage all aspects of the PMDS process, and to promote greater levels of shared performance accountabilities and performance ownership.

In addition, the gap between management and staff needs to be bridged, so that staff members could alter their attitude towards management. In turn management needs to help staff to dispel their negative perceptions and attitude towards them, and to convert the system into a user-friendly system in the way it is managed. It is important that staff need to buy-in to the system. It is expected of the management team to drive this process and to help staff to reflect positive attitudes towards the system and management. There is a need to be consistent in terms of how scoring and ratings take place in the departments. The distributive curve must be utilised on the implementation of PMDS in quarterly review sessions. The current rating system needs to change to make it more realistic to staff members by utilising the normal distributive curve. Since no one has ever scored beyond a four rating, it is recommended that the five rating should be abolished and substituted by a system whose highest score will be a four. This proposal seems more realistic and achievable.

An annual audit needs to be implemented to make sure the system is fair and unbiased and that it is managed ethically. The audit will help management to use the correct tools when managing the system. The researcher concludes that there is complexity with regard to negative attitudes because of respondents' views about management not being

transparent and being biased in terms of the system. It is clear that private specialists in the field of performance management systems need to be approached to help the management and staff to implement those recommendations discussed earlier. Also all SMS members and staff must attend workshops hosted by the department to upgrade the knowledge and equip themselves with new developments of PMDS. The researcher believes that it is important to implement this recommendation for the benefit of all staff members and senior managers in the department.

In addition the study reveals that management is not serious about performance management in the light of performance appraisals. It is clear that staff members need to be managed so that the entire picture could be covered, and not merely a section of the broader perspective. Staff members were of the opinion that they do not believe that the performance management system is transparent. There is currently a gap between management and staff when it relates to performance management. This gap does not reveal a positive situation, especially since it is to be expected that staff would produce work to the best of their ability with a view to aspire to greater responsibilities and subsequently to more senior positions.

#### **5.4. CONCLUSIONS**

The main objective of the study was to undertake a critical evaluation of the management and implementation of performance management system used by the department in an effort to determine whether the system is used correctly and also to highlight any shortcomings. The results show that the general feeling amongst staff is that they have a negative attitude towards the current system. The study revealed that there was a minority percentage of respondents who did not know what performance management entails. This raised concerns that these staff members were seemingly never given training on performance management. It also reveals that the SMS level does not have the full responsibility and accountability to manage PMDS in the department.

The researcher has concluded that this system needs to be redesigned to ensure that staff members understand it and that they would be able to contribute positively to it. The focus of the PMDS needs to be changed from an output-focused system to a management development system, where there is an increased focus on the development of competencies, compared to the current focus on rewarding only output.

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DPSA. Leaders at Change

Annexure 1



Province of the  
**EASTERN CAPE**  
LOCAL GOVERNMENT  
& TRADITIONAL AFFAIRS

Human Resource Planning & Development  
Tyamzashe Building · Phalo Avenue · Private Bag X0035 · Bhisho · 5605  
Eastern Cape · REPUBLIC OF SOUTH AFRICA  
Tel: +27 (0)40 609 5630 · Fax: 0866468463 · website: [www.ecprov.gov.za/lqta/](http://www.ecprov.gov.za/lqta/)  
Enq. Miss Mzileni


The Superintendent General  
Department of Local Government and Traditional Affairs  
Private Bag X 0035  
**BHISHO**

**APPLICATION FOR CONDUCTING RESEARCH ON THE MANAGEMENT AND  
IMPLEMENTATION OF PMDS IN THE DEPARTMENT**

- I Nompumezo Mzileni (Manager PMDS) wish to apply for permission to conduct research in the Department as part of my studies towards Master in Public Administration with Fort Hare University.
- Furthermore I request your permission to conduct interviews with staff members from level 3-16 and to distribute questionnaires among them. (Copy attached)
- This research study form part of critical evaluation on the implementation and management of PMDS in the department.

Thanking you in advance

  
N. Mzileni (Manager: PMDS)  
Date 20/12/19  
Approved/Not approved

  
\_\_\_\_\_

S Khanyile:  
Superintendent General  
Department of Local Government & Traditional Affairs  
Date 19/12/2019



## Annexure 2



**FACULTY OF MANAGEMENT AND COMMERCE  
SCHOOL OF BUSINESS MANAGEMENT AND DEVELOPMENT  
DEPARTMENT OF PUBLIC ADMINISTRATION**

**TOPIC:** A critical evaluation on the management and implementation of Performance Management and Development System. (Case study in the Department of Local Government and Traditional Affairs; Bhisho. Eastern Cape) 2011-2012

**RESEACHER:** Miss Nompumezo Mzileni

The aim of this research is to evaluate whether the management and implementation of performance management and development system in the Department of Local Government and Traditional Affairs, Bhisho would yield desired results in terms of achievement of its strategic goals and objectives. The researcher is currently pursuing Master of Public Administration at the University of Fort Hare.

I kindly request your contribution and cooperation to complete this questionnaire to assist me to achieve and reach the objectives of this research. Information collected will only be used for academic purposes and confidentiality will be maintained since your name is not required. You are also requested to be honest in the answering of questions.

## SECTION A: GENERAL PROFILE INSTRUCTIONS:

Please tick (✓) the options given below that best describes your answer.

1. Sex:

Male	Female
------	--------

2. Age group:

Under 25;	25 – 35;	36-45;	46+
-----------	----------	--------	-----

3. Designation \_\_\_\_\_

4. Experience:

Less than 1 year;	2-4years;	5-7 years;	More than 7 years
-------------------	-----------	------------	-------------------

5. Academic Level / Highest Degree Attained:

Matric	Diploma	Jun. Degree	Honours	Masters	Ph. D
--------	---------	-------------	---------	---------	-------

6. Approximately how many people are employed in your organisation?

Less than 100;	101-500;	501-1000;	More than 1000
----------------	----------	-----------	----------------

**SECTION B: NATURE OF EXISTING PERFORMANCE MANAGEMENT SYSTEM :**

From the scale of 5 – 1, please select your answer by ticking (√) below.

Legend:

5 ----- Strongly Agree / Always

4 ---- Agree / Frequent

3 ---- Undecided / Seldom

2 ----- Disagree / Rarely

1 ---- Strongly Disagree / Never

This legend will be used throughout the entire questionnaire.

**1. Performance monitoring and feedback**

No	Performance monitoring and feedback	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	My performance is effectively monitored.					
2	My manager communicates with me frequently about my performance.					
3	My manager encourages open and frank dialogue with respect to performance related issues.					
4	I am encouraged to prepare for performance review meetings.					
5	Priorities in terms of objectives are reviewed during the performance review meeting.					
6	My performance is measured against prior, mutually agreeable, set objectives.					
7	I am provided with verbal and written feedback about positive performance.					
8	Where performance has not met minimum standards, my manager and I discuss the reasons for this and ways of improving performance.					
9	During the performance review meeting, my manager and I set mutually agreeable action plans for future improvements.					
10	During the performance review meeting, my manager and I set mutually agreeable action plans for future improvements.					

## 2. Goals and performance measures

No	Goals & performance measures	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	I am aware of the organisation's mission statement.					
2	I am fully aware of the organisation's strategic objectives					
3	The division in which I am employed has clear goals and objectives					
4	I have the necessary skills and competencies to achieve my individual goals and objectives					

## 3. Training and development

No	Training and development	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	Training and developmental needs are identified and documented during the performance review process					
2	Performance discussions during the review process emphasise personal development and growth.					
3	I am provided with required training such that I am in a position to complete tasks effectively					
4	I have a structured personal development plan.					

**SECTION C: NATURE OF EXISTING PERFORMANCE MANAGEMENT**

1. Was the system officially and formally introduced to you by the department?

Yes	No
-----	----

If Yes How and when?

.....  
.....  
.....  
.....  
.....

2. Are Managers or Supervisors giving you report concerning your performance?

Yes	NO
-----	----

3. Did you see any changes in service delivery since the implementation of PMDS?

Yes	No
-----	----

If no, Why?

.....  
.....  
.....  
.....  
.....

4. How do your Managers/Supervisors deal with non-performers?

.....  
.....  
.....

.....  
.....

5. Are there clear lines of communication as far as whom you report to?

Yes	No
-----	----

If no, Why?

.....  
.....  
.....  
.....  
.....

6. In your opinion do you think there is a need for the PMDS?

Yes	No
-----	----

If no, suggest

.....  
.....  
.....  
.....  
.....

7. Generally, comment on the management and implementation of PMDS in the department and how challenges and problems could be resolved?

.....  
.....  
.....  
.....  
.....  
.....  
.....

**Annexure 3**

**WORK PLAN AGREEMENT**

**EASTERN CAPE PROVINCIAL GOVERNMENT**

**DEPARTMENT OF LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS**

**DIVISION:**

**BETWEEN**

**AND**

**PERIOD OF AGREEMENT:**

**(1 April 2011 to 31 March 2012)**

**1. JOB DETAILS**

Persal number :  
Component :  
Location :  
Salary level :  
Notch (package) :  
Occupational classification :  
Designation :

## 2. JOB PURPOSE

## 3. JOB FUNCTIONS

## 4. REPORTING REQUIREMENTS/LINES & ASSESSMENT LINES

The officer shall report to the Senior Manager as her/his supervisor on all parts of this agreement. The Officer shall:

1. Timeously alert the supervisor of any emerging factors that could preclude the achievement of any performance agreement undertakings, including the contingency measures that she/he proposes to take to ensure the impact of such deviation from the original agreement is minimised.
2. Establish and maintain appropriate internal controls and reporting systems in order to meet performance expectations.
3. Discuss and thereafter document for the record and future use any revision of targets as necessary as well as progress made towards the achievement of performance agreement measures.

In turn the supervisor shall:

1. Create an enabling environment to facilitate effective performance by the Officer.
2. Provide access to skills development and capacity building opportunities.
3. Work collaboratively to solve problems and generate solutions to common problems within the department that may be impacting on the performance of the Officer.

## 5. PERFORMANCE APPRAISAL FRAMEWORK

Performance will be assessed according to the information contained in the work plan (attached as Appendix A) and the Generic Assessment Factors (GAF) the specific KRAs and GAFs together with their weightings are, for example, as follows:

3.1 The KRAs and GAFs during the period of this agreement shall be as set out in the table below.

3.2 The Officer undertakes to focus and to actively work towards the promotion and implementation of the KRAs within the framework of the laws and regulations governing the Public Service. The specific duties/outputs required under each of the KRAs are outlined in the attached work plan. KRAs should include all special projects the officer is involved in. The work plan should outline the officer's specific responsibilities in such projects.

KEY RESULT AREAS (KRAs)	Batho Pele	Weight
TOTAL		100%

3.3 The officer's assessment will be based on his/her performance in relation to the duties/activities outlined in the attached work plan as well as the GAFs marked

here-under. Only five GAFs should be selected (✓) from the list that are deemed to be critical for the General staff's specific job.

<b>GENERIC ASSESSMENT FACTORS</b>	<b>Batho Pele</b>	<b>Weight</b>
<b>TOTAL</b>		<b>100%</b>

**6. DEVELOPMENTAL REQUIREMENTS**

The plan for addressing developmental gaps is attached as Appendix C.

**7. TIMETABLE AND RECORDS OF REVIEW DISCUSSIONS AND ANNUAL APPRAISAL**

The progress reviews and feedback sessions will be on the 30 September 20.... and the annual evaluation will be on 3 April 20.... when the progress reviews and feedback sessions take place as well as the evaluation session.

## QUARTERLY ASSESSMENT:

- 1
- 2
- 3
- 4

## 8. MANAGEMENT OF PERFORMANCE OUTCOMES

@ Good performance will be recognized through monetary benefits

@ Poor/non-performance will be dealt with through the disciplinary code and procedure for the public service and through training interventions. These will be based on the departmental /Provincial's recognition policy and collective agreements.

## 9. DISPUTE RESOLUTION

9.1 Any disputes about the nature of the employee's W/P, whether it relates to key responsibilities, priorities, methods of assessment and/or salary increment in this agreement, shall be mediated by Supervisor

9.2 If this mediation fails, the dispute-resolution procedures provided by relevant collective agreements shall be followed

## 10. AMENDMENT OF AGREEMENT

Amendments to the agreement should be in writing and can only be effected after discussion and agreement by both parties.

## 11. SIGNATURES OF PARTIES TO THE AGREEMENT

The contents of this document have been discussed and agreed with the.....  
concerned.

Name of member:

Signature: .....

Date: .....

*AND*

Name of supervisor of member:

Signature: .....

Date: .....

# APPENDIX A: WORKPLAN ADDENDUM

OBJECTIVE:

KEY RESULT AREA	KEY ACTIVITIES	PERFORMANCE MEASURES		RESOURCES REQUIREMENTS
		TARGET DATE	INDICATOR	

Employee: \_\_\_\_\_

Supervisor: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX B: GENERIC ASSESSMENT FACTORS**

CRITERIA	STANDARDS		WEIGHTING
	GENERIC	DEPARTMENT SPECIFIC	

**APPENDIX C: PERSONAL DEVELOPMENT PLAN**

Competency to be addressed	Proposed actions	Responsibility	Time-frame	Expected outcome

**Annexure 4**

**QUARTERLY PERFORMANCE FORM – 201../201..**

**LEVEL 2-12**

PURPOSE: To review summarize and develop the work performance for all employees

NB : After completion of this form a copy will be filed in the HR Performance Management Unit.

CONFIDENTIAL

1. PERSONNEL PROFILE

QUARTER UNDER REVIEW:

SURNAME & INITIALS:

JOB TITLE:

LEVEL:

PERSAL NO:

COMPONENT:

DATE OF APPOINTMENT TO CURRENT:

RACE:

GENDER:

EMPLOYEE SIGN: \_\_\_\_\_

SUPERVISOR:-----

2. COMMENTS IN TERMS OF EVALUATION

KPA	WEIGHT	OWN ASSESSMENT(1-5)	SUPERVISOR'S ASSESSMENT ( 1-5)
	TOTAL = 100%		

EMPLOYEE SIGN: \_\_\_\_\_

SUPERVISOR: \_\_\_\_\_

ATE : \_\_\_\_\_

DATE : \_\_\_\_\_

3. COMMENTS IN TERMS OF EVALUATION

GAF	WEIGHT	OWN ASSESSMENT(1-5)	SUPERVISOR'S ASSESSMENT ( 1-5)
	TOTAL= 100%		

EMPLOYEE SIGN: \_\_\_\_\_

SUPERVISOR: \_\_\_\_\_

DATE :

DATE

**4. MANAGING INTEGRITY AND ETHICAL VALUES**

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**5. COMMENTS BY EMPLOYEE**

EMPLOYEE SIGN: _____	SUPERVISOR: _____
DATE: _____	DATE: _____
<b><u>B.COMMENTS BY SUPERVISOR</u></b>	
Employee sign _____	Supervisor
Sign _____	
DATE: _____	DATE: _____

**Annexure 5**

**DEPARTMENT OF LOCAL GOVERNMENT & TRADITIONAL AFFAIRS**

Annual Performance Assessment form 201../201..

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**Purpose :** to assess the annual performance of Employees

**Following completion of this form, it will be filed on the Employee's SP file in the Section: PM UNT**

Period under review .....

Surname and initials .....

Job title.....

Remuneration level.....

Persal no.....

Component.....

Date of appointment to current remuneration level.....

Race African ..... Coloured ..... Indian ..... White .....

Gender Male ..... Female .....

---

*PART 1 – COMMENTS BY RATED EMPLOYEE*

(To be completed by the Employee prior to assessment. If the space provided is insufficient, the comments on accomplishments/failures can be included in an attachment)

---

*PERFORMANCE ASSESSMENT*

Standard Rating Schedule for KPAs/KRAs

<b>Term</b>	<b>Description</b>	<b>Rating</b>
<b>Level 5: Outstanding performance</b>	Performance far exceeds the standard expected of a member at this level. The assessment indicates that the jobholder has achieved exceptional results against all performance criteria and indicators and maintained this in all areas of responsibility throughout the year.	5
<b>Level 4: Commendable. (Performance significantly above expectations)</b>	Performance is significantly higher than the standard expected in the job. The assessment indicates that the member has achieved better than fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.	4
<b>Level 3: Satisfactory. (Fully effective)</b>	Performance fully meets the standard expected in all areas of the job. The assessment indicates that the member has achieved effective results against all significant performance criteria and indicators and may have achieved results significantly above expectations in one or two less significant areas throughout the year.	3
<b>Level 2: Performance not fully satisfactory</b>	Performance is below the standard required for the job in key areas. The assessment indicates that the member has achieved adequate results against many key performance criteria and indicators but has not fully achieved adequate results against others during the course of the year. Improvement in these areas is necessary to bring performance up to the standard expected in the job.	2
<b>Level 1: Poor performance</b>	Performance does not meet the standard expected for the job. The assessment indicates that the member has not met one or more fundamental requirements and/or is achieving results that are well below the performance criteria and indicators in a number of significant areas of responsibility. The member has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.	1

<b>POINTS</b>	<b>RATINGS</b>	<b>MEANING</b>
130%-167%	5	OUTSTANDING
115%-129%	4	COMMENDABLE
100%-114%	3	SATISFACTORY
70%-99%	2	MARGINAL
69% and lower	1	POOR PERFORMANCE

**Rating by Supervisor and Employee of KPAs/KRAs:**

<b>KPAs/KRAs</b>	<b>Weight (%)</b>	<b>Own rating (1- 5)</b>	<b>Supervisor's Rating (1- 5)</b>	<b>Head of component (1- 5)</b>

1.				
2.				
3.				
4				
5				
6				
7				
8				
9				
10				
<b>Total (NOTE : WEIGHTING OF KPA MUST TOTAL 100 %</b>	<b>100%</b>			

**Rating by Supervisor and Employee:**

<b>(competency)</b>	<b>Weight (%)</b>	<b>Own rating (1-5)</b>	<b>Supervisor's rating (1- 5)</b>	<b>Head of component (1-5)</b>
1.				
2				
3.				
4.				
5.				
6				
<b>Total (NOTE : WEIGHTINGS MUST TOTAL 100%)</b>	<b>100%</b>			

**SCORE BY SUPERVISOR**

FOCUS	WEIGHTING
PERFORMANCE CONTRACT	
COMPETENCIES	
<b>TOTAL</b>	

**PART 3**

**1. Supervisor's recommendation**

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**2. Employee's comments:**

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2.1.1.2.1.1.1

2.1.1.2.1.1.2      Signature                      Name                                      Date

**PART 4**

**1. Comments by Head of Component**

-----  
**Signature                      Name                                      Date**

**2. Decision by PMDS Departmental Committee:**

-----  
**Signature**

-----  
**Name**

-----  
**Date**

**3 Score by Moderating Body**

<b>FOCUS</b>	<b>WEIGHTING</b>	<b>RATING</b>	<b>TOTAL</b>
Performance Contract	70		
Competencies	30		
<b>TOTAL</b>			

**5. Decision by Moderating Body**

**Comments** \_\_\_\_\_

\_\_\_\_\_

-----  
**Signature of Chairperson**

-----  
**Name**

-----  
**Date**

**Annexure:6**

**RESULTS OF THE PRACTICAL STUDY QUESTIONNAIRE**

**SECTION A: SMS RESPONSE**

**GENERAL PROFILE**

3. Sex:

Male	Female
6	4

2. Age group:

Under 25;	25 – 35;	36-45	46+
		3	7

3. Designation:

Level - 1 3	Level - 1 4	Level - 1 5
9	1	

4. Work Experience:

Less than 1 year;	2-4years	5-7 years	More than 7 years
	1		9

5. Academic Level / Highest Degree Attained:

Matric	Diploma	Jun. Degree	Honours	Masters	Ph. D
		3	6	1	

6. Approximately how many people are employed in your organisation?

Less than 100;	101-500;	501-1000;	More than 1000
			10

## **SECTION B:**

7. The results of the questionnaire for section B, part 1 - Performance monitoring and feedback were as follows:

<b>NO</b>	<b>Part 1 – Performance monitoring and feedback</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Undecided</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>Total</b>
1	My performance is effectively monitored.			3	6	1	
2	My manager communicates with me frequently about my performance.		2	1	6	1	
3	My manager encourages open and frank dialogue with respect to performance related issues.	1	2		6		1
4	I am encouraged to prepare for performance review meetings.		3	1	4	2	
5	Priorities in terms of objectives are reviewed during the performance review meeting.		2	1	4	3	
6	My performance is measured against prior, mutually agreeable, set objectives.		2		7	1	
7	I am provided with verbal and written feedback about positive performance.		2	1	6	1	
8	Where performance has not met minimum standards, my manager and I discuss the reasons for this and ways of improving performance.		3		6	1	
9	During the performance review meeting, my manager and I set mutually agreeable action plans for future improvements.		3		6	1	
10	During the performance review meeting, my manager and I set mutually agreeable action plans for future improvements.		3		6	1	

8. The results of the questionnaire to section B, part 2 – Goals and performance measures, were as follows:

No	Goals & performance measures	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	I am aware of the organisation's mission statement.	6	4			
2	I am fully aware of the organisation's strategic objectives	6	4			
3	The division in which I am employed has clear goals and objectives	6	4			
4	I have the necessary skills and competencies to achieve my individual goals and objectives	5	5			

9. . The results of the questionnaire to section B, part 3 – Training and development, were as follows:

No	Training and development	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	Training and developmental needs are identified and documented during the performance review process	4	3	2	1	
2	Performance discussions during the review process emphasise personal development and growth.	3	3	2	1	1
3	I am provided with required training such that I am in a position to complete tasks effectively	3	3	2	1	1
4	I have a structured personal development plan.	6	4			

## **SECTION C**

The results for Section c: There were 7 questions in this section.

- a. Was the system officially and formally introduced to you by the department?

Yes	No
9	1

- b. Are Managers or Supervisors giving you report concerning your performance?

Yes	NO
7	2

**1- Spoilt**

- c. Did you see any changes in service delivery since the implementation of PMDS?

Yes	No
4	5

**1 - Spoilt**

- d. How do your Managers/Supervisors deal with non-performers?

Responses: There are different opinions in this regard; 3- they assist with training

4- Nothing done      2 – Do not know      1 – Get bonus

5. Are there clear lines of communication as far as whom you report to?

Yes	No
6	4

**1 - No comments**

6. In your opinion do you think there is a need for the PMDS?

Yes	No
8	1

**6- Spoilt**

7. Generally, comment on the management and implementation of PMDS in the department and how challenges and problems could be resolved?

Responses: 7- PMDS need not to be associated with money only development and

service delivery to take place.

2- Supervisors needs training and sanctioning of non-performers

1- Causes demotivation to the staff, it must fall-away and the budget to be utilised in other programmes of the department

Annexure: 7

## RESULTS OF THE PRACTICAL STUDY QUESTIONNAIRE

### SECTION A: MMS RESPONSE

#### GENERAL PROFILE

4. Sex:

Male	Female
10	7

2. Age group:

Under 25;	25 – 35;	36-45	46+
	2	5	10

3. Designation:

Level - 9 - 10	Level - 11 - 12
9	8

4. Work Experience:

Less than 1 year;	2-4years	5-7 years	More than 7 years
		2	15

5. Academic Level / Highest Degree Attained:

Matric	Diploma	Jun. Degree	Honours	Masters	Ph. D
3	5	2	6	1	

6. Approximately how many people are employed in your organisation?

Less than 100;	101-500;	501-1000;	More than 1000
			16

2- spoilt

## **SECTION B:**

10. The results of the questionnaire for section B, part 1 - Performance monitoring and feedback were as follows:

<b>NO</b>	<b>Part 1 – Performance monitoring and feedback</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Undecided</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>Total</b>
1	My performance is effectively monitored.		4		8	5	
2	My manager communicates with me frequently about my performance.		1	1	11	4	
3	My manager encourages open and frank dialogue with respect to performance related issues.		2	1	10	4	
4	I am encouraged to prepare for performance review meetings.		2	2	7	6	
5	Priorities in terms of objectives are reviewed during the performance review meeting.		1	3	9	4	
6	My performance is measured against prior, mutually agreeable, set objectives.			3	8	6	
7	I am provided with verbal and written feedback about positive performance.		3	2	8	4	
8	Where performance has not met minimum standards, my manager and I discuss the reasons for this and ways of improving performance.		2	2	10	3	
9	During the performance review meeting, my manager and I set mutually agreeable action plans for future improvements.		1	4	9	3	
10	During the performance review meeting, my manager and I set mutually agreeable action plans for future improvements.			2	13	2	

11. The results of the questionnaire to section B, part 2 – Goals and performance measures, were as follows:

No	Goals & performance measures	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	I am aware of the organisation's mission statement.	11	6			
2	I am fully aware of the organisation's strategic objectives	11	6			
3	The division in which I am employed has clear goals and objectives	10	7			
4	I have the necessary skills and competencies to achieve my individual goals and objectives	12	5			

12.. The results of the questionnaire to section B, part 3 – Training and development, were as follows:

No	Training and development	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	Training and developmental needs are identified and documented during the performance review process	3	12	1	1	
2	Performance discussions during the review process emphasise personal development and growth.	4	10	1	2	
3	I am provided with required training such that I am in a position to complete tasks effectively	2	11	2	2	
4	I have a structured personal development plan.	6	6	3	2	

## **SECTION C**

The results for Section c: There were 7 questions in this section.

- Was the system officially and formally introduced to you by the department?

Yes	No
15	1

**1-spoilt**

- Are Managers or Supervisors giving you report concerning your performance?

Yes	NO

- Did you see any changes in service delivery since the implementation of PMDS?

Yes	No
9	6

**2- Undecided**

**1- spoilt**

- How do your Managers/Supervisors deal with non-performers?

Responses: 4- discuss pmds      6- get training  
 2 – do not get bonus      2 – silent      2. Not sure

- Are there clear lines of communication as far as whom you report to?

Yes	No
16	1

- In your opinion do you think there is a need for the PMDS?

Yes	No
15	1

**2- not clear**

- Generally, comment on the management and implementation of PMDS in the department and how challenges and problems could be resolved?

Responses: 3- no comments  
 8 – put blame to supervisors of awarding poor performers bonus  
 6 - blame supervisors and managers not to manage PMDS it must be done quarterly not annually, also managers needs training