

Perceived effectiveness of a performance management system

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Abstract

Knowledge of employees' perceptions of the performance management system will assist management to implement such a system more effectively. The purpose of the study was to determine the perceptions of employees regarding the effectiveness of the performance management system at a government department in South Africa.

A quantitative research approach was employed and a questionnaire was distributed to 1 200 employees at the department under study. The response rate was 44%. A factor analysis resulted in three main factors, namely personal development, personal performance, and manager support. Descriptive statistics and the ANOVA were performed to determine the perceptions of employees on these three factors.

Negativity towards personal development and manager support, and positivity towards personal performance were detected.

Key phrases

manager support; performance management system; personal development; personal performance

1. INTRODUCTION

A key expectation from management, at both organisational and individual level, is measuring and managing performance. Performance management became popular in the

1980s as total quality management programmes emphasised the use of all management tools, including performance appraisal, to ensure achievement of performance goals (Grobler, Warnich, Carrell, Elbert & Hatfield 2006:262). Performance management reflects the approach one entity has towards performance, and it includes sub-processes such as strategy definition (planning/goal setting), strategy execution, training and performance measurement (Brudan 2010:109).

The performance management model is a systems-based approach to cultivating the achievement culture in any economic entity by linking primary objectives to the secondary ones (Mwita 2000:19). Coetzee and Schreuder (2010:329) explain that performance management has emerged over the past two decades to adopt a future-orientated strategic focus aiming to maximise current performance and the future potential of employees.

Managers plan, direct and improve the performance of employees to achieve the strategic goals of the organisation (Amos, Ristow, Ristow & Pearse 2012:286). Unfortunately, managers tend to equate performance management with performance appraisal – an exercise that is typically done once a year to identify job-relevant strengths and weaknesses of individuals and work teams (Cascio 2006:238).

Appropriate reshaping of management includes the reshaping of the company's performance management system (PMS). An understanding of employees' perceptions on the effectiveness of the PMS would assist managers to implement this system effectively.

2. LITERATURE REVIEW

2.1 Clarification of the concept performance management

Brudan (2010:110) indicates that performance management has emerged over time as a function that assists in establishing, monitoring and achieving individual and organisational goals. Esu (2008:16) defines performance management as a tool, which focuses on managing the individual and the work environment in order for the individual to achieve the organisational goals.

Performance management refers to "all organisational processes that find out and control how well employees and teams perform in their work" (Ahmed, Rasheed & Jehanzeb 2012:102). Stated differently, Sarwar and Awan (2013:84) assert that performance management acts as a bridge between organisational strategy and individual contributions, and ensures that the efforts of employees are harnessed to deliver organisational goals. Performance management is an approach to how work is done and organised, and this

approach should focus on continuous improvement of performance, which needs to be driven by leaders of the organisation and which should be strategically aligned with organisational goals, training and priorities (Van Dijk & Thornhill 2003:464).

Broadbent and Laughlin (2009:285) refer to two different types of PMS, which are labelled “relational” and “transactional”.

- A *relational PMS* relies on practical logic in the choice of means to achieve objectives, while performance indicators and targets are aligned to the performance indicators.
- A *transactional PMS* is driven by instrumental rationality to define the objectives, which take on the characteristics of being highly functional and directed to specific outcomes (Budworth & Mann 2010:82).

Reviews of the performance management literature suggest a re-focus on coaching and goal setting (Latham, Almost, Mann & Moore 2005:78) while Aguinis (2009:221) proposes a broader understanding of performance management, which includes performance planning, performance assessment and performance review. In addition to the theoretical reasons for broadening the understanding of performance management, there are some practical reasons why this study area should be revised.

Salas, Rosen and DiazGranados (2010:943) point out that organisations continue to increase their reliance on teams as opposed to individuals, which requires different perspectives on performance management. Employees, on the other hand, confuse their expended effort with performance that is measured in terms of results (Byars & Rue 2006:222). De Waal (2007:6) states that “organizational members need to replace passive reporting performance measurement with proactive, results-oriented performance management. For this, they need performance-driven behaviour” (De Waal 2007:6).

Kanyane and Mabalane (2009:59) indicate that good performance consists of three parts, namely performance planning (which involves goal setting), day-to-day coaching (to assist staff members to accomplish their goals), and performance evaluation (which examines each individual's performance goals during a specific period). Stockley (2014:Internet) elaborates by stating that any PMS consist of the following elements: employee development, salary and compensation review, personal performance, business performance objectives for individuals and teams, performance management system design, new design versus redesign, system technology and Human resource policies/legal framework.

2.2 Managers' role in a PMS

Incompetent managers who are unable to implement the PMS effectively and set unrealistic performance targets inhibit productivity (Munzhedzi & Phago 2014:1095). Properly trained, informed and accountable managers are the key to establish and foster high performance. To achieve this, performance management training and training assessment methods must be established to evaluate the effectiveness of the training received (Kapoor & Sherif 2012:1632).

Managers often fail to acknowledge their role in performance management and the fact that their own performance is dependent on the performance of their subordinates (Amos *et al.* 2012:287). Insecurity is a common phenomenon in organisations, and performance management becomes overloaded with quelling anxieties and demands (Leopold & Harris 2009:190). In order to avoid such an overload, performance management requires knowing which activities and outputs are desired, observing whether such activities and outputs occur, and providing feedback to assist employees in meeting expectations (Noe, Hollenbeck, Gerhart & Wright 2004:239). From the employer's perspective, it helps the organisation to identify the employees contributing most and enables the organisation to understand how employees are performing (Sarwar, Ahmed & Muneer 2013:102). Employees prefer feedback on their strengths and weaknesses, and what is expected of them so that they can understand their career prospects (Risher 2012:188). Providing feedback and being actively involved in the PM process would seem to be a key part of the job of managers, yet many managers are uncomfortable addressing this central task (Cardy 2015:108).

The purpose of performance management is to appraise relevance, fulfilment of objectives, efficiency, effectiveness, impact and sustainability in a more continuous, dynamic and transparent way (Messah 2011:18). Performance management as a management-intensive process and successful implementation calls for careful managerial attention of all managers at all levels (Cho & Lee 2012:240). Senior management has to support this process, while line managers are part of daily performance management which should be undertaken as a specific strategy to engage employees (Risher 2013:65). Mone and London (2010:227) support the fact that performance management effectively applied helps to create and sustain high levels of employee engagement, which leads to higher levels of performance.

Bauer (2004:Internet) states that a PMS should have business perspectives (customers, financial process and development, communication, teamwork, responsibility, problem solving), measurement families (cost, productivity, quality and time) and measurement

categories (direct, additive and composite). Sharif (2002:83) points out that any PMS is crucial in the ongoing development within organisations wishing to operate as a world-class organisation.

According to Rea and Rea (2002:79), it is critical to adopt the PMS across the organisation and it should be used regularly by managers. To achieve this, the PMS itself and the attitude of staff within the organisation both need to be of an exceptionally high standard (Rea & Rea 2002:80).

It is important to note that a PMS can affect management styles and the organisational culture (Bititci, Mendibil, Nudurupati, Turner & Garengo 2004:29). It is increasingly becoming clear that the better the quality of the PMS the better the performance of the organisation (De Waal 2002:10). Managers must link the PMS with all the strategic interventions in an organisation (Minaar 2006:178), and they should understand that the PMS in their organisations can improve workplace commitment (Arogundade, Olasunkanmi-Alimi & Arogundade 2015:98).

2.3 The strategic relevance of a PMS

According to Cascio and Aguinis (2005:155), any PMS should serve the following purposes: strategic relevance, open communication, a basis for employment decisions, HR research, development, feedback to employees and facilitation of organisational diagnosis. The strategic relevance of performance management lies mainly in the creation of opportunities for business awareness at all levels, focus and concrete targets, employee motivation and employee engagement (Boselie 2010:172).

Mackay, Bititci, Maguire and Ates (2008:25) are of the opinion that performance management should be focused on the value creation processes that create competitive advantage. There is also growing trend towards improving managing performance systems (Bourne, Franco & Wilkes 2003:22). “Our ability to draw accurate inferences about the true effects of Human Resource Management (HRM) systems on performance outcomes requires, therefore, that we further articulate and validate any underlying assumptions about employee cognitive responses to HRM policies and practices” (Bowen & Ostroff 2004:205).

3. PROBLEM STATEMENT

What employees see and experience are manifested in their performance outcomes (Bowen & Ostroff 2004:214; Collins & Smith 2006:549). Van der Walt (2006:133) states that the PMS can assist with the process of organisational performance in both private and public sectors.

There is a need for local authorities to determine the effectiveness of performance management in local government as part of the broader modernisation agenda in terms of service efficiency and effectiveness beyond that of compliance with statutory requirements (McAdam, Walker & Hazlett 2011:303).

In a study conducted by Makamu and Mello (2014:123) it was found that the majority of the employees revealed that they were not satisfied with the PMS in another government department in Gauteng. It was unclear if these employees from different demographic groups perceive the effectiveness of the PMS the same or different. In the government department under study it is also unclear if employees from different demographic groups perceive the PMS to be effective.

4. RESEARCH AIM AND RESEARCH QUESTIONS

The aim of the study reported on here was to assess the perceived effectiveness of the PMS at a government department in South Africa. The research questions of this study were as follows:

- Do employees from different age groups perceive the PMS to be effective?
- Do employees from different genders perceive the PMS to be effective?
- Do employees from different staff levels perceive the PMS to be effective?

5. RESEARCH METHODOLOGY

The research approach, sample, ethical considerations, research instrument, data collection, reliability, validity and data analysis are discussed below.

5.1 Research approach

A survey research design with a quantitative approach was utilised for the study in order to obtain sufficient data on the perceptions of employees from different demographic groups with regard to the effectiveness of the PMS. A Likert-type five-point scale was used to measure the perceptions of the respondents regarding the implementation of the PMS within a government department in South Africa.

5.2 Sample

The research focused on all permanent and fixed-term contract employees throughout the Gauteng offices of the department. The intention was to represent the whole population in which the research was conducted (Welman, Kruger & Mitchell 2005:52). A convenience sampling method was used by distributing the questionnaire to all the employees and managers employed from a specific government department who were situated in all the

Gauteng offices. A total of 528 completed questionnaires were received back from the 1 200 questionnaires that were distributed. The response rate was therefore 44% which contributed to the validity of the study in the sense that almost a half of the targeted employees participated in this study.

5.3 Ethical considerations

Permission to conduct the research within the government department under study was obtained from the relevant Director General. Members who volunteered to be involved in the study agreed to take part in the research by filling in the consent form. Furthermore, the questionnaire distributed to participating employees was given to each employee personally and volunteers completed it anonymously. A research box was allocated in the office of each director's secretary for the return of the questionnaires to promote confidentiality and anonymity.

5.4 Research instrument and data collection

A questionnaire based on a literature review on performance management was developed. The scale ranged from 1 = strongly agree to 2 = agree, 3 = neither agree nor disagree, 4 = disagree and 5 = strongly disagree. The questionnaires were hand delivered and the respondents returned the completed questionnaires by putting it in the aforementioned research box.

5.5 Reliability and validity

Cronbach's alpha coefficient and inter-item correlation coefficients were used to assess the internal reliability of the measuring instrument (Nunnaly 1978:131). The Cronbach's alpha coefficient was above 0.70 for all the factors identified, thereby indicating that all the items measured the same attribute. Questionnaires were given to 20 experts in the field of HRM to determine the face validity of the statements used to conduct the research. According to Trochim (2006:Internet), if a test appears to be valid to participants or observers, it is said to have face validity.

5.6 Data analysis

The Kaizer-Meyer-Olkin (KMO) should be 0.50 as a cut-off value, and a desirable value of 0.8 or higher is needed in order to proceed with a factor analysis (Kaiser 1970:125). Zinbarg, Revelle, Yovel and Li (2005:internet) as well as Field (2009:75) explain that factor analysis is a multivariate statistical technique for identifying whether there are correlations between a set of observed variables. Varimax rotation was used because it yields results that make it

easy to identify each variable with a single factor (Nunnaly 1978:87). The name of the factor was determined by the items with the highest factor loadings.

The study considered factor loadings higher than or equal to 0.40 as significant. Whenever an item showed a high loading on two or more factors, the researcher decided to which factor the item belonged. In order to determine which variables to keep, the study considered the factor loadings, namely the cross-loading of items on more than one factor. Principal factor analysis was used because it seeks the least number of factors that can account for the common variance of a set of variables, but it does not consider unique variances (Field 2009:76). The eigenvalue for a given factor indicates the variance in all the variables of that factor. For the purposes of this study, all factors with eigenvalues lower than one were ignored.

Analysis of variances (ANOVA) was used to compare differences between and within the demographic groups. Comparisons were made between three factors using the age, gender and staff level. ANOVA was used to test for significant differences between means. The T-test for independent samples was used to compare two groups. To compare two variables given the same subjects (observations), the T-test for dependent samples was used. This distinction – dependent and independent samples – is important for ANOVA as well (Cox 1992:69).

6. RESULTS

The respondents were asked to provide biographical information. Most of the respondents (32.3%) were between the ages of 30 and 39. This was followed by 28.1% of the respondents between the ages of 40 and 49 years, 21.2% between the ages of 18 and 29, while 18% of respondents were 50 years of age and older. In terms of gender, the majority of respondents were female (57.0%), 42.6% were male, and 0.4% of the respondents did not indicate whether they were male or female. Most of the respondents were employees from middle management (159 or 30.1%) and administrative staff (157 or 29.7%). This was followed by 144 (27.3%) from technical staff and 60 (11.3%) from top management and senior management. Eight employees (1.6%) did not indicate their level of employment.

In terms of the number of years with the department under study, most respondents (34.0%) had been working within this department for at least five years at the time of the study. The single largest categories were for the 10–19-year group (25.5%) and the 6–9-year group (20.9%). Only 17.6% had been employed for more than 20 years. Eleven respondents (2.1%) did not indicate their length of service.

Table 1 depicts the descriptive statistics per statement in the questionnaire in terms of mean score and standard deviation. The mean score and standard deviation per item are discussed below.

TABLE 1: Descriptive statistics

Statements in the questionnaire	Mean	Std. deviation
The performance management development policy is fair	2.84	0.93
My supervisor and I plan my performance appraisal together	2.56	0.83
My supervisor/manager coaches me throughout the performance cycle	2.54	0.82
My supervisor/manager is trained to rate employees' assessment	2.53	0.82
My supervisor provides timely feedback on my performance	2.46	0.81
Employee relations strategies pertaining to performance management can impact employee morale	2.44	0.79
The department developed the PMS to manage performance in a non-discriminatory way	2.44	0.81
I understand my shortcoming in terms of my work performance	2.39	0.78
I have the opportunity to develop my knowledge and skills	2.39	0.81
Through PMS I am able to achieve my goals	2.38	0.77
The PMS motivates me to work harder	2.36	0.84
My performance standards are achievable	2.35	0.76
There are no clear standards in terms of my performance	2.34	0.84
I ensure that my performance is continually assessed	2.33	0.79
My supervisor/manager understands the PMS processes	2.31	0.77
My performance development plans are aligned with my key performance area	2.31	0.78
I understand PMS processes	2.29	0.75
Performance appraisal helps me to identify areas of improvement	2.28	0.78
I discuss my performance challenges with my supervisor	2.25	0.76
Feedback assists me to know how I am doing	2.21	0.77
I am adequately informed about PMS	2.19	0.70
It is my responsibility to ensure that my performance is evaluated	2.15	0.86
I understand my own job description	2.14	0.70
PMDS is fundamental in improving poor performance	2.06	0.83
I discuss my performance challenges with my supervisor	2.02	0.73
I understand my own job description	2.00	0.73
My key performance areas are aligned to my job description	1.98	0.83

Source: Authors' compilation based on survey results

6.1 Descriptive statistics

The mean scores of all the statements in the questionnaire are illustrated in Table 1. A low mean sample indicates positive test results while a high mean sample value indicates negative test results. The statement 'The performance management development policy is fair' showed the highest mean value of 2.84, which indicates that employees were not satisfied with the PMS policy.

Furthermore, the results showed that respondents had negative perceptions about the fact that supervisors or managers did not plan performance in consultation with them and supervisors and/or managers did not coach the employees throughout the performance cycle. On the other hand, the respondents indicated that they understood their job description and they were of the opinion that their key performance areas (KPAs) were aligned with their job descriptions.

6.2 Factor analysis

Table 2 presents the factor analysis where the items of this study were grouped and reduced into factors.

TABLE 2: Factor analysis

Item	Factor				Alpha	Mean inter-item correlation	Item total correlation		New factor name
	1	2	3	4			Min	Max	
Through PMS I am able to achieve my goals	0.82								
I have the opportunity to develop my knowledge and skills	0.69								
Performance appraisal helps me to identify areas of improvement	0.63				0.88	0.38	0.43	0.69	Factor 1 Personal development
PMS motivates me to work harder	0.60								
My performance standards are achievable	0.57								
Feedback assists me to know how I am doing	0.51		-0.25						

									Informed about PMDS
I understand PMS processes		0.82 - 0.70							
My supervisor/ manager coaches me throughout the performance cycle			0.77						
I discuss my performance challenges with my supervisor				0.69					
My supervisor provides timely feedback on my performance		- 0.29			0.64				
Employee relations strategies pertaining to performance management can impact employee morale					0.59				
My supervisor and I plan my performance appraisal together						0.85	0.39	0.47	0.66
My supervisor/ manager is trained to rate employees' assessment									Factor 4 Manager support
The performance management development policy is fair									
My supervisor/ manager understands the PMS processes	0.297				0.35				
I ensure that my performance is continually assessed	0.286				0.31				

Source: Authors' compilation based on survey results

A factor analysis was conducted by grouping at least five times as many respondents as there were items. This was performed to determine whether items were, in fact, grouped together as the intention was.

It was decided that a 4-factor model would be best. The items that loaded high on each of the three factors respectively were investigated for common themes, and the three factors were labelled “personal development” (factor 1), “personal performance” (factor 2), and “manager support” (factor 3).

6.3 Descriptive statistics on the factors

Table 3 depicts the descriptive statistics on the three factors, namely personal development, personal performance and manager support.

TABLE 3: Descriptive statistics on the factors

	N	Minimum	Maximum	Mean	Std. deviation
Personal development	527	1.00	3.92	2.28	0.51
Personal performance	527	1.00	4.00	1.97	0.52
Manager support	527	1.11	4.00	2.47	0.56
Valid N (listwise)	527				

Source: Authors' compilation based on survey results

The respondents indicated that they were positive with regard to their personal performance but negative towards personal development and manager support.

6.4 The correlation between the factors

The correlation between the three factors, namely personal development, personal performance and manager support is illustrated in Table 4.

It must be noted that the smaller the p-level, the more significant the relationship between factors. However, the larger the correlation, the stronger the relationship between the three factors. None of the values of the correlation coefficient in terms of the mean sample values indicated an error because they were both between 0 and 1.

The significance value (0.000) shows that there was a significant difference between two factors, namely personal development and manager support. It is clear that there was no significant difference between three factors (personal performance, personal development and manager support) because only two factors showed significant difference (personal development and manager support). Because the significance values were < 0.05 , there was a significant difference between the three factors, but this test is also an indication that factors 1 and 3 were different from factor 2, personal development.

TABLE 4: Correlation analysis

			Personal development	Personal performance	Manager support
Spearman's rho	Personal development	Correlation coefficient Sig. (2-tailed) N	1.000 .527	0.076 0.083 527	0.752** 0.000 527
	Personal performance	Correlation coefficient Sig. (2-tailed) N	0.076 0.083 527	1.000 .097 527	-0.072 0.097 527
	Manager support	Correlation coefficient Sig. (2-tailed) N	0.752** 0.000 527	-0.072 0.097 527	1.000 .097 527
** Correlation is significant at the 0.01 level (2-tailed)					

Source: Authors' compilation based on survey results

The results showed that there was a strong correlation between three factors (personal development, personal performance and manager support). P (the middle number) dropped below 0.05. There was therefore enough evidence that a true relationship was found between the three factors.

6.5 Reliability (Cronbach's alpha)

The reliability of the three sets of subscales (factors) was assessed by computing Cronbach's alphas for each set of items belonging to the underlying components. All individual items of these subscales contributed significantly to the overall reliability of the instrument. The value of the Cronbach's alpha in terms of "personal development" (factor 1) was 0.80, which was acceptable because it was higher than 0.70. The value of Cronbach's alpha in terms of "personal performance" (factor 2) was 0.73, which was very good and reliable. Cronbach's alpha value in terms of being informed about the PMS was below 0.70, which means that it was unreliable as it had a value of 0.10.

The values of Cronbach's alpha for the item "manager support" (factor 3) came out higher at a value of 0.80. The sample studied presented lower levels of consistency than the levels described by the samples in three subscales: personal development, personal performance and manager support. Analysis of these items revealed that some questions (for example 'I am adequately informed about PMS and I understand PMS processes') presented a low

correlation with the total for the subscale. The best reliability rates were attained in the “personal development” (0.87), “manager support” (0.85) and “personal performance” (0.73) subscales.

6.6 Analysis of variance (ANOVA)

Tables 5 and 6 illustrate the comparisons of the factors and the ANOVA subgroups in terms of age.

The two age groups 40–49 years and 50 years and older were positive with regard to their personal performance, while the age group 40–49 years indicated that they were negative towards manager support at the department under study. The age group 18–29 indicated that they were positive towards their personal performance. All the other age groups indicated that they were negative towards personal development, personal performance and manager support.

These results answered the research question: ‘Do employees from different age groups perceive the PMS to be effective?’

TABLE 5: Comparison of subgroups in terms of age

	Age groups	N	Mean	Std. deviation
Personal development	18–29	112	2.12	0.45
	30–39	169	2.23	0.48
	40–49	148	2.43	0.53
	50+	96	2.35	0.53
	Total	525	2.28	0.51
Personal performance	18–29	112	1.97	0.44
	30–39	169	2.06	0.46
	40–49	148	1.88	0.58
	50+	96	1.95	0.60
	Total	525	1.97	0.52
Manager support	18–29	112	2.32	0.52
	30–39	169	2.44	0.54
	40–49	148	2.61	0.56
	50+	96	2.49	0.57
	Total	525	2.47	0.557

Source: Authors' compilation based on survey results

TABLE 6: ANOVA in terms of age

		Sum of squares	Df	Mean square	F	Sig.
Personal development	Between groups	7.09	3	2.36	9.59	0.00
	Within groups	128.45	521	0.25		
	Total	135.53	524			
Personal performance	Between groups	2.77	3	0.92	3.43	0.02
	Within groups	139.96	521	0.27		
	Total	142.72	524			
Manager support	Between groups	5.63	3	1.88	6.23	0.00
	Within groups	156.85	521	0.30		
	Total	162.48	524			

Source: Authors' compilation based on survey results

Tables 7 and 8 illustrate the comparisons of the factors and the ANOVA subgroups in terms of gender.

TABLE 7: Descriptive of factors in terms of gender

	Gender	N	Mean	Std. deviation
Personal development	Female	300	2.31	0.52
	Male	225	2.24	0.49
	Total	525	2.28	0.51
Personal performance	Female	300	1.99	0.53
	Male	225	1.95	0.50
	Total	525	1.97	0.52
Manager support	Female	300	2.48	0.57
	Male	225	2.45	0.53
	Total	525	2.47	0.56

Source: Authors' compilation based on survey results

In terms of gender, no significant differences were detected between males and females in the mean scores for the three factors. Both females and males were positive towards their personal performance but negative towards their personal development and manager support. The above results answered the research question: 'Do different genders perceive the PMS to be effective?'

TABLE 8: ANOVA in terms of gender

		Sum of squares	df	Mean square	F	Sig.
Personal development	Between groups	0.60	1	0.60	2.34	0.13
	Within groups	134.92	523	0.26		
	Total	135.52	524			
Personal performance	Between groups	0.211	1	0.21	0.78	0.38
	Within groups	142.24	523	0.27		
	Total	142.45	524			
Manager support	Between groups	0.127	1	0.13	0.41	0.52
	Within groups	161.94	523	0.31		
	Total	162.07	524			

Source: Authors' compilation based on survey results

Tables 9 and 10 illustrate the comparisons of the factors and the ANOVA subgroups in terms of staff level.

TABLE 9: Descriptive statistics in terms of staff level comparison

		Mean	Std. deviation
Personal development	Top and senior management	2.10	0.49
	Middle management	2.35	0.51
	Technical staff	2.29	0.51
	Administrative staff	2.26	0.50
	Total	2.28	0.51
Personal performance	Top and senior management	1.86	0.51
	Middle management	1.93	0.51
	Technical staff	1.95	0.51
	Admin staff	2.05	0.52
	Total	1.96	0.51
Manager support	Top and senior management	2.21	0.57
	Middle management	2.55	0.54
	Technical staff	2.47	0.55
	Admin staff	2.49	0.54
	Total	2.47	0.55

Source: Authors' compilation based on survey results

TABLE 10: ANOVA in terms of staff level

		Sum of squares	df	Mean square	F	Sig.
Own involvement	Between groups	2.8610	3	0.9540	3.755	0.011
	Within groups	130.7890	515	0.2540		
	Total	133.6500	518			
Personal development	Between groups	1.9820	3	0.6610	2.5210	0.057
	Within groups	134.9510	515	0.2620		
	Total	136.9330	518			
External involvement	Between groups	4.8440	3	1.615	5.3750	0.0010
	Within groups	154.7160	515	0.3000		
	Total	159.5600	518			

Source: Authors' compilation based on survey results

The mean score of top and senior management (1.86) on the personal performance factor had a low mean value. This implies that employees at the level of top and senior management were more positive about developing themselves than the other staff levels. It is clear that the administrative and technical staff were negative about their personal performance, followed by middle management. All staff levels indicated that they were negative towards manager support and personal development. It is clear that middle management was the most negative of all groups towards the support they received from their managers regarding implementation of the PMS.

The above results answered the research question: 'Do different staff levels perceive the PMS to be effective?'

7. DISCUSSION

The study on which this article is based established that personal development, personal performance and manager support are essential factors when it comes to perceived effectiveness of the PMS. Kagaari, Munene and Ntayi (2010:108) found that employee attitudes have a positive relationship with managed performance and this concurs with the positive correlation between the three performance management factors (personal development, personal performance and manager support) of this study.

The perceptions of the two age groups 40–49 years and 50 years and older were positive with regard to their personal performance although Kunze, Boehm and Bruch (2013:744) found in their study that older employees were typically associated with lower potential for

development. The age group 40–49 years indicated that they were negative towards manager support at the department under study. The age group 18–29 indicated that they were positive towards their personal performance. All the other age groups indicated that they were negative towards personal development, personal performance and manager support.

Both females and males were positive towards their own development but negative towards their personal development and manager support. The results from this study suggest that there are no gender differences with regard to participants' perceptions on the performance management system. This contradicts the findings of Hind and Baruch (1997:288) who found that gender variances may be found in the cognitive bases of employees' work-orientated attitudes. The results from Rosenthal's study (1995:30) suggest that gender does have an effect on managers' attribution for their own and their subordinates' performance.

Top and senior management were more positive about developing themselves than the other staff levels. Administrative and technical staff as well as middle management were negative about their personal performance. All staff levels indicated that they were negative towards manager support and personal development. Middle management was the most negative of all groups towards the support they received from their managers regarding the implementation of the PMS. This contradicts the findings by Larkin and Schweikart (1992:23) where they state, "it is plausible to suggest that superiors and subordinates may share common opinions, and that the similarities may be related to measured performance".

Kagaari (2011:529) found in his study that results-orientated relationships were achieved through development of appropriate performance management processes and structures, setting performance goals and targets, and utilising available resources. This is supported by Patterson, West, Lawthorn and Nickell (1998:55), who established that managing performance is achieved through people management practices.

Patterson *et al.*'s (1998:56) study revealed similar findings by comparing different types of managerial practices on performance with the emphasis on quality strategies such as quality of training and development, extent of feedback on quality to employees, quality emphasis with customers and suppliers, and involvement of employees in quality control. Strong beliefs that quality is crucial should be part of top management level strategy (Mills, Platts, Bourne & Richards 2002:22) and this supports the outcome of the present study because managerial support is of the utmost importance. Management style correlates with performance measures and the results by Bititci *et al.* (2004:40) emphasise the importance of management in effective performance management. It was also clear that the

respondents were not satisfied with the development of the PMS policy, and this concurs with the results of Cook and Crossman (2004:539), which showed that perceived fairness of the system itself contributes most to the overall perception of satisfaction, which should be considered by management at the PMS design stage.

8. MANAGERIAL IMPLICATIONS

Most managers will agree with the fact that they must link individual performance and organisational performance in order to realise organisational strategies, but few actually make it happen. There are plenty of reasons why companies fail, but the three major ones are: the fragmented views from finance, HR and – if present – the strategy department; a lack of ownership by middle management; and the absence of a simple PMS (The Performance Factory 2015:Internet).

Traditional performance management should be reassessed in terms of how effective it really is. Perhaps the fundamental aspect of traditional performance management is grading by the curve or forced ranking of employees. This process, widely known as 'rank and yank', has been found in many companies to demoralize employees, create animosity and spur good people to look elsewhere for work (Deloitte Consulting LLP & Bersin 2014:46). Shifting away from annual performance evaluations toward a new process of continuous coaching and improvement requires a new role for HR and managers. This new process will entail conducting surveys and involving Information Technology (IT) and other business units. Surveys at organisational level and can be conducted and the correct metrics must be identified.

A principal challenge is preparing for and creating the workplace for the future. Strategic performance management systems can help create a learning, feedback-orientated culture that incorporates shifts in globalisation, technology and workforce attitudes, attracts talent, develops talent and retains talent in order to maintain high standards, and strives for continuous performance improvement. Managers should be aware of the fact that younger generations may not have the same views on career goals, modes of communication, performance standards and development as older generations. Knowing when to adapt or devise an entirely new performance management programme requires constant assessment. An attitude survey can be conducted to gain information about the perceived value of the performance management programme. Behavioural data can also be obtained by asking self-report questions on how managers executed the performance management.

The objectives of employees must be aligned with an organisation's strategy, cascading from organisational goals and key performance indicators to an individual level in the organisation. "Having aligned the staff with these objectives, the focus is on engaging the staff to deliver additional discretionary effort" (Bourne, Pavlov, Franco-Santos, Lucianetti & Mura 2013:1611).

It is essential that IT employees in the company, managers and other employees contribute towards the design, implementation and evaluation of the performance management programme. This will help to build commitment and effective execution of the programme. Getting contributions from HR professionals only for the design of the performance management programme will lead to a narrow view instead of a holistic and user-friendly programme. These contributors can form a design task force for the performance management programme. After the programme has been implemented, HR professionals should consider forming a performance management council to oversee the assessment and use of the programme. This council would assist with examining how people use the process, what they think about it, and ways they would like it changed to be even more valuable.

The majority of performance management implementations in organizations fail, which is a big problem as an effective PMS results in better competitive performance. The biggest issue is getting people in the organizations to actually start, and more important, keep using the system so sustainable benefits are gained. Therefore it is imperative that organizations pay attention to the instrumental and the behavioral side of performance management (De Waal 2007:9). Training is therefore essential (Cook & Crossman 2004:540). Lastly, there is a need to link performance management systems design with issues of policy, strategy, operations, assessments and information systems (Mwita 2000:36). Companies that have effective performance management programmes increase productivity, identify top performers and motivate employees to work harder. They can also ensure that their strategic business goals align with hiring and talent development plans (Gale 2012:Internet).

9. RECOMMENDATIONS

It is recommended that the department under study should note the following recommendations below in order to improve the effectiveness of the PMS.

Recommendation 1: investigation into why the age group 30-39 was negative about their personal performance as well as why all the age groups were negative towards personal development and manager support.

Recommendation 2: investigation into why both females and males were negative towards their personal development and manager support.

Recommendation 3: investigation into why only top and senior management were more positive about developing themselves than the other staff levels as well as to why the other staff levels were more negative in this sense.

Recommendation 4: investigation into why administrative, technical staff and middle management were negative about their personal performance.

Recommendation 5: investigation into why all staff levels indicated that they were negative towards manager support and personal development.

Recommendation 6: investigation into why middle management was the most negative of all groups towards the support they received from their managers regarding the implementation of the PMS.

Recommendation 7: clarifying the content of the PMS policy of the department under study.

Recommendation 8: the supervisor or manager needs to plan the performance appraisal together with the employee and coaching should be provided to employees throughout the performance cycle.

Recommendation 9: although the primary purpose of 360 degree appraisal method has been employee development, Campion, Campion and Campion (2015:86) recommend that this method be used within the PMS. Currently it is not the case at the department under study.

Recommendation 10: management should implement a balanced scorecard in terms of a performance management system to facilitate change and organisational learning processes (Sharif 2002:63). The balanced scorecard will widen the concept of performance measurement by looking at performance internally and externally (Bourne *et al.* 2003:20).

Recommendation 11: managers should consider separating assessment for development and assessment for rewards (Swanepoel, Botha & Mangonyane 2014:9).

For future research, it is recommended that a similar study be conducted at other government departments in South Africa as well as in other countries in order to develop a strategy to execute a PMS in a government context properly.

A qualitative study could also be conducted in order to identify the reasons for the negativity around personal development and manager support in a governmental context. Pulakos, Hanson, Arad and Moye (2015:72) suggest that "performance effectiveness indicators" should be developed for situations in which objective data are not available but Meriac, Gorman and Macan (2015:103) are of the opinion that there is no recommendation on how this would be conducted or how the work would be evaluated. This is a clear future research option.

10. CONCLUSION

It is evident that personal development, personal performance and manager support are essential factors in perceiving PMS effectiveness. The age groups 40 years and older as well as 18-29 years were positive about their personal performance, but all the other age groups indicated that they were negative towards personal development, personal performance and manager support.

Both females and males were but negative towards their personal development and manager support. Top and senior management were more positive about developing themselves than the other staff levels. Administrative, technical staff and middle management were negative about their personal performance.

All staff levels indicated that they were negative towards manager support and personal development. Middle management was the most negative of all groups towards the support they received from their managers regarding the implementation of the PMS. Knowledge about the different demographic groups' perceptions of the PMS in the department under study will assist managers to implement this system effectively. It can be concluded that most of the employees at the department under study were positive about their own personal performance but negative about the effectiveness regarding manager support and personal development with regard to the PMS.

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