

UNIVERSITY OF KWAZULU NATAL

**Employee Attitudes to The Performance-
Management System of a Consulting Engineering
Company**

By

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Declaration

This research has not been submitted to any other educational institution for the purpose of a qualification.

I declare that this dissertation contains my own work, and where I have used the work of others, this has been correctly referenced in the bibliography. Any research of a similar nature that has been used in the development of my research study has also been referenced.

SIYABONGA DUBE

DATE: 10 October 2014

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Abstract

In today's globalised business world characterised by a high level of competition and unstable markets, businesses are called upon to utilise their resources in the most effective and efficient manner in order to survive. It has become critical for businesses to monitor their employees' performance and constantly to develop and train employees in order to eliminate inefficiencies and improve productivity to remain competitive in the global market. In this respect, performance management has come to play an indispensable role in helping organisations reach their productivity goals. However, research indicates that many organisations have failed to implement and maintain effective performance-management systems owing to employees' negative attitudes towards performance-management practices. The aim of this study is to determine employees' attitudes towards the performance-management system at Kantey & Templer Consulting Engineers (Pty) Ltd.

A quantitative study was conducted to obtain a holistic understanding of employee attitudes towards the performance management system. The sample of participants was made up of employees at different levels within the organisation. An electronic questionnaire was formulated to answer the research objectives, was distributed by electronic mail. Some of the key findings from the study indicated that performance management review outcomes are very subjective; the performance management system is not fully implemented; there is inconsistent implementation of performance management amongst different departments; and lack of managers' involvement in implementing the performance management system.

Some of the recommendations made include the use of 360° Feedback appraisal for employee performance evaluation; keeping up-to-date job profiles outlining the roles and responsibilities and performance measurements in order to make sure that employees are aware of performance measurements and performance criteria used during performance reviews to reduce subjectivity. Due to the paucity of academic literature, it was difficult to compare the findings of this study with previous research.

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CHAPTER 1

Executive Summary

1.1 Introduction

One of the neoclassical economics' principles describes the existence of a business as being there for the purpose of maximising profit gains and utility for the individual. Even though the principles of neoclassical economics are sometimes accused of being against labour rights, being ecologically insensitive, promoting inequalities in global debt and trade relations, the principles of neoclassical economics remain relevant to the survival of businesses in today's highly competitive and globalised business world (Mohr and Fourie, 2008).

Enhancing employee productivity remains a challenge for most organisations in realising their goal of maximising profits. The most difficult aspect of improving productivity is that of developing employees' work ethic, desire, and ability to perform to the maximum required, or to expected levels through performance-management practices encapsulated in human-resource management practices. Performance management has come to play an indispensable role in assisting organisations in reaching their potential productivity goal.

This chapter will discuss the background of the study, and the motivation for conducting the study; it will also outline reasons for the quantitative approach used in answering the research problem.

1.2 Motivation for the study

The literature indicates that performance management is one of the most important strategies required in propelling an organisation to achieve its strategic objectives. The effectiveness and success of a performance-management system requires a strong strategic alignment between employees and organisational goals (Hough et al., 2011). Organisations have received negative employee reactions towards performance-

management systems, and their implementation, owing to inherent flaws, errors, weaknesses, and bias associated with them; leading to failure in both implementation and sustaining of performance-management systems (Swanepoel et al., 2003). Despite the changes in business climate, little research, if any, has been conducted on employee attitudes which hinder successful implementation and effectiveness of performance-management systems, especially in the South African context.

In 2011, Kantey & Templer implemented a performance-management system in all their branches within South Africa. Kantey & Templer wish to be conversant with their employee attitudes towards the performance-management system. The conclusion of this research will provide data on employee attitudes towards performance management, clarifying which improvements are necessary.

The research question that arises is: What are employee attitudes towards the performance-management system at Kantey & Templer, a consulting engineering company?

1.3 Research objectives

The objectives of the study are to:

- Establish the importance of having a performance-management system;
- Establish employee attitudes towards the performance-management system;
- Ascertain whether the performance-management system is working effectively;
- Determine the reasons for the system's working/not working effectively;
- Establish the improvements which must be made to the performance-management system; and
- Determine what needs to be done to promote employee engagement with the performance-management system.

1.4 Theoretical approach

Kantey & Templer, a medium-sized company with multiple branches in South Africa, recently introduced a performance-management system within all the company branches. They wish to understand their employees' attitudes towards the performance-management system. A representative sample of the employees from all branches is expected to provide data on attitudes towards performance management, allowing Kantey & Templer to make informed decisions on how to improve the implementation and administration of performance management within the company.

A quantitative approach will be used to obtain a holistic understanding of employee attitudes. This study is defined as descriptive, because it will be undertaken to ascertain characteristics of the population, describing them in terms of performance-management attitudes. The quantitative approach will make use of a structured questionnaire.

The rationale behind the sampling concept is that a sufficient number of elements selected from the population will provide useful information, and afford understanding of the properties or characteristics of the entire population, making it possible to generalise the results. The study aims at obtaining information and understanding of properties or characteristics of the sample selected as representative of the population. The probability sampling method will be used for the study, because it gives all the individuals in the population an equal chance of being selected; and it also gives all elements a known and equal chance of being selected as a subject.

The research study will comprise the following chapters:

Table 1.1: *Summary of the research chapters*

Chapter 1	Outlines the aim of the study; and the reasons for the quantitative approach being used in answering the research problem.
Chapter 2	Discusses the literature available on performance management, in order to give a full overview and background to the study.
Chapter 3	Discusses the type of study adopted; and the elements of research

	design. It provides a concise overview of the confines of the study and the research methodology.
Chapter 4	Focusses on the representation and analysis of the research findings.
Chapter 5	Summarises the research findings, draws conclusions based on research findings, and suggests necessary recommendations. The limitations of the research study and recommendations for future studies are also discussed.

1.5 Limitations of the study

The following limitations of the study are to be noted. They will be discussed further in Chapter 5:

- The research was conducted within the following branches of Kantey & Templer: Cape Town, Durban, George, Johannesburg, Pietermaritzburg, Port Elizabeth, and Port Shepstone.
- The research focussed on the implementing of the performance-management system; not on the developing of a framework for a performance-management system suited for an engineering consultancy based environment.

1.6 Summary

The purpose of this chapter was to give a summarised background to the research. The problem statement was outlined, followed by the theoretical approach adopted, the confines of the research study, the research topic, and the objectives.

The next chapter will explore the available literature on performance management, in order to clarify the theory, and to obtain reviews from scholars on the implementation of performance-management systems.

CHAPTER 2

The Overview of Performance Management

2.1 Introduction

In today's globalised business world characterised by a high level of competition and unstable markets, businesses are called upon to utilise their resources in the most effective and efficient manner in order to survive. The global collapse of financial markets brought an opportunity for organisations to reconnect with their main organisational goal of relentlessly maximising profits by greatly increasing employees' productivity through performance management practices, as encapsulated in human-resource management practices. It has become critical for businesses to monitor their employees' performance and constantly to develop and train employees. This assists in eliminating inefficiencies in order to remain competitive and to augment business outputs. In this respect, performance management has come to play an indispensable role in helping organisations reach their goals of productivity goals. Research has shown that human resources management practices are likely to meet with negative employee reactions or attitudes where they are incompatible with workers' prior experience, expectations, promises and obligations.

The effectiveness and success of a performance-management system requires a strong strategic alignment between individual and organisational goals. Research indicates that many organisations have failed to implement and maintain effective performance-management systems owing to employees' negative attitudes towards performance-management practices. This literature review covers detailed theoretical information on performance management, and employees' attitudes towards performance; it gives a systematic summary of the research findings conducted; it provides a detailed analysis of research findings; and identifies gaps in the existing literature.

2.2 Definition of performance management

Atkinson (2012) highlighted both diversity and lack of consensus on the subject of performance management and its definition; the lack of consensus in defining performance management makes it difficult to identify the boundaries of what performance management encompasses and what it does not. However, through a series of engagements between various stakeholders of different sectors of business, it became clear that the performance-management definition must be linked to delivery of strategic objectives of an organisation, defined in simple and understandable language (Atkinson, 2012). Performance management is defined as a process by which organisations align their resources, systems and employees with strategic objectives and priorities (Swanepoel et al., 2003). Grobler et al. (2011) defined performance management as a process which significantly affects organisational success by having managers and employees work together to set expectations, reviewing results, and rewarding performance. Swanepoel et al. (2003) and Busi and Bititci (2006) defined performance management as the use of performance measurement information to effect positive change in organisational culture, systems and processes, by helping to set agreed-upon performance goals, allocating and prioritizing resources, informing managers either to confirm or change current policy, or programme directions to meet those goals, and sharing results of performance in pursuing those goals. Aslam et al. (2011) concurred with the definition of performance management as given by Swanepoel et al. (2003). Busi and Bititci (2006) defined performance management as a continuous process of identifying, measuring and developing the performance of individuals and teams, and aligning performance with the strategic goals of the organisation.

A comprehensive definition is provided by Swanepoel et al. (2003), Busi and Bititci (2006), and Aslam et al. (2011), in that it encompasses the key elements of performance management, which includes the design and the use of performance measurement in making decisions, setting performance goals, allocating resources; and the use of performance-management systems in applying information arising from performance-measurement systems. This definition clarifies the two processes, which are often confused with performance management as discipline and performance measurements

(Markus, 2008). Brudan (2010) described performance measurement as a process dealing with the evaluation of performance results. It tracks past achievements for comparison; measures input and output; measures detection of deviations; it falls under the umbrella of performance management. Brudan (2010) further described performance management as an overarching process dealing with evaluating performance results, and ensuring that performance targets are constantly achieved; it includes strategic goal-setting, implementation, training, and performance measurement. It involves training and development, team work, management style, perceptions and attitudes, shared vision, employee involvement, incentives and rewards (Nyembezi, 2009).

Performance management is often confused with performance appraisal by many managers and business leaders (Markus, 2008). Performance appraisal is defined as a formal and systematic process by means of which the relevant strengths and weaknesses of employees are identified, observed, measured, recorded, and developed (Swanepoel et al., 2003).

2.3 Role of performance management in organisations

The performance-management system serves many important purposes within an organisation, such as improving productivity, motivating employees, strengthening organisational goals, and facilitating discussion of ideas and areas for improvement (Hough et al., 2011). It is an integrated process which seeks to engage employees and management to set expectations, to measure and review results, and to reward performance in order to improve employee performance, ultimately translating to organisational performance which assists in delivering strategic objectives. Organisations need to realise and leverage the importance of strategic human-resource practices as a tool for gaining a competitive advantage. The strategic human-resource practice encompasses performance-management systems as a strategic mechanism bridging the gap created by the ineffectiveness of the traditional performance-appraisal system (Grobler et al., 2011). According to Grobler et al. (2011), the traditional performance-appraisal system has become irrelevant, owing to the dynamics introduced by

globalisation in the world of business; the traditional performance appraisal lacks objectivity in managing employee performance. It overlooks parameters for measuring performance, and only focusses on individual traits, instead of focussing on measurable targets. The lack of objectivity of the appraisal system results in the loss or decrease of employees' morale and motivation to perform, owing to absence of transparency, introduction of bias, and lack of employee involvement in the entire process of performance appraisal (Business-dictionary, 2013, Grobler et al., 2011) .

Both the primary and the ultimate functions of performance management focus on achieving results; achieving well-structured and well-implemented performance-management strategies in which the process of performance managing should be beneficial to both the company and the employees(Grobler et al., 2011). Performance management encompasses a series of activities such as goal-setting; continuous performance monitoring and feedback; mentoring and coaching for performance improvement; implementation of employee-development programmes; and performance-reward programmes (Sahoo and Mishra, 2012). The following are the benefits of a successfully implemented and effective performance-management system:

- **Working towards common goals:**

A company's strategic planning must prioritise implementation of performance management aligned with the organisational strategic framework, ensuring that employees understand vision and goals, and the way in which their work activities fit into the organisation; also how they contribute to the company's mission accomplishment (Hough et al., 2011). An increase of employee engagement and a sense of belonging improves output delivery.

- **Understanding of job expectations:**

The alignment of individuals with organisational objectives is paramount. This establishes a basis for clear understanding of what is expected from an employee in contributing towards achieving organisational goals collectively; and most importantly, for an

employee to understand what is expected of him/her in such a delivery; also what she/he needs to develop or improve in order to contribute positively (Sahoo and Mishra, 2012). A job profile should include the full scope of what the job entails, such as roles and responsibilities. The prime benefit of a job profile is that it clarifies the deliverables, making it easy to measure an employee (Hough et al., 2011).

- **Regular feedback on employee performance:**

A regular, effective, well-managed and integrated employee-performance feedback cycle provides good quality and useful feedback from colleagues and/or managers. It has emerged over the years that simple, regular feedback from an employee/manager on performance rating, has received negative reactions, owing to the halo effect associated with it; research indicates that many organisations are shifting towards 360° appraisal feedback as the chosen performance management tool. The 360° appraisal is defined feedback as a performance evaluation process relying on input from employees' colleagues, superiors, and/or customers/suppliers at the time of the employee's performance rating (McCarthy and Garavan, 2001). The 360° appraisal feedback is perceived by many as more effective, more accurate, and more reflective of employee's actual performance, therefore more validating than a supervisor-only feedback (Sahoo and Mishra, 2012).

The main purpose of performance-feedback is to provide information on the work performance of individuals within the organisation. In many cases, organisations use performance-feedback results uncritically, in making human resources' decisions such as promotions, transfers, retrenchments, job terminations, identifying of training and development needs, and as a basis for reward allocations (Swanepoel et al., 2003).

- **Employee performance improvement plans:**

The employee-performance improvement plan is a performance-management plan designed to induce a constructive discussion between subordinates and their superiors so as to clarify work performance which must be improved (Hough et al., 2011). According

to Sahoo and Mishra (2012), the traditional performance reviews are an inadequate measure and reflection of employee performance, because they tend to focus on most recent performance; they ignore contributions made by an employee over time; and they rarely focus on achievements related to measurable goals; they lack objectivity. The performance-improvement plan seeks to ensure consistency and fair treatment of employees, while ensuring that performance levels are maintained or improved (Sahoo and Mishra, 2012).

- **Improving workforce performance:**

Performance management helps to identify ways in which performance deficiencies may be reduced or eliminated, thereby improving performance, and in so doing, meet performance targets/requirements. It also provides the opportunity for discussing career direction and prospects; and it provides additional training or mentoring for developing future succession plans (Jones and George, 2009). Sahoo and Mishra (2012) described job development and career-enhancing skills as key factors in creating employee motivation and retention; and they are key drivers for employee-performance improvement.

- **Reduce employee turnover:**

An effective performance-management process improves job satisfaction for employees because it creates and develops a sense of belonging for employees within the company; they feel needed, appreciated and part of the organisation (Robbin et al., 2009). The improved job satisfaction comes about because employees understand exactly what is expected from them in terms of performance deliverables. Where incentives and/or rewards are tied to performance output, ensuring an objective, fair, and unbiased performance-management process, job satisfaction of employees improves, and they do not then feel cheated (Swanepoel et al., 2003).

2.4 Evolution of performance management

Performance management is a common term used in a business environment, embedded in human-resource management, and used at all organisational levels (Brudan, 2010). The performance-management topic emanates from the management discipline within behavioural sciences. Management is defined “as a process of planning, organising, leading and controlling of human and other resources to achieve organisational goals efficiently and effectively”(Jones and George, 2009). The function of management in an organisation is to manage performance of both processes/operations and individuals (Brudan, 2010). A definition of performance encompasses “an accomplishment of a given task, measured against set standards of quality, accuracy, cost, and time or speed” (de Waal, 2007).

This area of management as a discipline has developed into an integral part of organisations; it is a driver of the economy in today’s world of business (de Waal, 2007). It has grown in leaps and bounds from a nearly insignificant topic in the 17th century, through the Industrial Revolution of 1850, when the importance of direction as a managerial function became strengthened (Robbin et al., 2009). “The development of factories and jobs increased during the industrial revolution, bringing along with it new challenges that emerged as work culture began to take shape; appropriate management thus became imperative. To find appropriate solutions to these problems, people began to recognise management as a separate field of study” (Swanepoel et al., 2003).

The growth in establishment of larger factories between 1880 and 1920, propagated scientific research for the use of scientific techniques with which to stimulate higher production outputs and profits, through a differential wage-rate incentive system. The scientific-management approach was adopted in order to improve production performance, linked to a differential wage rate; and to improving the general welfare of factory workers; hence, performance-management principles emerged and strengthened (Swanepoel et al., 2003).

Traditionally, performance management in an organisational setting has been divided into three silos, that is, strategic, operational, and individual. In early times, organisations focussed on individual performance management through performance appraisals. Organisations believed that implementation of systems monitoring employee performance would ensure streamlined progression in organisational success (Brudan, 2010). The institution of government legislation such as civil rights by the United States and Britain in 1980s saw performance-management systems being adopted and developed by many organisations. Performance-management systems became powerful tools bringing about change in organisational culture and ethos (Furnham, 2004, Brudan, 2010).

The complexity of internal and external operating environments increased thanks to globalisation. Operational management shifted from its traditional philosophy of centring on financial indicators, evaluated on efficiency and effectiveness. The adoption of non-financial indicators of operational performance management connected other aspects of general management of business (Brudan, 2010). This resulted in the development of the Total Quality Management System among other entities, which improved effectiveness and efficiency in operations' management discipline (Jones and George, 2009). Strategic performance management focusses on organisational strategy crafting and execution, ensuring that operational and individual objectives are streamlined, thus achieving an organisation's strategic objectives (Hough et al., 2011). The evolution of strategic performance objectives came through the development of the balanced scorecard, which centred holistically on the achievements of strategic objectives through performance management (Brudan, 2010). The empirical study conducted by Brudan (2010) indicated the lack of integration and communication between all three levels of organisational performance, which may be attributed to various constraints leading to performance deficiencies in organisations. The study indicated that the traditional dominant approach to performance management, where levels of performance management are segregated, resulting to a fragmented and unstructured approach to performance management that focuses on measurement and rewards.

The strategic performance management links all levels of performance management within an organisation, thus ensuring that communication and responsiveness is achieved, also ensuring that continuity and alignment with organisational objectives is achieved as indicated in Figure 2.1.

The integrated performance management model links the individuals, operational disciplines and organizations to create an alignment that outlines the relationship between organizational and individual performance. The study further indicated that when operational and individual performance processes are not integrated and aligned, it would be difficult for organizations to achieve an effective performance management. An integrated approach combines systems and disciplines with a common command and control, giving a clear definitive performance management strategy across different organizational levels.

Source: Adapted from Brudan (2010)

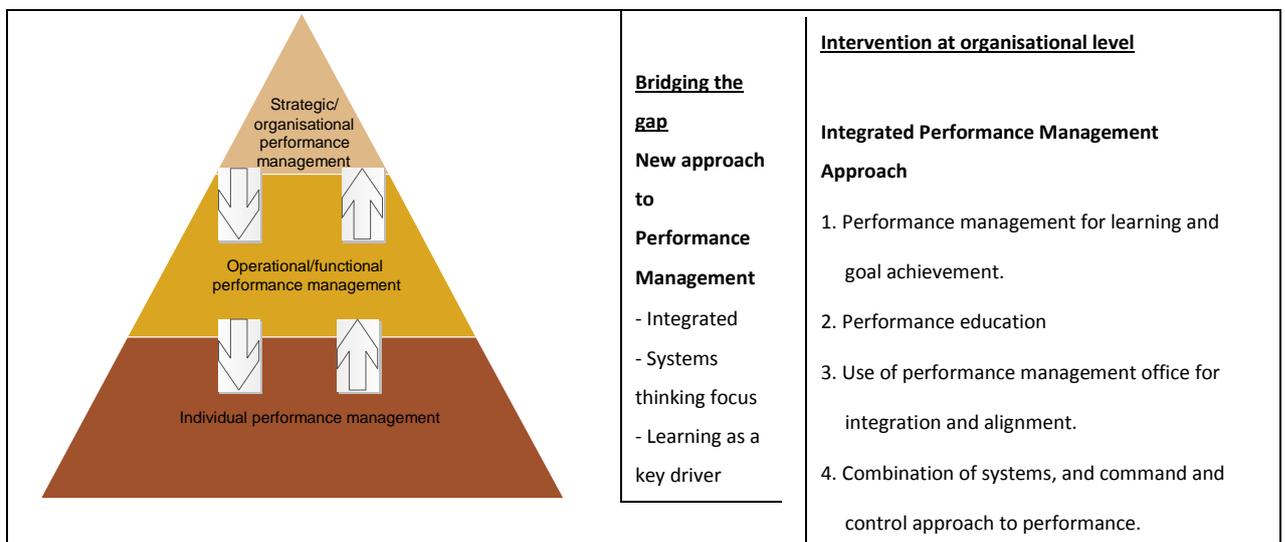


Figure 2.1: Integrated performance-management model

2.5 Theories of performance management

Performance management as a discipline consists of multidisciplinary segments informed by corresponding theories. The discussion in Section 2.4 described the various levels of

performance management existing within an organisation. The corresponding theories on performance management levels are discussed below:

2.5.1 Organisational-Environment Theory

The organisational-environment theory deals with the set of forces and conditions operating beyond organisational boundaries, however, affecting a manager's ability to acquire and utilise resources in an effective and efficient manner (Jones and George, 2009). The organisational-environment theory supports a systemic approach to organisational management at strategic performance-management level. This theory views an organisation as an open system, where input of resources from its external environment is obtained and converted to goods or services, releasing outputs to an external environment for customers to purchase. The theory focusses on performance management at the strategic level of an open system, from input stage of resources to output stage; it outlines a systemic approach to organisational management (Brudan, 2010).

2.5.2 Contingency theory

Another important milestone in management-science research was the discovery of the contingency theory. The contingency theory deals with performance management within an organisation at strategic level. According to the contingency theory, the characteristics of an external environment affect the performance of an organisation, owing to an effect on the organisation's ability to obtain resources (Robbin et al., 2009). The theory therefore promotes managers' allowing an organisation's departments to organise and control their activities such that they obtain resources in the best possible and most efficient way, given the constraints of that particular environment in which they are operating (Swanepoel et al., 2003). The essence of the theory is that "the more quickly the external environment of an organisation is changing, the greater the problems in obtaining resources, and the greater the need for managers to find ways of coordinating

activities of people in different departments to respond effectively and efficiently to the external environmental changes” (Jones and George, 2009). Hence, the contingency theory is linked to performance management.

2.5.3 Goal-setting theory

The goal-setting theory is one of the most important theories discovered within the management science fraternity focussing on the performance management discipline. The goal-setting theory is a motivational theory dealing with the important relationship between goals and performance of employees (Swanepoel et al., 2003). Research indicates that predictions of the most effective performance results are obtained when performance goals are clearly specified and challenging; and when they are used to evaluate performance, linked to feedback on results, creating commitment and acceptance (Lunenburg, 2011). This theory fits the subject of performance management because it centres on influencing employee behaviour and performance in organisations and management practices. Performance management approaches such as performance appraisals, management by objectives, high-performance work practices, benchmarking, stretch targets, as well as systems thinking and strategic planning, include the development of specific goals. The goal-setting theory fits within all organisational performance-management levels, which are strategic/organisational, operational/functional/, team, and individual (Ikemefuna and Chidi, 2012).

2.5.4 Agency theory

“In an organisational context, the agency theory explains how best to organize relationships in which the principal (employer) determines the work that the agent (employee) undertakes” (Brudan, 2013). The implications of performance management in an organisation are extremely important, because they are key drivers for organisational performance determining success. It is inevitable for individuals, departments/teams and an organisation as a whole to have conflicting objectives if the process of aligning

objectives is not implemented and/or managed properly (Robbin et al., 2009). Goal conflict within an organisation can motivate incompatible actions and this has the potential to hamper the achieving of goals, be they organisational, departmental or individual. Thus, alignment of goals with objectives at all levels within an organisation is important for maximising performance, which translates to organisational success (Verbeeten, 2008).

According to the agency theory, the main challenge that organisations are facing is that of balancing and harmonising the interests of the principal and the agent in order to achieve alignment in organisational objectives (Verbeeten, 2008). A possible solution to principal-agent misalignment of objectives is to increase the quality and quantity of information related to the behaviour of the agent; this may be achieved by increasing the level of management; physical surveillance; and the establishment of control mechanisms; however, surveillance may raise privacy and ethical issues. Another solution is to reward the agent based on outcomes, by using arrangements such as commissions, profit-sharing, bonuses and other forms of incentives (Brudan, 2013).

2.6 Implementation of performance management

Simmons (2008) described the development of a performance management cycle as one based on an organisation's strategic business needs. It must be in line with an organisation's strategic objectives; it must comprise a set of deliverables aimed at improving or reaching a certain efficiency level. The performance management should not be developed as a supplementary measure with which to address issues surrounding inefficiencies resulting from employee performance (Stiles et al., 2010). The following steps should be followed when developing a successful performance-management system (Figure 2.2):

Source: Adapted from Nyembezi (2009)

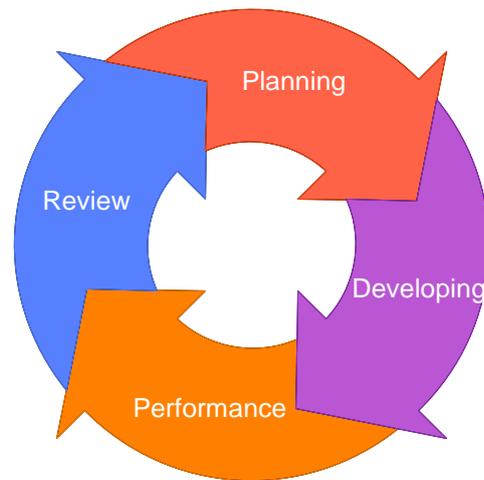


Figure 2.2: *Performance management cycle*

2.6.1 Planning

A performance-management system should enable and empower line management to implement a performance measurement or management tool with which to execute the performance-management strategy (Prasetya and Kato, 2011). Planning a performance-management system includes identification of performance requirements in terms of targets, actions, and behaviour. It must address the alignment of issues, such as weighing skills or job expertise of an individual against job requirement, so that training and development is addressed at the outset (Stiles et al., 2010). The planning phase of a performance-management system must address the fundamental question of where a company wishes to be in the future.

2.6.2 Developing

The development phase of the performance-management cycle involves developing the individual's expertise in meeting performance requirements. Development focusses on improving both current expertise, and allowing new skills or knowledge to be gained,

particularly where there is potential. It is important for managers to identify training and development opportunities at this stage, providing the coaching and support needed (Stiles et al., 2010). The following functions help to set objectives when developing a performance-management system: outlining job information; establishing performance standards and performance criteria; and using the correct format and sources of performance rating.

2.6.3 Performance

This stage of a performance-management cycle is about monitoring and reporting on organisational performance, managing risks which may threaten the achievement of organisational objectives (Atkinson, 2012). In a work-based performance-management cycle, performance relates to the needs of individuals separately and within their teams; and underpinning performance measures are the resources available. Employees must have resources to be able to perform, and performance evaluation criteria must consider this, not only homing in on individual outputs (Stiles et al., 2010). Atkinson (2012) described this stage of a performance-management cycle as centring on performance measurements or performance reporting; this is where any performance management tools such as performance appraisals, balanced scorecard, management by objectives, 360° appraisal, etc. are implemented, in order to measure the state of performance. The results of the performance measurements are evaluated against the set performance standards of an organisation. The outcome of performance measurement results enables an organisation to decide whether the set strategic goals will be met, being able to take measures to correct the situation if necessary. Those measures may include provision of required training to employees, or the introduction of some technological mechanisms which would help improve performance (Hough et al., 2011).

2.6.4 Review

The review process identifies areas of improvement in relation to the skills, knowledge, and attitude in performing functions. The review and analysis of employee or organisational performance entails taking appropriate corrective actions where necessary to improve performance; revision of performance strategies, or modification of operational processes which would improve performance; and the review and analysis of organisational behaviour necessary for improving employee or organisational performance (Atkinson, 2012). It is designed to allow both parties (manager and employee) involved in the process to evaluate the way in which achievements have met the goals set during the planning stage. The review may look at results, both tangible and intangible, providing a picture determining where to concentrate efforts as the cycle returns to the planning stage.

2.7 Performance-management tools

There are various tools of performance management found in the literature; each model offers its unique approach to employee performance management. They all have a common goal of continuously improving employee performance in order to achieve the organisation's objectives. Performance-management tools emphasise the importance of developing employees' capacity to meet job expectations, measuring employees' performance, giving feedback based on measured performance results, and acknowledging or rewarding good performance. Performance management tools also focus on equipping managers with necessary training and skills for dealing with employees in a manner which encourages employees to perform well, therefore achieving their performance targets (Aslam et al., 2011).

2.7.1 Management by Objectives (MBO)

MBO is a performance-management system based on setting and agreeing on individual performance objectives, informed by organisational goals; measuring performance on

those objectives (Swanepoel et al., 2003). The main theme of MBO is participative goal-setting, choosing a course of action and decision-making. In short, MBO emphasises goals that are tangible, verifiable and measurable, set by a number of participants. MBO has emerged as a motivational process where employees are involved in selecting their own goals; the research indicates that when employees themselves have been involved with the goal-setting and choosing of the course of action to be followed by them, they are more likely to fulfil their responsibilities; this is underpinned by the theory of goal-setting (Robbin et al., 2009).

According to Swanepoel et al. (2003), there are four common elements of MBO: goal specificity; decision-making and participation in setting of goals and objectives; time period; and performance feedback. These MBO elements match propositions of the goal-setting theory, however, the only disagreement between the two relates to the issue of participation in setting of performance objectives. The goal-setting theory demonstrates the ineffectiveness of managers' setting goals for employees (Robbin et al., 2009). Swanepoel et al. (2003) stated that the MBO approach cannot be used for formal evaluation of employee performance, because performance targets are set on the basis of mutual agreement between a manager and an employee; which is perceived as an ineffective approach.

2.7.2 Performance Appraisals

Performance appraisal is defined as a formal and systematic process where job-relevant strengths and weaknesses of employees are identified, observed, measured, recorded, and developed (Markus, 2008).

2.7.2.1 Performance Appraisal System Implementation

The performance-appraisal-implementation procedure should focus mainly on introductory training and exercise sessions. The content of such training may be

determined by the level of involvement of users during the development stage; the complexity of the specific system, and the level of competency in performance management of the managers involved (Swanepoel et al., 2003).

Managers or evaluators must be trained in order to implement the performance appraisal process effectively. In order to achieve effective evaluator training, the following components must be considered (Simmons, 2008):

- A training format which promotes participation of managers or evaluators in a training process;
- A practical training on performance-measuring instruments and scales;
- Developing evaluator consensus on the interpretation of performance standards adopted and relative levels of behavioural effectiveness;
- Allowing experiential training (exercises and practise);
- Providing evaluators with feedback on their own ranking behaviour in comparison with an expert rating;
- Setting levels of behaviour which must be achieved by successful evaluators; and
- Training at least once a year, so as to assess the evaluating behaviour of evaluators, in order to ensure that they still meet the requirements set for their task.

2.7.2.2 Maintaining the Performance Appraisal System

According to Swanepoel et al. (2003), the maintenance of the performance appraisal system entails the following activities:

- Monitoring application of performance rating on a regular basis;
- Reviewing the application of pay decisions and the recommended disciplinary measures; and
- Ensuring that necessary action (training and development interventions) is taken to address issues of performance arising from the performance-appraisal results.

Ensuring that the performance-appraisal system is flexible enough to cater for changing circumstances in internal or external environment necessitates a review of current practices. It is recommended that auditing and evaluation of the effectiveness of the performance-appraisal system be conducted on an annual basis (Swanepoel et al., 2003).

2.7.3 Performance 360° Feedback Appraisals

McCarthy and Garavan (2001) defined the 360° feedback as a performance-appraisal process relying on input from employees' colleagues, superiors, and/or customers/suppliers at the time of the employee's performance rating. Aslam et al. (2011) stated that there has been an increase in the adoption of the 360° feedback by many organisations. This involves feedback from all four sources, namely, downward from the target's supervisor; upward from subordinates; laterally from peers and co-workers; and inwardly from the target him/herself as indicated in Figure 2.3.

Source: Adapted from Ikemefuna and Chidi (2012)

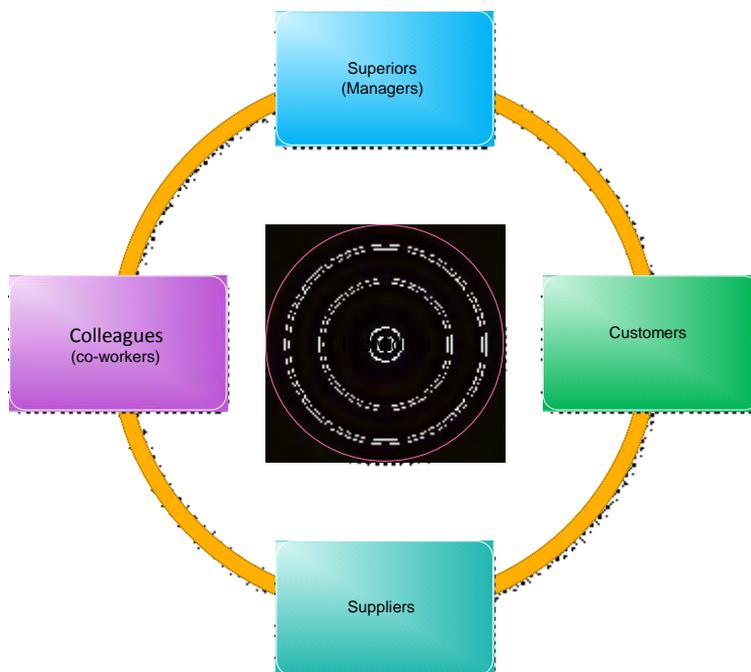


Figure 2.3: 360° feedback appraisal

It is therefore perceived as effective and transparent (Swanepoel et al., 2003). The 360° feedback has benefited most organisations in forming or instilling organisational culture, especially at management level. Managers receive feedback on the way in which they are viewed by direct subordinates, peers and co-workers. This is bound to prompt some level of behavioural change. However, the setback of this type of evaluation has been that, in many instances, managers do not receive as much honest feedback as is necessary for adequate self-perception, because of a fear of ruining a relationship existing between parties (Ikemefuna and Chidi, 2012). “The 360° feedback is extremely beneficial for organisational development, but if the employees are not taken into confidence ahead of introducing a new feedback method, it can be a devastating experience” (Aslam et al., 2011).

2.7.4 Balanced Score Card

The concept of the triple-bottom-line reporting from the King III, the International Financial Reporting Standard, and the Corporate Governance Reporting, exposed the elements which focus not only on financial outcomes, but also on the human and environmental issues driving those outcomes. Organisations focus on the future and act in their long-term best interests (Verbeeten, 2008). The strategic-management system forces managers to focus on the important performance metrics driving success. This balances a financial perspective with customer, process, and employee perspectives, and measures are often indicators of future performance (Chavan, 2009). The Balanced Scorecard (BSC) is a PM system which may be used to align an organisation’s vision and mission with all functional requirements and day-to-day work activities (Punniyamoorthy and Murali, 2008). It is a strategic planning and reporting methodology taking a company’s objectives and splitting them into four equally important perspectives: Financial, Customer, Operational, and People. Organisational objectives then cascade down to those four perspectives, translated from an organisation’s overall vision and mission strategy into specific measurable operational and performance metrics, giving a clear path of implementation (Chen et al., 2008).

A BSC is made up of four components: mission, perspectives, objectives, and measures. Each of the following components is described, elucidating the way in which they build and link with each other in a cascading fashion:

2.7.4.1 Vision and Mission

The mission is the highest, guiding level of the scorecard. As stated in the previous sections of this report, the vision portrays a company's future business scope, whereas the company's mission typically describes its present business and purpose (Hough et al., 2011). The vision and mission answer questions such as why a company is in business, and where the company intends to be in future.

2.7.4.2 Perspectives

The BSC perspectives represent the various areas influencing performance and overall achievement of the mission and strategic goals set by an organisation (Hough et al., 2011). In a nutshell, the perspectives answer the question, "What are the organisational key areas of focus that would achieve a mission and its strategic goals?" The BSC supplements the traditional financial measures with criteria-measuring performance from the other three perspectives: customers, internal business processes, and learning and growth (Valmohammadi and Servati, 2011). Figure 2.4 highlights the specifics of each perspective and how the perspectives relate to each other.

Source: Adapted from Hough et al. (2011)



Figure 2.4: *Balanced scorecard perspectives*

The four perspectives of the scorecard indicated on Figure 2.4, create a balance between short- and long-term organisational objectives. The balanced scorecard develops a balance between different strategic measures in an effort to achieve the organisation's goals correspondence, thus encouraging employees to act in the organisation's best interests. It is a tool which helps the company's focus, improves communication, sets organisational objectives, and provides feedback on strategy (Chavan, 2009).

Financial Perspective relates to financial performance measures indicate whether a company's strategy, implementation, and execution are contributing to bottom-line improvement. Financial objectives relate to profitability measurements, such as operating income, return on assets, cash flow and economic value added (Chavan, 2009, Punniyamoorthy and Murali, 2008, Hough et al., 2011).

Customer perspective relates to management's ability to identify customers/clients and market segments in which the business will compete and the measures of the business unit's performance in these targeted segments. This perspective typically includes several core measures of successful outcomes from the well-crafted and implemented strategy. The core outcome measures for this perspective include customer satisfaction through

conducting surveys, customer retention, customer acquisition, customer profitability, and market and account share in targeted segments (Chavan, 2009, Punniyamoorthy and Murali, 2008, Hough et al., 2011).

Internal business perspective relates to the internal business process perspective identifies the key critical internal processes which the organisations expect must outclass performance. The internal processes enable the business unit to deliver the value propositions that will attract and retain customers in targeted market segments, in order to maximise financial returns (Chavan, 2009, Punniyamoorthy and Murali, 2008, Hough et al., 2011).

Learning and growth perspective identifies the infrastructure the organisation must build in attempting to create long-term growth and improvement, whereas the customer and internal business processes perspectives identify the factors most critical for current and future success (Chavan, 2009, Punniyamoorthy and Murali, 2008, Hough et al., 2011).

2.7.4.3 Limitations of BSC

Krause (2003) reported difficulties concerning the development of cause-and-effect-measuring metrics underpinning the BSC concept. According to (Krause, 2003), the empirical evidence suggests that the implementation of BSC lacks operational qualities, such as the following:

BSC is financially driven; as a result it is difficult adequately to address motivational aspects, which are identified as key to the successful implementation of a PM system.

BSC is a static PM system; there are hardly any mechanisms and tools which support its maintenance in ensuring sustainability. This means that scope and depth are not adaptive to changing management tasks, resulting in change requests to performance indicators.

Simmons (2008) critiqued the BSC to PM as an approach lacking effectiveness and ethical attributes. The ineffectiveness of the BSC approach relates to problems in achieving outcomes. The emphasis is placed on technical validity ahead of social and institutional process considerations. Employee interpretation and acceptance of measures and the

BSC model's ability to cope with change and related revisions of performance indicators hampers the effectiveness of the BSC approach (Hough et al., 2011). From an ethical point of view, the philosophy of BSC represents a "top-down" approach to performance decision-making, driven by profit maximisation, with little or no consideration for employee survival (Simmons, 2008).

2.8 Challenges of performance management

Organisations strive to implement effective and successful performance-management systems; the following are common problems encountered in performance-management systems' implementation:

2.8.1 Performance-management design flaws

Performance measurement

Performance-management systems consist of performance appraisal that normally is conducted periodically through a review of objectives. In most cases the connection between individual objectives and organisational values, goals and strategies is not made beforehand or at the beginning of a review period. Performance appraisal places emphasis on inputs into work rather than outputs of the work; the main problem with this approach has been that organisational results are dependent on a range of factors often outside the control of the individual (Markus, 2008). The argument has always been that employees have to be evaluated on the basis of an organisation's performance, because employee performance-management systems are about individuals employed for specific jobs, which therefore makes performance management a job-performance concerned measure. As a result, most performance-management systems do not adequately address role and specific job requirements; they do not have objective measurement systems, instead relying on opinions of assessors, which are prone to bias, making employees reluctant to adopt and embrace performance-management implementation (de Waal, 2007).

Conflicting purposes and roles of performance management

“Performance management may be used for administrative and developmental purposes” and, according to Swanepoel et al. (2003), the two objectives are in direct conflict with each other. The administrative objectives focus on evaluation of the past performance in helping business leaders make decisions on a differential award of pay increases, promotions, etc. Comparing employees from a ranking procedure, which is in some order of merit based on their performance, makes a feedback process difficult, and provides limited information for the identification of performance shortfall, and most importantly, how to address shortfalls in terms of training and development interventions (Swanepoel et al., 2003).

2.8.2 Lack of credibility

Human influence

The involvement of a human hand (assessor) is viewed by many as bringing bias into the performance-management system, which falls under the subject of a halo effect (Swanepoel et al., 2003). The halo effect occurs when an evaluator allows one particular aspect of an employee’s performance to influence the evaluation of another aspect of performance (Grobler et al., 2011). This factor creates resistance in the supporting or accepting of performance-management programmes by employees.

Pay or reward attachment

The administrative purpose of performance evaluation focuses on evaluation of past performance so as to help business leaders make decisions on differential awarding of pay increases, promotions, incentive rewards, etc. (Tser-yieth Chen, 2008). The attachment of pay increases and/or incentive rewards to performance-management evaluation, at any given point, would make the performance-management evaluation process subjective from the employees’ point of view. An employee would not challenge

the evaluation process when the outcomes of the evaluation favour or benefit him or her: employees' direct objectives include maximising benefits from the employment relationship; this is human nature (WorldatWork and Sibson, 2007).

2.9 Employee attitudes towards performance management

According to Kagaari et al. (2010, pp 508) "performance management is about directing and supporting employees as effectively and efficiently as possible with a view to achieving organisational objectives". The agency theory suggests that it is inevitable that individuals, departments/teams and an organisation as a whole will have conflicting objectives, if the process of aligning objectives is not implemented and/or managed properly; and that the implications of performance management in an organisation are extremely important, because they are key drivers for organisational performance determining success (Sole, 2009).

Negative attitudes toward performance management have been created largely by haziness that exists when setting unclear objectives on the employee's contract (Grobler et al., 2011). It is then unclear on which criteria an employee will be measured; thus the employee becomes negative towards performance management. In some cases, negative attitudes are created by the way in which objectives are set. In organisations where performance objectives are set by managers, not from a joint negotiation with an employee, the objectives tend to be viewed as imposed on employees; hence there would be some difficulty in employees being motivated by them (Verbeeten, 2008).

At the heart of performance management there is performance appraisal, which, despite much organisational emphasis being given to it, at an operational level there seems to be a considerable degree of apathy and scepticism from employees towards accepting performance-management tools. According to the study conducted by Stiles et al. (2010), the following were some of the reasons contributing to employees' negative attitudes and perceptions towards performance management (Stiles et al., 2010):

- The performance-management processes are perceived to be one-sided, favouring employers, because the process focusses on improving performance, with little or nothing being done about recognising good performance, and rewarding those individuals;
- Through lack of positive outcomes from the performance-management process, employees perceive the performance management as aiming to push employees beyond their human capability, and downsizing where there is lack of performance; and
- Variations exist between individual managers on judging performance. There is a lack of consistency in performance evaluations: different evaluators rate employees differently, which brings into doubt the credibility of the performance-management process.

According to Ikemefuna and Chidi (2012), an effective performance-management system must consist of the following elements: it must be conducted by an objective evaluator; it must be bias-free, and it must be consistent and equitable. The consistent absence of the elements mentioned from many organisations has created negative attitudes towards performance management. The human factor has been seen as the main source of negativity clouding performance management, as it is subjected to errors, pitfalls and weaknesses, leading to employees' negative attitudes and perceptions (Ikemefuna and Chidi, 2012, Saeed and Shahbaz, 2011). Ikemefuna and Chidi (2012) described the following errors, biases, pitfalls or weaknesses as contributing factors to employee negative attitudes and perceptions towards performance management (Table 2.2):

Table 2.1: *Human errors, pitfalls and weaknesses in performance management*

Halo effect	This is a rating error, in which an evaluator gives an employee an impressive rating on one performance element, and then uses this rating to influence positively the overall performance-rating of other elements.
Horns effect	(The opposite of the halo effect) This is a rating error in which an evaluator gives an employee a poor rating on one performance element, and then uses this rating to influence negatively the overall performance rating of other elements.
Strictness error	This is a rating error committed when an evaluator consistently gives an employee a very low rating.
Leniency error	This is a rating error in which an evaluator is too lenient, giving a high performance rating
Recency error	This is a tendency of an evaluator to give more weight to ratings based on recent behaviour, ignoring past behaviour
Central tendency	This is a tendency of an evaluator to give average ratings across all employees
Errors of variable standards	This is a rating error resulting from using different performance-rating standards in the course of rating employees' performance
Other biases	Other biases may include race, gender, appearance, religion, and country of origin

Source: *Adapted from Swanepoel et al. (2003).*

2.10 Summary

The literature indicates that performance management is one of the most important strategies required in propelling an organisation to achieve its strategic objectives. The effectiveness and success of a performance-management system requires a strong strategic alignment between employees and organisational goals. This chapter has highlighted that organisations have received negative employee opinions of

performance-management systems and their implementation, owing to inherent flaws, errors, weaknesses, and bias associated with them. Despite the changes in business climate, little research, if any, has been conducted on employee attitudes hindering successful implementation and effectiveness of performance-management systems, especially in the South African context.

This study will attempt to answer: “What are employee attitudes towards the performance-management system in a consulting engineering company?” The next chapter will outline the methodology which will be followed in answering this question, amongst others.

CHAPTER 3

Research Methodology

3.1 Introduction

Research may be described as the process of finding solutions to a problem after a thoroughly structured study of a problem and analysis of the situational factors relevant to the problem (Sekaran and Bougie, 2009). In today's globalised, dynamic business environment, characterised by high competition and the ever-changing business prospects, the importance of research has emerged hugely both in scientific and non-scientific fields. Businesses and society at large face new challenges or problems, events, occurrences in every day which require practical implementable solutions and suggestions for tackling those problems or challenges. Ultimately, research helps to address those problems or challenges so as to find their causes, solutions, explanations and applications (Rajasekar et al., 2006, Sekaran and Bougie, 2009).

Rajasekar et al. (2006) described research methodology as a systematic approach to solving a research problem in a structured manner. It is a conceptual structure within which research would be conducted. It outlines a plan of the way in which research is to be conducted; it details procedures which a researcher will follow when describing, explaining, and predicting their work. Research methodology uses various methods of solving the problem (Williams, 2011).

In this chapter, a detailed justification for the type of research is discussed. The elements of research design are surveyed, so as to provide a concise overview of the study: objectives, data collection, instruments, and data analysis.

The advantages and disadvantages of the selected research design elements used are discussed, and justification is provided for the choices made.

3.2 Research question

“A research question can be defined as a statement that identifies the phenomenon to be studied” (Bischoff and Rädler, 2011, pp 02). It seeks to address the research gap identified by the literature; and an overall objective of what the researcher is aiming to achieve by conducting a research study. A clear research question plays two critical roles in research: it keeps the overall research project on track, ensuring that the researcher is focussing on the real purpose of conducting a research study. It also provides the basic understanding of the required type of research, whether qualitative or quantitative; and helps to define the data-collection process and possible sources (Rajasekar et al., 2006, Bischoff and Rädler, 2011). The aim of this study is to determine employees’ attitudes towards the performance-management system at Kantey & Templer. The study attempts to achieve the objective by answering the question: What are employee attitudes towards the performance-management system in a consulting-engineering company?

3.3 Objectives of the study

Research objectives may be described as narrowly formulated, specific objectives aiming systematically to answer the research problem or question (Sekaran and Bougie, 2009). It is recommended that the main research objective be divided into smaller, logically connected parts, in order to answer the research question. The rationale behind splitting the main research objective into smaller, specific objectives, is to ensure that the focus of the research study is maintained by narrowing the study down to essentials. It helps to reduce chances of collecting unnecessary data that do not contribute to answering the research question; it also helps to structure the study in clearly defined phases (Bischoff and Rädler, 2011).

The objectives of the study are to:

- Establish the importance of having a performance-management system;
- Establish employees’ attitude towards the performance-management system;

- Ascertain whether the performance-management system is working effectively;
- Determine the reasons for the system's working/not working effectively;
- Establish the improvements which must be made to the performance-management system; and
- Determine what must be done to promote employee engagement with the performance-management system.

3.4 Methods of data collection

Data collection is one of the most important aspects of any research study. Inaccurate data collection impacts negatively on the results of the study, because it leads to invalid results which cannot be generalised to the population of interest (Gibson Jr. and Whittington, 2010). In research, data may be collected in many different ways which include, but are not limited to: interviews, questionnaires, video-taping, and other motivational techniques, such as projective tests. A researcher must carefully examine possible methods of collecting data, selecting the most suitable method, informed by research type, sample size, and other concepts applicable to a research study (Sekaran and Bougie, 2009).

This study is descriptive, as it aims to describe or determine employees' attitudes towards performance management within the organisation. The aim of a descriptive study is to give a researcher a description of relevant aspects of the phenomenon of the interest from individual, organisational, societal, or other perspectives (Gibson Jr. and Whittington, 2010). Sekaran and Bougie (2009) described descriptive research as necessary in studying the reaction of organisational members through the use of quantitative data in terms of frequencies, or mean and standard deviation. One may argue that the exploratory method would be suited to the study. Exploratory studies are undertaken to better understand the nature of the problem at hand, where perhaps fewer studies have been conducted on the research subject. According to Sekaran and Bougie (2009), exploratory studies are necessary when some facts are known, however, more information is required in developing a viable theoretical framework. In this case,

there were generally known facts about the employees' attitudes towards the performance management in other organisations. However, the performance management at Kantey & Templer had been newly implemented, hence, no secondary data was available. The research is therefore exploratory within the context of a South African consulting-engineering company.

Data-collection methods vary, based on the nature of the study, and its goals. A researcher may use either a quantitative or a qualitative approach when conducting a research study; or a mixed approach, which combines quantitative and qualitative. The fundamental difference between the two approaches is the way in which data are collected and analysed (Gelo et al., 2008). Quantitative research reduces data collected to numerical values, in order to carry statistical analysis. It relies on sampling and structured data-collection methods, producing results which may be summarised and generalised to the entire population of interest (Wisconsin, 2012). Quantitative research is based on testing hypotheses derived from theory; and being able to estimate the size of a phenomenon of interest in numerical terms (Sekaran and Bougie, 2009). On the other hand, Gelo et al. (2008) described the qualitative approach as one which does not involve numerical values for data collection. This approach may involve repeated sampling, collection of data, and sampling of data collected (Sekaran and Bougie, 2009).

3.5 Source of data: sample design

The primary sources of data were used as the only source of data for the research, no similar research study having been conducted at Kantey & Templer previously. It was important for the researcher to obtain first-hand data, there being no data or company records on the subject (Sekaran and Bougie, 2009). The research was conducted at the company's branches located in different areas/provinces within South Africa. The geometrical location of the company branches poses a difficulty for physical accessibility. The researcher opted to use the online-survey method of collecting data, based on the advantages discussed below (Cantrell and Lupinacci, 2007). The research was conducted in the form of a structured survey, where an identical, formal list of questions was asked of all respondents. The main advantage of a structured technique is that it makes it easy

to code and analyse data, because the type of answers which the respondent can give are set out in advance relative to a question (Sekaran and Bougie, 2009).

According to Gibson Jr. and Whittington (2010), the data-collection method must be tailored to the research-problem statement; hence, the structured survey research method was employed in collecting the data. A self-administered online-research questionnaire was used as a data-collection instrument for the research study. As indicated, the research was conducted at the company's branches scattered throughout South Africa. The rationale for using the online method was, amongst other reasons, reaching a wide geographical area; it offered the opportunity for a researcher to collect data without the constraints of geographical location and inaccessibility of study participants (Sekaran and Bougie, 2009). Electronic questionnaires reach a wide pool of participants; they are relatively cheap compared with other methods, and are less time-consuming. This method significantly decreases data-collection time; it has an improved level of accuracy and efficiency of data entry and analysis; and it also gives the researcher an opportunity to follow up with participants, as a way of reminding participants to complete the questionnaire (Janes, 2001, Cantrell and Lupinacci, 2007, Gibson Jr. and Whittington, 2010). Generally, online surveys guarantee anonymity to participants. This has a positive impact on the quality of data collected, because, according to Cantrell and Lupinacci (2007), the anonymity "fosters a greater sense of confidence among participants to respond to sensitive questions more freely". It thus reduces fear and bias of participants, thereby enhancing openness and truthfulness of the data.

The online-survey research method has several drawbacks which could jeopardise the success of a research study; one of which is that it has a typically low response rate (Janes, 2001). The major problem with low response rates is that the few responses may not meet the minimum required threshold of a study population, resulting in uneven responses which may be biased (Gibson Jr. and Whittington, 2010). However, according to Sekaran and Bougie (2009), a 30% response rate is considered acceptable. Another problem with online surveys is that any doubts which respondents might have when answering questions cannot be clarified by the researcher. It is therefore important that questionnaires be well developed and tested beforehand, in order to ensure that the

intended meaning is transferred to the respondent, and that the time spent on answering the questions is accurately estimated (Gibson Jr. and Whittington, 2010).

The sampling survey was used in collecting data for the research. Sekaran and Bougie (2009) described surveys as useful and powerful methods of finding answers to research questions through data collection and analysis. Great emphasis is placed on ensuring that the population is correctly targeted. Sampling is the process of selecting the right individuals, objects or events as representatives of the entire population. Ideally, the characteristics of the sample must correspond to the larger population of interest; hence the sample's results may be generalised to the population (Gelo et al., 2008). There are several reasons for using sampling methods, rather than collecting data from the entire population of interest. The following are some of the reasons (Sekaran and Bougie, 2009):

- (i) Research investigations can involve hundreds or thousands of elements. It may be practically impossible to collect data, testing for every element;
- (ii) Collecting data from hundreds or thousands of elements may be prohibitive in terms of time, cost, and other human resources; and
- (iii) Studying an entire population rather than a sample is likely to produce unreliable results, owing to errors of fatigue, especially when large elements are involved. A sample is a subset of the population, and an element is a single member of the population.

The rationale behind the sampling concept is that of selecting a sufficient number of the right elements from the population which would provide useful information and understanding of its properties or characteristics. This information may be generalised to the entire population, making it is possible to generalise results (Gibson Jr. and Whittington, 2010). There are two types of sampling: non-probability, and probability sampling. In probability sampling design, "all elements in the population have a known and equal chance of being chosen as elements in the sample"; and in non-probability sampling, "elements do not have any probabilities attached to their being chosen as elements in the sample" (Sekaran and Bougie, 2009, pp82). The study aimed at obtaining information and understanding of properties or characteristics of the sample. This refers

to a representation of the employee population at Kantey & Templer. Hence, the probability sampling method was used for the survey, as it gives all the individuals in the population an equal chance of being selected.

The stratified random sampling is one of the sampling methods under the probability sampling group. This was used in the research for data collection. The method was carefully selected from various others, taking into account the subgroups of elements (employees) existing within Kantey & Templer, which were expected to have different parameters on variable interests to the researcher. The company is comprised of subgroups with significant differences, based on the level of positions occupied: educational level, experience level, and age. It was important for the researcher to obtain adequate feedback from all levels across the board, because this would help the company to identify areas requiring attention; and to have an overall grip on all levels, as far as attitudes towards performance management is concerned. A proportionate stratified random sampling was used, in order to obtain a uniform distribution of a sample of members from each stratum, relative to their population on each stratum (Sekaran and Bougie, 2009). The unrestricted or random sampling would pose a risk of skewing the results from the unbalanced representation of the different strata in the sample. From the research protocol perspective, the data collection would have been correct; however, the value of results to Kantey & Templer would have been worthless, owing to the unbalanced representation of strata in the sample. Considering the nature of the problem at hand, and the goal of the research, it was important for the company to obtain results which represented various strata.

3.6 Sample-size selection

Choosing a sample size is one of the most critical steps in quantitative analysis. This must be conducted very carefully in order to achieve the intended goal. The aim of a quantitative sampling approach is that of selecting a representative sample from the population of interest (Sekaran and Bougie, 2009). When conducting quantitative research, quality sampling may be achieved by choosing a sample appropriate both in size

and composition. Economic and ethical considerations must be placed at the fore when choosing a sample size. An undersized or small sample may be a waste of time and resources: it will produce results insufficient to generalise to the population of interest. On the other hand, an oversized sample may be wasteful in requiring more than necessary resources to be used from data collection to interpretation of results; in cases where experiments involving human or animal subjects are conducted, it may even be unethical (Sekaran and Bougie, 2009).

There is a misconception that quantitative studies are used to test the hypothesis only, however, not all quantitative studies involve hypothesis testing: some studies seek to describe the phenomena under examination (Sekaran and Bougie, 2009). The research in question aims to understand employees' attitudes towards performance management; it does not require hypothesis testing; no preconceived idea needs to be tested. Hypothesis testing involves "comparing the characteristics of two or more groups (Fox et al., 2009); however, some descriptive surveys may be concerned solely with describing the characteristics of a single group" (Fox et al., 2009).

Sampling design and sample size are both equally important in ensuring the generalizability of the sample results to the population of interest. A correct sample size must be chosen, in order to achieve the desired level of precision and confidence required for the research study (Sekaran and Bougie, 2009). Any researcher must always prove that the sample was not biased, meaning that it was a correct representation of the population of interest; and that the data was collected legitimately (Fox et al., 2009). Validity and reliability are two important aspects proving the authentication of the quantitative research. Sekaran and Bougie (2009) defined validity as the degree to which an instrument measures what it purports to measure, supported by the evidence that the interpretations and analysis of the data are correct, and were completed in an appropriate manner. Reliability is defined as the degree to which variables are consistent in measuring what they intend to measure. It relates to consistency of the results, when an experiment is repeated under the same methodological conditions (Ihantola and Kihn, 2011).

There are several factors affecting the validity of any research, which may result from the accuracy of the data or from interpretation of data using statistical tests when concluding the results (Sekaran and Bougie, 2009). Factors include internal threats, external threats, statistical conclusion threats, and construct validity threats. Internal validity threats include experimental procedures, behaviour and experiences of the participants which hinders the researcher from drawing correct interpretations from the data in an experiment (Ihantola and Kihn, 2011). External validity threats address the question of generalizability of the sample results to the population of interest. The threats arise when the researcher generalises incorrect interpretations from the sample data to other persons (Ihantola and Kihn, 2011, Kenney, 2007). A statistical conclusion threat occurs when experimenters draw inaccurate interpretations, because of the violation of statistical test assumptions being used for the collected data. Lastly, a construct validity threat arises when research evaluators use inadequate definitions for measuring variables based on those inadequate definitions (Kenney, 2007). The researcher ensured that ethical conduct in collecting data was upheld, as discussed in the following sections of this chapter. He also excluded himself from participation, withholding his personal experiences of and opinions of the performance-management system. The researcher also did not offer any incentive which would encourage respondents to complete the questionnaire. This ensured good quality and unbiased data collection.

3.7 Sample demarcation

This study was confined to the employees of Kantey & Templer branches or divisions within South Africa. Table 3.1 shows the composition of the sample of employees from the company branches:

Table 3.1: Sample proportion

Job position/ level	SAMPLE PROPORTION							Total
	Cape Town	Durban	George	Johanne sburg	Pieter maritz burg	Port Elizab eth	Port Shepst one	
Director	1	1		1		1		4
Executive Associate	7	8	1	2	1			19
Associate	1	1	1	2	2		1	8
Engineer / Technologist	21	10	1	2		2	1	37
Draftsperson / Technician	13	11	2	6	3	2	2	39
Administrati on staff	8	6	3	4	1	2	1	25
Total Sample per Branch	51	37	8	17	7	7	5	132

As indicated, the company is comprised of subgroups with significant differences. It was important for the researcher to obtain adequate feedback from all levels across the board, because that would help the company to identify areas requiring attention; and to have an overall understanding of the different levels as far as attitudes towards performance management is concerned. A proportion of elements on each stratum were sampled, refer to Table 3.1.

In an effort to reduce the occurrence of non-response error during data collection, participants were assured of receiving a copy of the survey results in appreciation of their contribution. The researcher was mindful not to offer any incentive which would encourage respondents to complete the questionnaire - this could contravene research protocols aimed at ensuring that good quality and unbiased data is collected.

3.8 Research tool for data-collection

As indicated data-collection is one of the most important aspects of any research study. It is defined as a process of gathering and quantifying data on variables of interest, in an established systematic fashion, seeking to satisfy the objectives of the study, the stated research question, to test hypotheses, and to analyse the outcomes (Sekaran and Bougie, 2009).

3.8.1 Constructing the questionnaire

The quantitative research questionnaire was formulated so as to answer the research objectives, which also aim to answer the research question (Appendix I). The questionnaire was formulated in order to achieve the objectives listed in Section 3.3 of this chapter.

3.8.2 Distributing the questionnaire

Research papers become a source of information; research becomes public knowledge that may be used for various purposes in information sourcing. Therefore, it is of great importance to ensure that every research study is conducted in a transparent manner and honestly, without deviation from the truth (Simundic, 2013). A biased data-collection leads to misleading research results, and creates distorted impressions and false conclusions.

The primary collection of data in a business setting is a challenging task; there are external factors negatively affecting the data-collection process. Ssegawa and Rwelamila (2009) indicated that data-collection for research in a complex environment could be affected by the dynamics of forces coming from the research environment. The quality of data collected from a business environment setting may be affected by issues of company politics; lack of trust in the intention of the survey, and therefore fearing that identities may be traced. This would lead to biased results.

It is important to ensure accurate collection of data, regardless of the preferred type of research: quantitative, qualitative or mixed method; in order to maintain the integrity of the research. The following are outcomes of improperly collected data (Gibson Jr. and Whittington, 2010, Sekaran and Bougie, 2009):

- Failure to answer research questions accurately;
- Inability to validate the study; and
- Misleading findings that cannot be generalised to the entire population of interest.

In an effort to ensure that good quality data was collected, the researcher saw to it that data collection was conducted and reported in a transparent and honest manner, without deviation from the truth. The researcher disregarded his beliefs, attitudes and experiences towards the implementation of the performance-management system at Kantey & Timpler, and did not influence the interpretation of the results. In eliminating bias and in ensuring transparency and validity of the research study, the researcher applied the following guidelines:

- Participants in the research study were not contacted by the researcher;
- The content of the follow-up emails reminding participants to complete the questionnaire, was checked by the researcher's supervisor, thus ensuring that the emails would not be interpreted as unfair conduct;
- There were no incentives promised to participants; and
- The researcher ensured that there was no direct involvement of employees, including senior management or directors, thus eliminating the element of fear.

The sample of participants was made up of employees at different levels within the organisation. The aim of the research study was discussed beforehand with senior management and the Human Resources department. The respondents were informed of the aim of the research study and told that it was expressly for academic purposes.

3.9 Ethical conditions

Ethics in business research may be described as a code of conduct for researchers. Ideally, the research study should be conducted so as to answer the hypothesis objectively and transparently. There should be respect for the confidentiality of the data obtained by the researcher. Respondents should not be asked to disclose information or to present their questionnaires to a third party (Sekaran and Bougie, 2009). Unethical conduct in the research process (data collection, data analysis and reporting) leads to misleading research results, and creates distorted impressions and false conclusions (Simundic, 2013).

The sample was informed of the aim of the research study: that it was for academic purposes; and that it would help the organisation to understand how employees feel about the performance-management system. The participants were assured of their anonymity and the confidentiality of their responses. Their right to withdraw from participating was also explained and guaranteed. The participants were allowed time to consider and decide on their participation in the study. They were asked to inform the researcher if they wished to withdraw or if they felt obliged to participate. Respondents had to accept these conditions electronically, by clicking on the "I ACCEPT" block at the beginning of the questionnaire.

The approval for collecting data was obtained from the director of Kantey & Templer prior to the start of data collection. Before the questionnaire was sent via electronic mail to respondents, they were made aware that procedures ensuring anonymity were in place; they were informed of the potential risks of security violation associated with providing online information. Respondents were also informed that submission of completed questionnaires implied their consent to participate in the research study. The researcher sent two emails at intervals of a week, reminding participants to complete the questionnaire; the content of the emails was checked by the researcher's supervisor, ensuring that the emails would not be interpreted as unfair conduct, which would have been interpreted as bias.

The following ethical conduct adopted from Sekaran and Bougie (2009) was applied:

- Data collected from respondents was treated as strictly confidential even for senior management or directors of the organisation. When some senior managers requested to see the completed questionnaire, this request was not acceded to. The relevant persons were shown the memorandum of understanding agreed to by senior management at Kantey & Templer, which prevented them from accessing such research information;
- The researcher gave an assurance that results were not misrepresented in any way;
- The researcher ensured that no personally intrusive information was solicited;
- No participant was compelled to respond to the survey; and
- The researcher ensured that, as far as was reasonably practicable, no influence or attempt from the company's management or any other party was made to sway participants' responses. None of the employees, including the participants of the sample, knew the identities of those who had been selected for the sample.

The researcher also adopted ethical conduct from Sekaran and Bougie (2009), applying this to the sample of respondents:

- The sample of respondents selected to participate in the survey was requested to participate fully by answering and completing the research questionnaire; and
- The respondents were required to be truthful and honest in their responses. They were made to understand that misrepresentation in an unethical manner would lead to misleading results, creating distorted impressions, and false conclusions.

3.10 Summary

In this chapter, the research methodology and approach, as well as the research design, were discussed. The research aim and objectives were discussed in detail, and the

structured questionnaire based on the themes identified in the research question and objectives was formulated as the research instrument for data collection. Methods of data collection, sample size and demarcation of the sample were outlined. The research provided an in-depth discussion on the composition of the research sample. Strong emphasis was placed on ethical conduct and the obtaining of good quality data.

The next chapter will focus on the presentation of the research findings, and a discussion of the results.

CHAPTER 4

Presentation and Discussion of Results

4.1 Introduction

This chapter presents and discusses the findings of the data collected. As discussed in the previous chapter, the method of data collection used was the questionnaire. The responses were obtained from the structured set of questions, which were distributed to the randomly stratified sample of employees at Kantey & Templer.

4.2 Description of the sample

This study was confined to the employees of Kantey & Templer, located in several branches geographically distributed throughout South Africa (Table 3.1). As indicated in the previous chapter, the company is comprised of subgroups of employees with significant differences. These were important for the researcher in gaining adequate feedback, in order to help the company determine the areas requiring attention; and to have an overall understanding of the different levels as far as attitudes towards performance management is concerned. The elements of each strata of a stratified randomly selected sample were discussed in the previous chapter.

The total number of completed responses from the questionnaire was 132; a minimum sample size of 132 from the population of interest of 200 was required. The correct sample size was met, in achieving the desired level of precision and confidence required for the study. The results obtained may therefore be generalised to the population of interest (Sekaran and Bougie, 2009).

4.3 Biographical details of the sample

Egan (2000) described the use of biographical data as important in establishing characteristics relating to the performance-management results obtained by means of the questionnaire. Employees with similar demographics tend to follow similar patterns

of behaviour, hence, the biographical data gives high levels predictive of employee behaviour; it adds to the validity and accuracy of the analysis of results(Egan, 2000).

Table 4.1: *Biographical data of the sample*

BIOGRAPHICAL DATA OF THE SAMPLE		
Characteristics		Percentage
Gender	Male	70%
	Female	30%
Race	African	8%
	Coloured	14%
	Indian	9%
	White	66%
	Other	3%
Age	Below 20	-
	20-29	35%
	30-39	36%
	40-49	16%
	50-59	11%
	60 and over	7%
Educational qualifications	Grade 12	21%
	Certificate	8%
	Diploma	23%
	Degree	32%
	Postgraduate	14%
	Other	3%
Position	Director	3%
	Executive Associate	14%
	Associate	6%
	Engineer/Technologist	28%
	Draftsperson/ Technician	30%
	Administration staff	19%
Years of service	Less than 1 year	11%
	1 - 5 years	40%
	6 - 10 years	23%
	11 - 15 years	11%
	16 - 20 years	8%
	21 years and above	8%
Department	Civil/Structural	45%
	Electrical	8%
	Mechanical	15%
	Environmental	12%
	Low-cost Housing	2%
	Administration	17%

4.4 Analysis of the objectives

This section focussed on the analysis of the objectives of the study.

4.4.1 Objective 1: Establish the importance of having a performance-management system.

This objective seeks to measure the employee level of understanding of the performance-management system; and why it is important to have or to implement such a performance-management system at work. It is important for employees to understand what performance management is all about: how it works, and how is it measured, in order to gain their full support and commitment to participating.

4.4.1.1 The purpose of performance management

Table 4.2: *Purpose of performance management*

65%	It helps to identify employees' job performance, and it helps to improve their skills
26%	It helps to keep employees and organisational objectives aligned
1%	It is a tool used to overwork employees, for the benefit of the company
8%	It is used for salary/wage negotiations, to the advantage of the company

The results presented on Table 4.2, indicated that 65% and 26% of the respondents, respectively, believed that performance management “helps to identify employees' job performance and help to improve their skills” and “helps to keep employees and organisational objectives aligned”. The findings were uniform across the wide range of variables such as age, years of service, and work department.

The majority of employees seemed to understand that the purpose of performance management was that of identifying employees' job performance, helping them to improve their skills. It also helps to keep employees and organisational objectives aligned. Fewer than 10% of the sample indicated that performance management was a tool used

to overwork employees for the benefit of the company, or used for salary/wage negotiations to the advantage of the company.

Brudan (2010) described performance management as an overarching process which deals with evaluating performance results, ensuring that performance targets are constantly achieved; it includes strategic goal-setting, implementation, performance measurements, training, and development. The results indicated that the majority of employees understood the fundamental purposes underpinning performance management, because the majority of responses coincided with purposes included by Brudan (2010).

4.4.1.2 Benefits of performance management

Table 4.3: *Benefits of performance management*

30%	It enhances employee performance
25%	It addresses employee performance deficiencies
23%	It enables an organisation to align its employees' objectives with organisational objectives
18%	It reminds employees of the importance of improving their performance
4%	It is only used for salary adjustment or rewards distribution

The responses obtained from the question indicated that the majority of respondents understood what the performance-management system seeks to achieve, and the benefits which were expected from its implementation (Table 4.3).

This was interpreted as a positive indicator that the majority of employees realised the importance and benefits of the performance-management system. The majority of employees accepted the core benefits of the performance-management system. Results indicated that employees believed that the performance-management system enhanced employee performance in addressing employee performance deficiencies. This allows an organisation to align its employees' objectives with the organisational objectives, and to remind employees of the importance of improving their performance; as opposed to being used for salary adjustment or rewards distribution. The results of the study

coincided with the roles of performance management described by Hough et al. (2011), and Sahoo and Mishra (2012), who mentioned that performance management helps employees to comprehend job expectations, to improve their performance, and to align employees with organisations in working towards common goals.

4.4.2 **Objective 2:** Establish employee attitude towards the performance-management system.

This objective carried the gist of what the research study was aiming to achieve, which was to understand the employee attitude towards the performance-management system. The results would help the company to comprehend and quantify employee attitudes, in order to address the negative attitudes towards the performance-management system, and to improve the implementation of the performance-management system in achieving the intended results.

4.4.2.1 Outcome of performance reviews

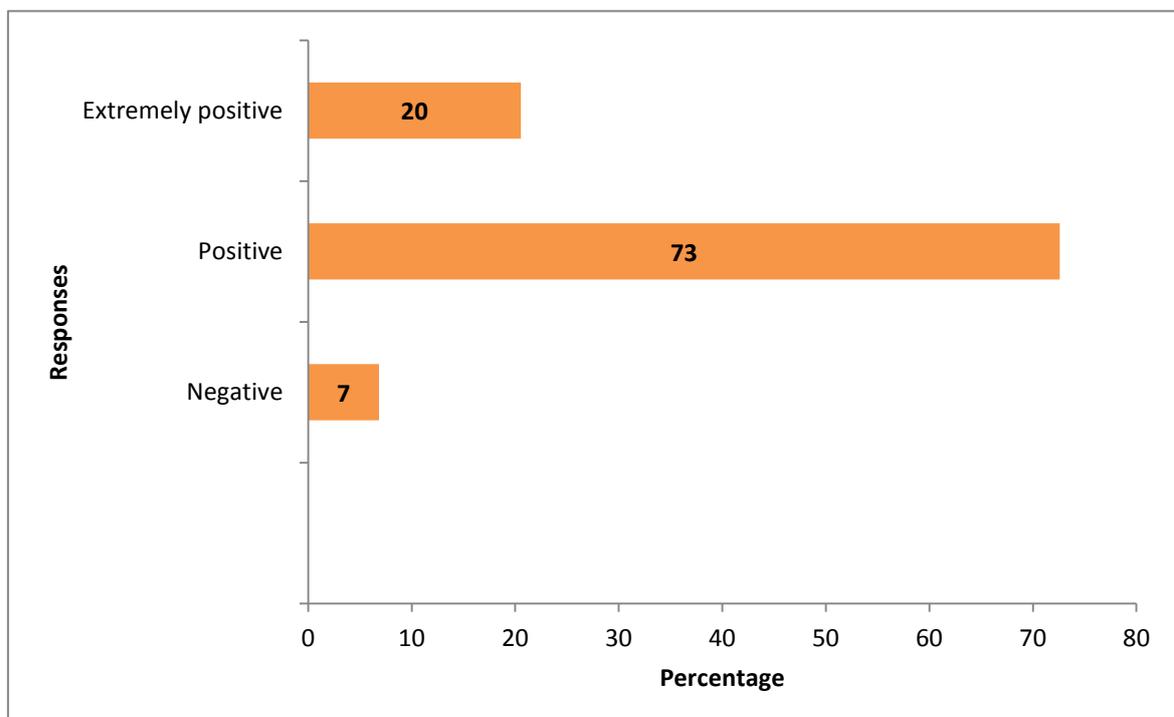


Figure 4.1: *Outcome of performance reviews*

It is evident from Figure 4.1 that the majority of respondents received positive outcomes for their last performance reviews.

However, there was not much deduced from this which related to the effectiveness of the performance management, or lack thereof. It simply gave an indication that respondents were positive feedback from the performance reviews.

4.4.2.2 Impression of the performance reviews

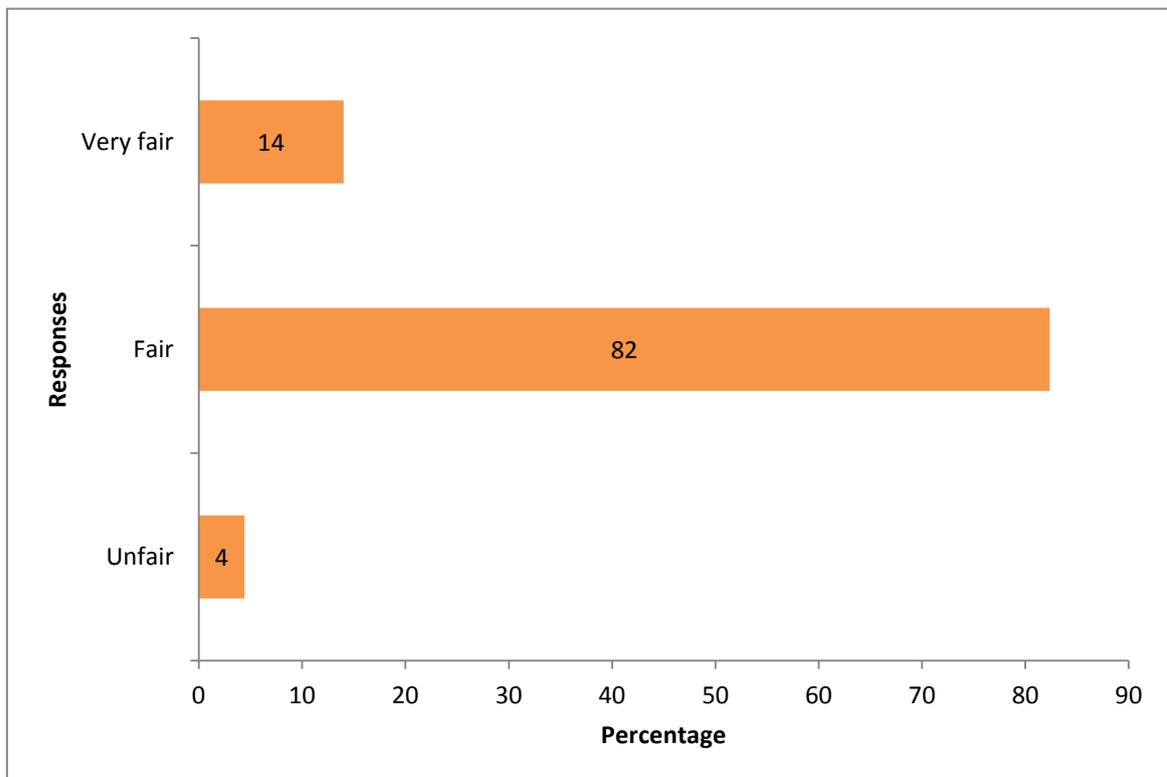


Figure 4.2: *Impression of the performance reviews*

It is evident from Figure 4.2 that the majority of the responses indicated a fair impression of the performance-management reviews. The results coincided with the majority of respondents who had received positive feedback from their performance reviews (refer to Figure 4.1), and hence, the majority indicated that their performance reviews were fair.

4.4.2.3 Belief in performance management at Kantey & Templer

Table 4.4: *Belief in performance management at Kantey & Templer*

16%	Fails to meet expectations of a performance-management system
46%	Partly meets expectations of a performance-management system
35%	Meets expectations of a performance-management system
3%	Exceeds expectations of a performance-management system

The statistics indicated that the larger number of respondents believe that the state of the performance management does not meet full expectations as presented in Table 4.4,.

This was a cause for concern, because if employees are not convinced that the performance-management system is correctly or fully implemented, they are less likely to buy-in or commit fully, or even to trust the performance-management processes. Ikemefuna and Chidi (2012) described lack of trust as the main source of negative attitudes towards the performance-management system.

4.4.2.4 Company's commitment to performance management

Table 4.5: *Company's commitment to performance management*

28%	Management carries out cyclic performance reviews
9%	Performance review feedback is issued timeously; recommendations are implemented
44%	Employees are encouraged and given resources which help to improve their performance
19%	Employees are incentivised continually to improve their performance

It is evident from Table 4.5 that the majority of respondents were encouraged and being given resources to help them improve their performance. This was of paramount importance for Kantey & Templer, in showing their commitment to the performance-management system.

Sahoo and Mishra (2012) described performance management as a process or system encompassing a series of activities such as goal-setting; continuous performance monitoring and feedback; mentoring and coaching for performance improvement; implementation of employee-development programmes; and performance-reward programmes. The results indicated that the majority employees would like to see the company advancing the state of performance management, by ensuring that employees are given necessary and adequate resources to conduct their work effectively and efficiently. Performance management helps to identify ways in which performance deficiencies may be reduced or eliminated, in order that improved performance meets performance targets/requirements (Jones and George, 2009). The results indicated that employees' expectations were in line with the requirements of the performance-management processes.

The results presented in Table 4.5 indicated that 28% of the respondents agree that there is a cycle of performance review. This is a concerning statistic for Kantey & Templer, maintaining the cycle of performance reviews is very important in keeping the system effective and relevant to strategic needs of the business. Simmons (2008) described the development of a performance-management cycle as one based on an organisation's strategic business needs, which must be in line with an organisation's strategic objectives; comprising a set of deliverables aimed at improving or reaching a certain efficiency level, which must then be maintained. The results also indicated that the majority of employees (44%) were encouraged and given resources which help to improve their performance, which is a positive that the company can build on to improve their performance management system.

4.4.2.5 Company's lack of commitment to performance management

Table 4.6: *Company's lack of commitment to performance management*

18%	Underperforming employees are not held accountable
5%	No punitive or corrective measures are taken for underperforming employees

39%	No corrective measures are taken to improve the performance of the underperforming employees
38%	Employees who perform well are not incentivised, therefore they are not kept motivated continually to improve their performance

The results in Table 4.6 indicated that the majority of respondents felt that no corrective measures were being taken to improve the performance of the underperforming employees, and that no corrective measures are taken to improve the performance of the underperforming employees. 18% of respondent indicated that employees were not held accountable for their poor performance.

This raised concerns about the state of commitment of the majority of employees in participating in performance-management processes, and their attitudes towards the performance-management system. As indicated earlier, lack of trust is the main source of negative attitudes towards the performance-management system. It would thus be difficult to get employees to adhere to any punitive or corrective measures instituted, should they feel that there are flaws in the implementation of the system. Grobler et al. (2011) described the lack of objectivity in the performance reviews as a major contributing factor in decreasing employee morale and motivation to perform, owing to absence of transparency and bias, and lack of employee involvement in the entire process of the performance-management system.

4.4.2.6 Appraisal of performance management system at Kantey & Templer

Table 4.7: *Appraisal of performance management system at Kantey & Templer*

18%	This is a positive system; it works
66%	This is a positive system, however, it needs improvement
11%	This is a negative system which may be improved
5%	This system has no benefit, and should be discontinued

It is evident from Table 4.7 that the majority of respondents believed that the performance-management system worked, however, it needed some improvement.

Referring to the majority of results obtained relating to the state of the performance management, there seemed to be a number of flaws or pitfalls with the implementation of the performance-management system. Simmons (2008) described the performance-management cycle as activities linked to and dependent on each other, which complete a performance-management system. Those activities included planning, developing, performing, and review. Simmons (2008) further described these activities as important in implementing an effective performance-management system.

4.4.2.7 Suggested actions which would improve the performance management

Table 4.8: *Suggested actions which would improve performance management*

26%	Capacitate/train managers to manage employees' performance
42%	Senior management to ensure consistency of cyclic performance reviews
16%	Simplify performance-management processes
16%	Attach incentives

The results presented in Table 4.8 indicated that the majority of respondents felt that the involvement of senior management in ensuring consistency in performance reviews would help to improve the current state of performance management within the company.

The findings obtained coincide with the key components mentioned by Simmons (2008) as underpinning the performance-management cycle as the majority of respondents indicated that the consistency in ensuring that performance reviews take place, will improve the state of performance management. Simmons (2008) described the development of a performance management cycle as one based on an organisation's strategic business needs. Another notable finding was the need to capacitate managers with necessary skills in managing employee performance. The findings also coincided with the statement made by Aslam et al. (2011), which described the focus on equipping managers with necessary training and skills to deal with employees in a manner encouraging employees to perform so as to achieve their performance targets, which is important for any performance-management model to function effectively.

4.4.3 **Objective 3:** Ascertain whether the performance-management system is working effectively.

This objective aimed at assessing the effectiveness of the performance-management system. It is important for organisations implementing a performance-management system to evaluate whether it meets the intended objectives.

4.4.3.1 Who was involved in your performance review?

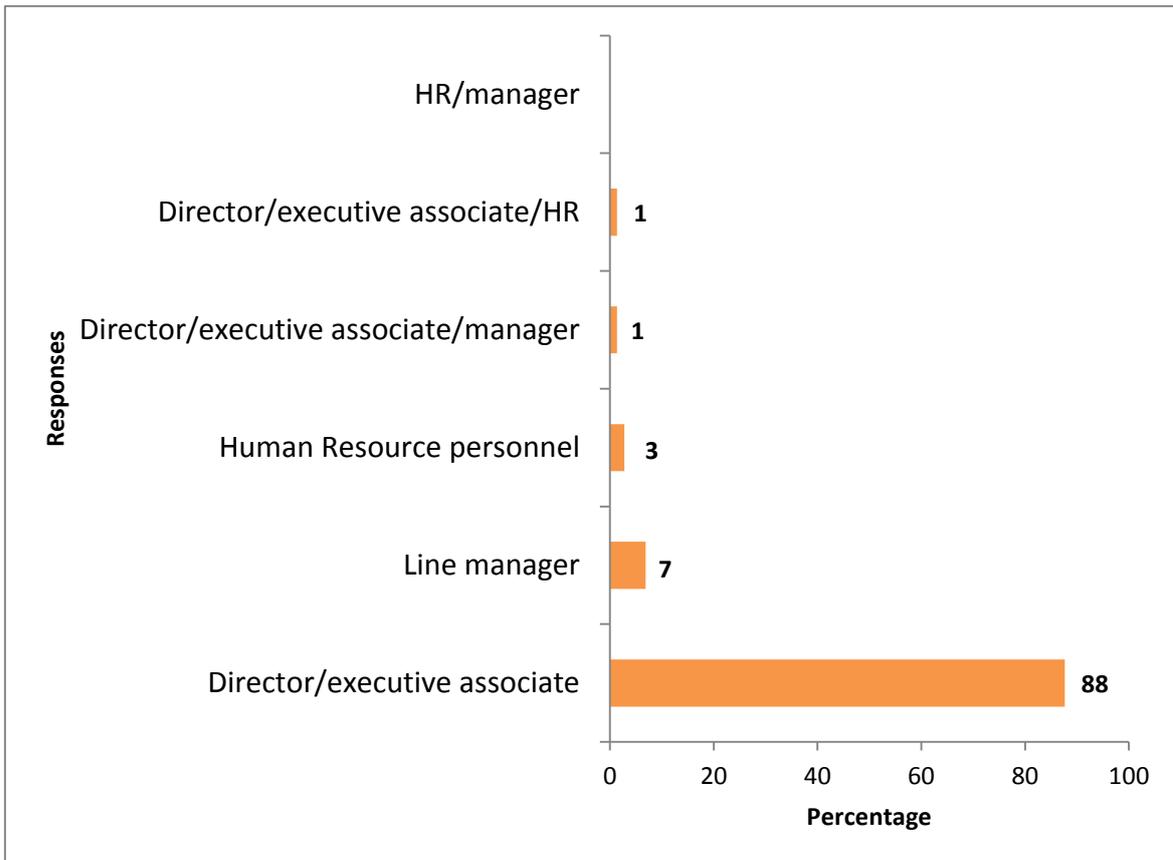


Figure 4.3: *Performance assessments evaluators*

It is evident from Figure 4.3 that directors and/or executive associates were involved during the participants' performance-management reviews. The involvement of senior management was a good indication of commitment by the company.

Simmons (2008) emphasised that managers or evaluators need to be trained in order to implement the performance management processes effectively and competently. The results obtained indicate the lack of involvement from human resource personnel. This is concerning finding, Grober et al., 2011) described performance management as an important strategic human-resource practice as a tool for gaining a competitive advantage, thus it remains as a human resource function. The findings coincide with the

finding shown on Table 4.7, which indicates that the performance management system needs improvement. The findings also indicate the lack of joint involvement of the relevant departments in carryout performance management functions or responsibilities.

The results indicate the need for Kantey & Templer to evaluate the competency of performance management evaluators, in order to ensure that performance assessments are carried out fairly, without prejudice, and in accordance with the job descriptions. Inconsistent performance assessments, bias, and inconsistent or poor application of the performance measurements, is a source of negative employee attitudes towards performance management.

4.4.3.2 How relevant was the performance review to your job description?

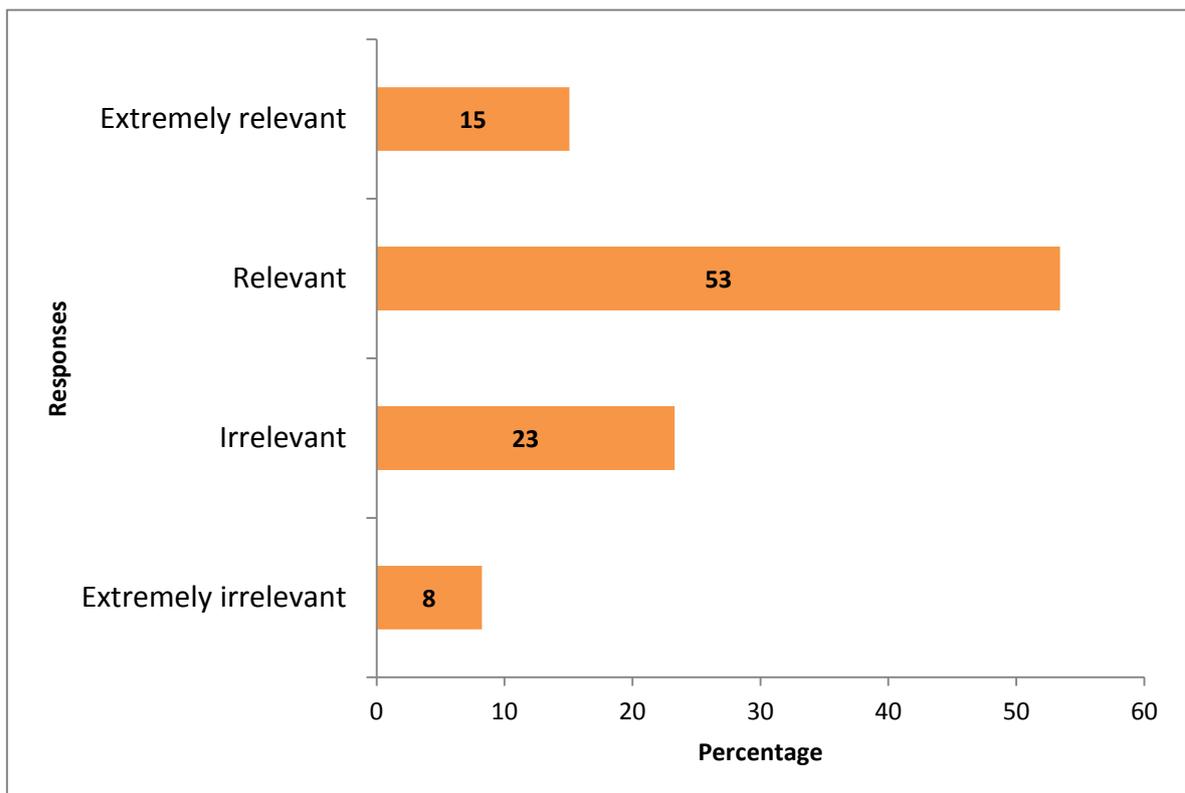


Figure 4.4: Relevancy of performance reviews to job descriptions

It is evident from Figure 4.4 that performance reviews were relevant to job descriptions.

However, there were quite a significant number of employees who felt that the performance reviews were irrelevant to their job descriptions. This is a cause for concern, because mistrust and disbelief of employees arises towards the performance-management system, and discourages employees from participation in performance-management processes. Grobler et al. (2011) described the lack of objectivity in performance management as one of the causes of employees' negative attitude towards performance management, which emanates from lack of confidence in the implementation of the performance management, and lack of clarity on what a performance-management system is aiming to achieve.

Firstly, employees and organisational objectives must be aligned in order to establish a clear understanding of what is expected from employees in contributing collectively towards achieving organisational goals (Sahoo and Mishra, 2012). A job specification or profile indicating clear roles and responsibilities or key performance areas and performance measurements must be developed and issued to an employee for discussion and agreement (Hough et al., 2011). The role profile clarifies job roles and responsibilities, and performance deliverables, making it easier for employees to understand the basis of their performance measurement.

4.4.3.3 Was your performance measured against the factors agreed upon with your line manager?

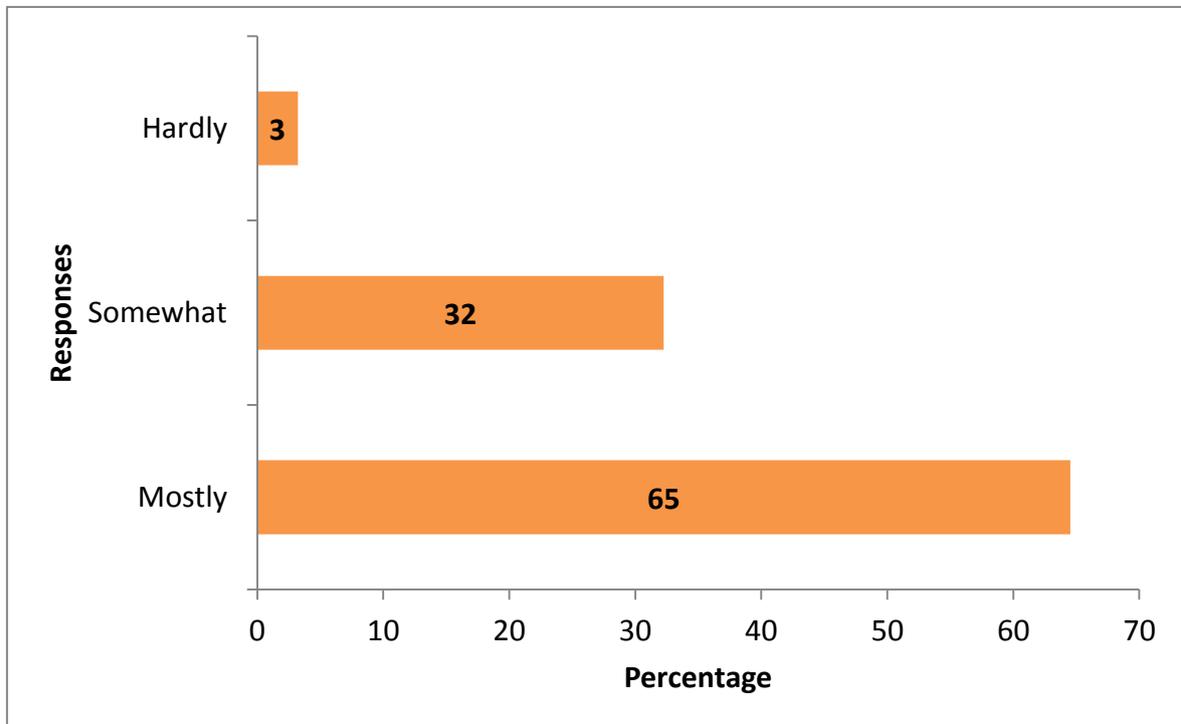


Figure 4.5: *Agreement on performance-measuring factors*

It is evident from Figure 4.5 that performance was measured against the factors agreed upon with managers.

This was a positive indication that the performance management was being implemented correctly, because, without clearly defined roles, responsibilities, and measures, the performance-management system will not achieve the desired output (Hough et al., 2011). The clear definition of roles, responsibilities and measures is critical in ensuring that employees understand what they need to do, and understand that their performance will be measured on the roles and responsibilities defined. They will be held accountable for their performance, as defined by the system.

4.4.3.4 What was your performance measured against?

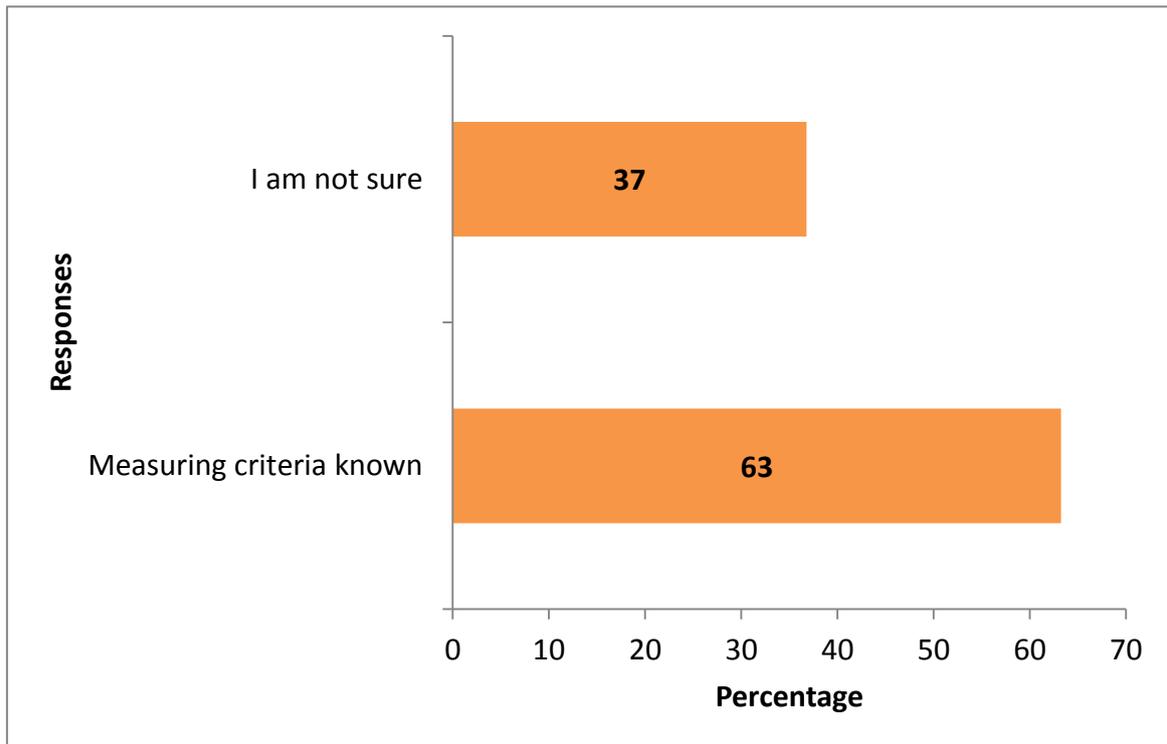


Figure 4.6: *Performance-measuring criteria*

The majority of respondents indicated that the performance-measuring criteria were determined /disclosed during the performance-review meeting (refer to Figure 4.6). However, there was quite a significant number (37%) of employees that were not sure of the performance-measuring criteria used during their performance reviews. This was a cause for concern, because such factors are the main sources of mistrust and lack of confidence of employees towards the performance-management system. This could discourage employees from participation in performance-management processes.

4.4.3.5 How relevant to your job description were the performance-assessment criteria used?

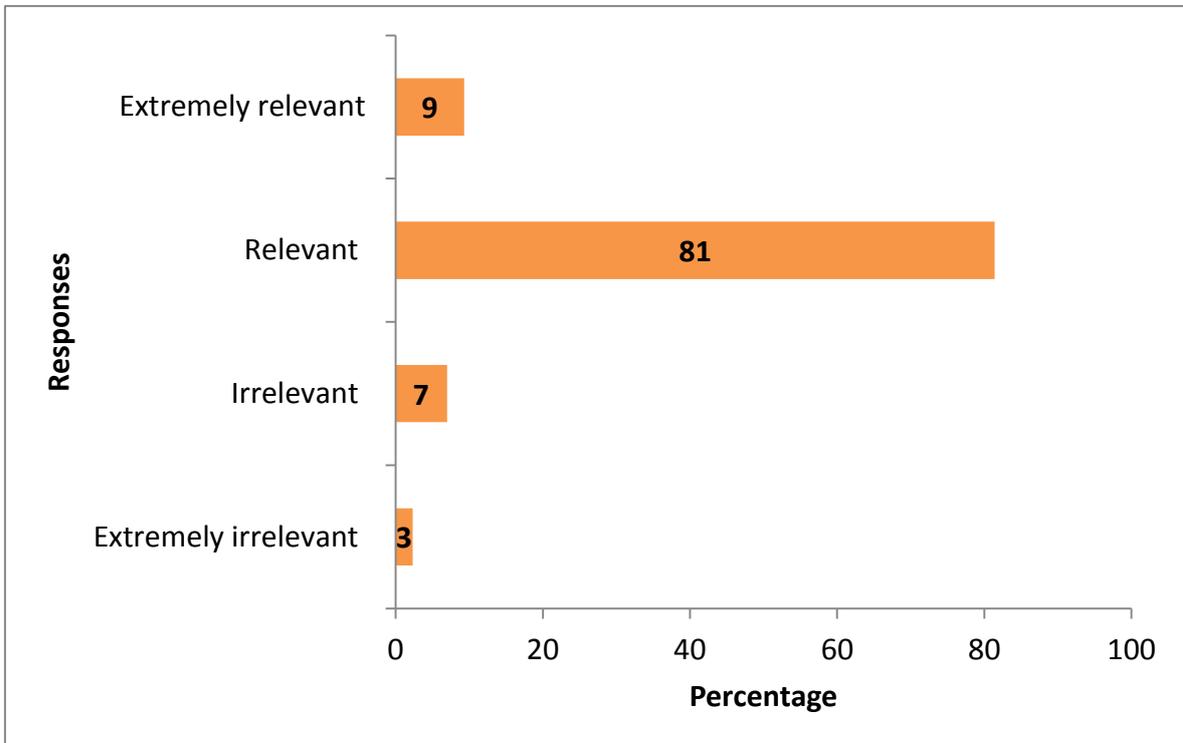


Figure 4.7: *Relevancy of the performance-assessment criteria to job description*

It is evident from Figure 4.7 that the performance-assessment criteria used for performance reviews was relevant to the job descriptions of the majority of respondents. The results indicated that that the majority of employees (81%) had job profiles which outlined their roles and responsibilities, hence they were clear on the performance areas on which they were going to be assessed.

The findings coincide with the hypothesis made by Hough et al. (2011) that clear definition of roles and responsibilities helps employees to understand performance measures to be used in performance assessments.

4.4.4 **Objective 4:** Determine the reasons for the system’s working/not working effectively.

This objective aims at addressing problems leading to ineffectiveness of the system. It will help the company to fathom the areas of concern, and where to improve the implementation of the performance-management system.

4.4.4.1 What do you think affected the outcome of your performance review?

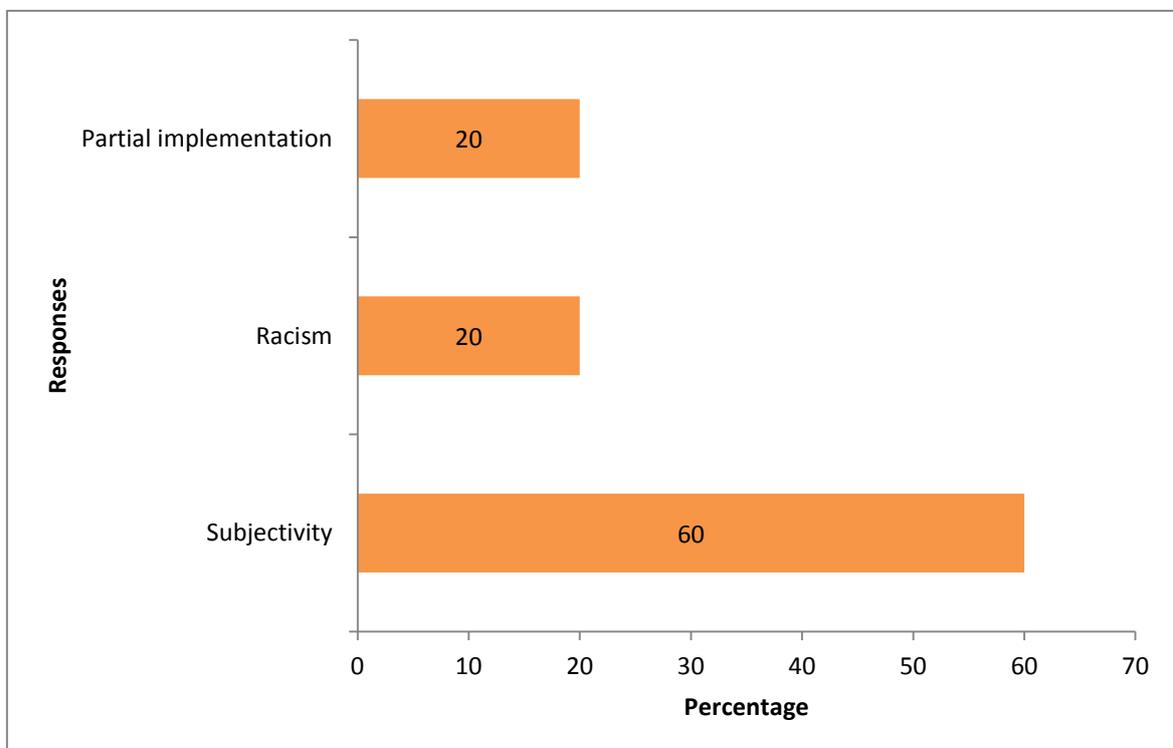


Figure 4.8: *Elements affecting performance-review outcome*

The results presented in Figure 4.8 indicated that the majority of respondents pointed to subjectivity as the element most affecting the outcome of their performance review; the elements of racism and partial implementation showed a notable trend of 20% each.

The majority point to subjectivity as a cause of poor performance results, coinciding with the hypothesis of de Waal (2007) and Grobler et al. (2011), that most performance-management systems lack objectivity, because they do not adequately address role and

specific job requirements. They do not have objective performance-measurement systems in place; instead they rely on opinions of evaluators. These opinions are prone to bias, making employees reluctant to embrace the implementation of performance-management systems.

4.4.5 **Objective 5:** Establish the improvements which must be made to the performance-management system.

The aim of this objective is to obtain information on the improvements which employees would like to see in improving the current state of the performance-management system at Kantey & Templer.

4.4.5.1 To what extent are line managers involved in managing employees' performance?

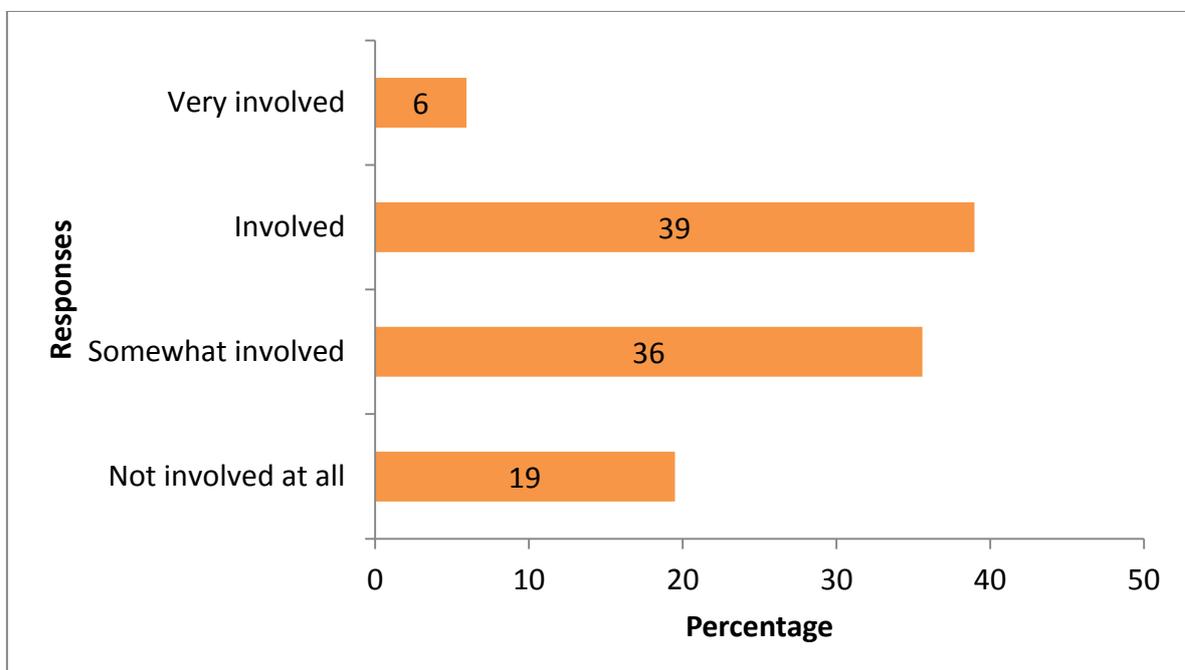


Figure 4.9: *Managers' involvement in performance management*

The results presented in Figure 4.9 indicated poor involvement of the line managers in the implementation of the performance-management system.

The results indicated poor involvement of line managers in implementing the performance management system, 19% indicated that managers are not involved at all; and 36% indicated that managers are somewhat involved. It's a worrying statistic that more than half of the respondents felt that managers are not fully involved or commitment. Managers are the first interface to employees and should be the ones driving the implementation of performance management processes. The findings relate to the results obtained from Figure 4.8, which pointed to subjectivity as a dominant influence in the outcome of performance reviews, because the lack of involvement raise concerns about the objectivity of an evaluator in assessing employees whose performance they have not been closely monitoring. de Waal and Counet (2009) mentioned that lack of objectivity in performance-management processes was a source of negative attitude by employees, as they become reluctant to embrace performance-management systems' implementation.

4.4.5.2 What is the reason for the lack of involvement of the line managers?

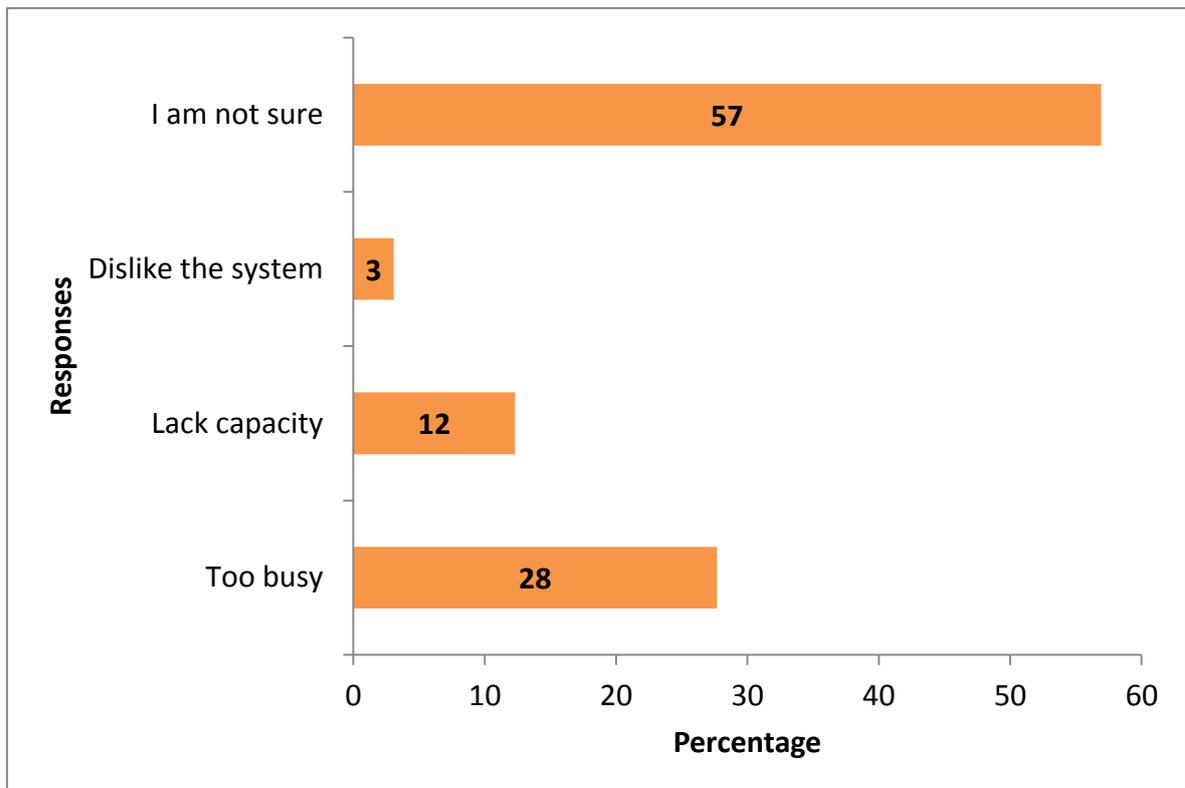


Figure 4.10: *Reasons for the lack of managers' involvement*

It is evident from Figure 4.10 that the majority of respondents were not sure of the reasons for the line managers' lack of commitment to the implementation of the performance-management system.

Performance management encompasses a series of activities such as goal-setting, continuous performance monitoring and feedback, mentoring and coaching for performance improvement, implementation of employee development programmes, and performance-reward programmes; any performance-management system must execute a series of activities jointly, in order to achieve intended results (Sahoo and Mishra, 2012). Simmons (2008) emphasised maintaining the cycle of performance, in order to have a performance-management system which is effective, relevant and involving. The results compare with the result shown in Figure 4.9, which indicated that 55% (36% plus 19%) of the respondents indicated that there was poor involvement of managers in the performance-management processes.

4.4.5.3 Which elements do you think should be eliminated in order to improve the performance-management system at Kantey & TEMPLER?

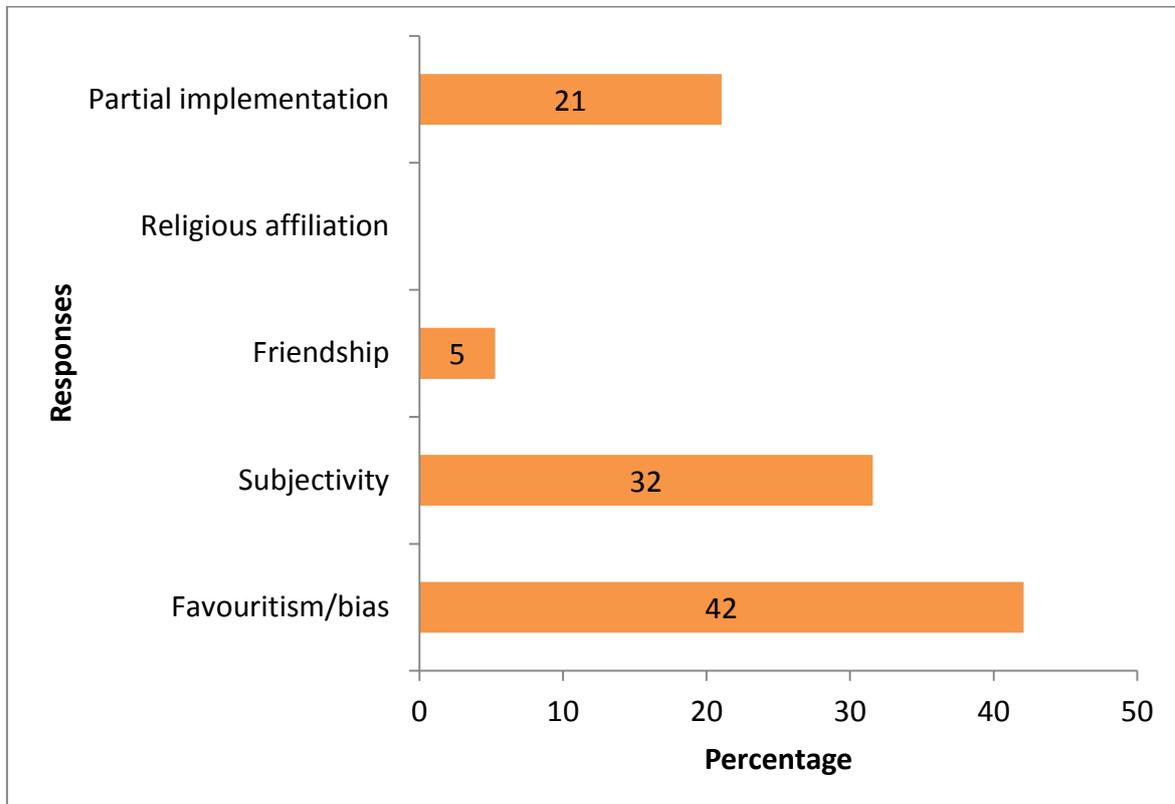


Figure 4.11: Elements to be eliminated so as to improve performance management

The results presented on Figure 4.11, indicated that the majority of respondents pointed to the elimination of the subjectivity (32%) and favouritism/bias (42%) elements as critical in improving implementation of the performance-management system.

The results obtained do not compare with the results shown in Figure 8, where the elements of subjectivity and bias/favouritism received 60% and 0% respectively. The reasons for the change in responses were not clear. Nonetheless, the results obtained coincide with the hypothesis of de Waal (2007) and Grobler et al. (2011), that most performance-management systems lack objectivity, because they do not adequately address role and specific job requirements; they do not have objective performance measurement systems in place, instead, they rely on the opinions of evaluators, which

are prone to bias, and make employees reluctant to embrace performance-management systems implementation.

4.4.6 **Objective 6:** Determine what must be done to promote employee engagement with the performance-management system.

A performance-management system requires commitment from both the employer and employees in order to function effectively. It is extremely important for Kantey & Templer to comprehend the level of engagement and commitment of employees to the implementation of the system, because this determines its success.

4.4.6.1 What encourages you to participate?

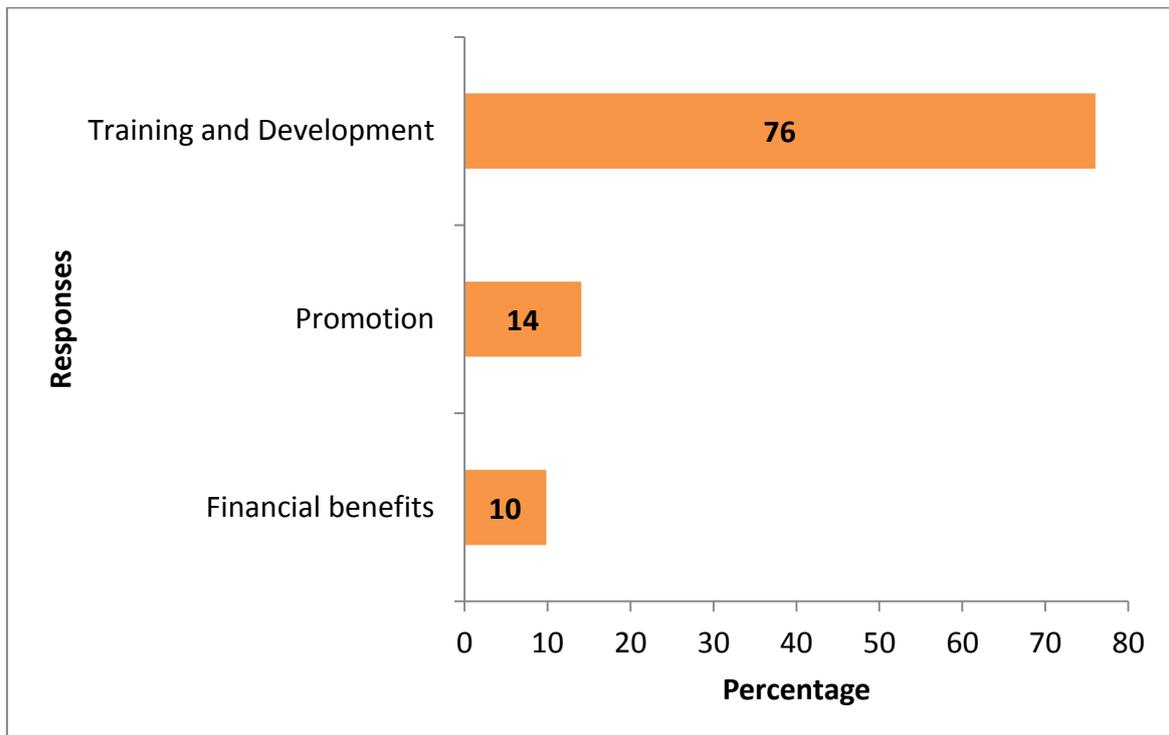


Figure 4.12: Elements encouragement to participate in performance reviews

The results in Figure 4.12 indicated that the larger number of respondents were encouraged to participate in performance reviews, so as to have their performance assessed, and to be given training where required, thus improving their performance. There was no notable trend in responses to pay increase/reward distribution, or to promotion. This indicates that the majority of respondents are more interested in improving their performance where required by a fair performance assessment.

4.4.6.2 What discourages you from participating?

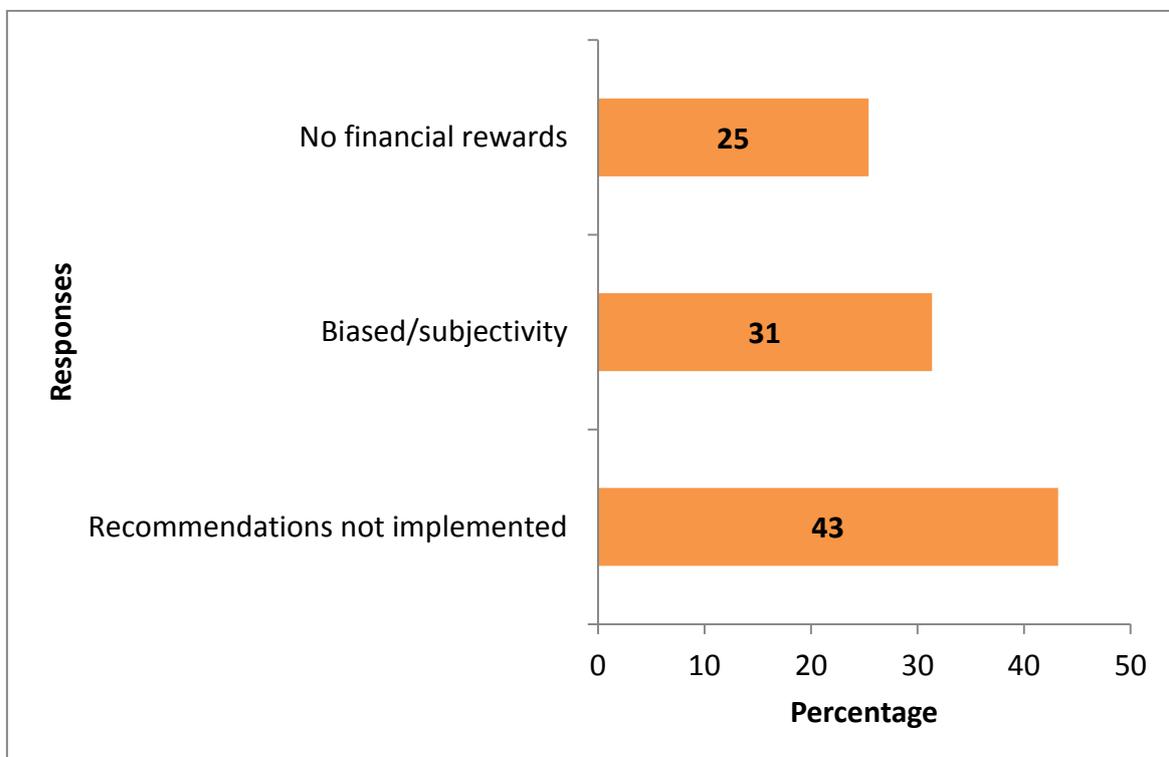


Figure 4.13: *Elements discouraging to participating in performance reviews*

The majority of respondents (43%) indicated that they were discouraged from participating in performance reviews, because the recommendations of performance reviews had not been implemented (Figure 4.13). A significant number of respondents again pointed to subjectivity/bias (31%) as discouraging them from participating in performance reviews, and 25% indicated that they were discouraged by the lack of financial rewards.

Referring to the results on Figure 4.12, 76% of the respondents indicated that they were encouraged to participate in performance reviews, having their performance assessed, and being given training where required, in order to improve their performance; and 10% indicated that they were encouraged by financial benefits. The results on Figure 4.13 indicated that a quarter of respondents were discouraged, because no financial rewards were attached to performance reviews. Deduced from the findings financial benefit, it indicates that as much as the majority of respondents were interested in participating in performance reviews, having their performance assessed, and receiving training where required, in order to improve their performance, however, they still expected some financial rewards for their performance.

Tser-yieth Chen (2008) described the administrative purpose of performance evaluation as helping business leaders make decisions on differential awarding of pay increases, promotions, incentive rewards, etc. He developed the hypothesis that attachment of pay increases and/or incentive rewards to performance management evaluation, at any given point, would make the performance-management evaluation process subjective from the employees' point of view, however, employees would not challenge the evaluation process when the outcome of the evaluation favours or benefits them. The results obtained compare with the hypothesis of Tser-yieth Chen (2008).

4.4.7 Miscellaneous Findings

Table 4.9: *Miscellaneous findings*

MISCELLANEOUS FINDINGS			
Question	Number of Respondents	Percentage	Selected Response
How does your recent performance review compare with previous performance reviews?	5	100%	Performance reviews were similar to the previous reviews
Why has the performance review feedback not happened?	4	100%	I am unsure
How would you describe the feedback?	1	100%	It is very biased towards the company

The results showed in Table 4.9 contain miscellaneous findings; these findings were obtained from very few respondents. Hence, no conclusions may be drawn from them, and the results cannot be generalised to the population.

4.5 Data Analysis: Cross-Tabulation

Cross-tabulating is a method of analyzing a relationship between variables, by combining two or more frequency tables, such that the resulting table represents a unique combination of specific values of the included variables. Cross-tabulations help to identify relationships between variables if any exist (allBusiness, 2013).

From the cross-tabulation analysis, the basis of statistical inference was used to draw conclusions on the basis of data obtained from a sample of the population; thereby evaluating the strength of evidence on the findings using hypothesis test. A specific hypothesis was formulated from cross-tabulation analysis to evaluate the findings in

order to decide whether the hypothesis made was supported or rejected, depending on the significance level value (p-value) obtained.

Table 4.10: *Cross-tabulation of performance-management implementation and work departments*

It's important to analyse the relationship between the two variables in order to establish whether the departments were committed in conducting performance reviews, and to identify those departments may be lagging behind in order to offer necessary support them.

The null hypothesis: There is a relationship between divisions or departments where respondents work in and whether they have had their performance reviewed.

		In which division do you work?						
		Administration	Civil/ Structural	Electrical	Environmental	Low-cost Housing	Mechanical	Total
Have you had your performance reviewed?	Yes	14%	25%	2%	5%	-	9%	55%
	No	3%	21%	6%	7%	2%	6%	45%
Total		17%	46%	8%	12%	2%	15%	100%
n = 132			$\chi^2 = 16.735$			p = 0.01		

Table 4.10, shows that relationship exists between people in various departments and the implementation of performance management reviews (p = 0.01). It is evident that the majority of Civil/Structural (25%), Administration (14%) and Mechanical (9%) employees have been reviewed. The results indicated that other departments have not reviewed the

performance for the majority of their employees. Therefore, the null hypothesis is accepted.

Table 4.11: *Cross-tabulation of performance-measuring factors' agreement and position in the company*

It's important to analyse the relationship between the two variables in order to establish whether the performance measuring instruments or factors were applied as agreed or not relative to the positions that the respondents were holding. It's important to establish that the performance was measured as agreed with evaluators, and to identify if there were differences relative to positions the responded occupied.

The null hypothesis: There is a relationship between job positions that respondents are occupying and whether their performance was measured against the factors agreed with their line managers.

	What position do you hold?							
Was your performance measured against the factors agreed upon with your line manager?		Director	Executive Associate	Associate	Engineer/Technologist	Draughtsperson/Techician	Administration staff	Total
	Mostly	6.5%	19%	3%	7%	19%	10%	64.5%
	Somewhat	-	-	-	19%	7%	6.5%	32.5%
	Hardly	-	-	3%	-	-	-	3%
Total		6.5%	19%	6%	26%	26%	16.5%	100%
n = 31		X ² = 26.195			p = 0.00			

Table 4.11, shows that a relationship exists between position and agreement on performance-measuring factors (p = 0.00). It is evident that performance-measuring

factors for the majority of employees (64.5%) were agreed upon with their line managers; however, the results indicated that engineers/technologists (19%) were not measured entirely on agreed performance-measuring factors. Therefore, the null hypothesis is accepted.

Table 4.12: *Cross-tabulation of age against factors encouraging participation in performance-management reviews*

It's important to establish the trend between age and factors encouraging participation to performance reviews. For example, factors relating to growth or development prospects will be different across the age groups, and from the results obtained, the analysis may provide the reasons behind the results obtained.

The null hypothesis: There is a relationship between age of respondents and factors that encourage them to participate in performance management reviews.

What encourages you to participate?	Age					
	20-29	30-39	40-49	50-59	60 and above	Total
A pay increase or reward distribution benefits	4%	1%	-	4%	-	9%
Obtaining of promotional opportunities	10%	3%	-	1%	-	14%
Having my performance assessed, and being trained when required, so as to improve my performance	17%	37%	16%	4%	3%	77%
Total	31%	41%	16%	9%	3%	100%
n = 71	X ² = 22.385			p = 0.01		

Table 4.12 shows a relationship existing between work and the age and elements which encourage employee participation in performance reviews ($p = 0.01$). The results indicate that the majority of employees across all the age groups feel encouraged to participate in performance reviews, having their performance assessed, and being trained when required, so as to improve their performance (77%). A significant number of respondents (10%) between the ages of 20 and 29 years felt encouraged to participate for promotional opportunities. Therefore, the null hypothesis is accepted.

Table 4.13: *Cross-tabulation of the overall appraisal of performance management and the years of service*

The analysis against the two variables would give an understanding as to how the respondents are receiving or embraces the performance management system. Respondents are likely to differ on their perspectives based on the years of service, and it's important to understand if there is a trend on how employees appraise the performance management system based on the number of years they have been with the company.

The null hypothesis: There is a relationship between years of service of the respondents to the company and how they appraised the performance management system.

What is your overall appraisal of performance management at Kantey & Templer?	Years of service?						
	Less than 1 year	1-5 years	6-10 years	11-15 years	16-20 years	More than 20 years	Total
It is a positive system; and it works	4%	8%	2%	2%	1%	1%	18%
It is a positive system, but it needs improvement	1%	28%	16%	10%	6%	5%	66%
It is a negative system which should be improved	1%	5%	3%	1%	1%	-	11%
It has no benefit, and should be discontinued	-	-	2%	-	1%	2%	5%
Total	6%	41%	3%	13%	9%	8%	100%
n = 118		$\chi^2 = 28.772$			p = 0.02		

Table 4.13 shows a relationship exists between the years of service and employees' impression of the state of performance management at Kantey & Templer ($p = 0.02$). It is evident that the majority of employees (66%) are positive about the performance-management system, however, it needs improvement. Therefore, the null hypothesis is accepted.

Table 4.14: *Cross-tabulation of the overall appraisal of performance review against work department*

It was noticed from the findings that the performance reviews were conducted by individual departments under different management. Hence, it's important to understand if there is a trend on how employees appraise the performance management system relative to departments they are working in.

The null hypothesis: There is a relationship between divisions or departments where respondents work in and how they have appraised the overall performance management at Kantey & Templer.

What is your overall appraisal of performance management at Kantey & Templer?	In which division do you work?						
	Administration	Civil/Structural	Electrical	Environmental	Low-cost Housing	Mechanical	Total
It is a positive system; and it works	7%	4%	-	2.5%	2%	2.5%	18%
It is a positive system, however, it needs improvement	7%	35%	5%	6%	-	12%	65%
It is a negative system which should be improved	2%	5%	1%	1%	1%	1%	11%
It has no benefit; it should be discontinued	3%	1%	2%	-	-	-	6%
Total	19%	45%	8%	9.5%	3%	15.5%	100%
n = 132		$\chi^2 = 30.913$			p = 0.01		

Table 4.6 represents the analysis of the respondents' work departments and their responses to the appraisal of the performance-management system. Deduced from the table analysis was the strong relationship between the two variables. Thus, the work departments of the respondents and the appraisal of the performance-management system are related, as per the statistical test conducted.

Table 4.6 shows a relationship exists between work departments and employees' impression of the state of performance management at Kantey & Templer ($p = 0.01$). It is evident that the majority of employees (65%) across all work departments feel positive

towards the performance-management system, however, it needs improvement. Therefore, the null hypothesis is accepted.

4.6 Summary

In this chapter, the results from the data collected by means of the questionnaire were presented, discussed and analysed. Deduced from the results obtained, the performance-management system at Kantey & Templer was working, however, it lacked implementation structure, and had numerous pitfalls and shortcomings to be addressed, in order that the system works effectively and achieves its intended purposes.

The next chapter will focus on recommendations for assisting Kantey & Templer to address issues from the findings, in order to improve implementation of the performance-management system.

CHAPTER 5

Conclusions and Recommendations

5.1 Introduction

The aim of the research was to determine employees' attitude towards the performance-management system at Kantey & Templer, a consulting-engineering company. The aim of this chapter is to summarise the findings of the study, to draw conclusions from the findings, and to make recommendations, based on the findings presented. The limitations of the study are discussed, and recommendations for future research are made. As indicated in the literature review of Chapter 2, the research has shown that human-resources-management practices are likely to meet with negative employee attitudes or perceptions when they are incompatible with workers' prior experience, expectations, promises, and obligations.

5.2 Discussion of key findings and conclusions

5.2.1 Purpose and benefits of performance management

The results indicated that 65% of the respondents believed that performance management helps to identify employees' job performance, and helps to improve their skills. The results also indicated that 26% of the respondents believe that the purpose of performance management and its benefit is to keep employees and organisational objectives aligned. The findings were uniform across the wide range of variables such as age, years of service, and work department. Only 1% of the sample believed that performance management was a tool used to overwork employees to the benefit of the company, and 8% felt that the performance-management system was used for salary/wage negotiations to the advantage of the company.

The results also indicated that the majority of employees were conversant with the core benefits of a performance-management system, and were au fait with the goals of the performance-management system.

It can be concluded that the majority of employees comprehended that the fundamental purpose of performance management was helping to identify employees' job performance, and helping employees to improve their skills. They also understood that it helps to keep employees aligned with organisational objectives.

The objective was achieved which was to establish the importance of having performance management system at Kantey & Templer. The majority of employees seemed to understand that the performance management system is there to identifying employees' job performance and help them to improve their skills.

5.2.2 Attitude towards the performance-management system

5.2.2.1 Performance review outcomes

The majority of respondents indicated that they had received positive outcomes for their last performance reviews (93%), and the remaining 7% indicated that they had received negative outcomes from their previous reviews. The findings gave a general picture of employees feeling positive about the performance-review outcomes.

5.2.2.2 Employees' impression of the performance reviews

The results indicated that 82% of the employees felt that performance-management reviews were fair, and a further 14% indicated that performance reviews were extremely fair. Only 4% indicated that performance reviews were unfair. It may be concluded that employees believed that performance reviews were fair.

5.2.2.3 Employees' belief in the performance-management system

The results indicated that 46% believed that the performance-management system did not fully meet their expectations in its current state; and 16% indicated that it partly met

their expectations. 36% believed that the performance-management system met their expectations, and 2% believed that it exceeded their expectations. It may be concluded that the implementation of the performance-management system did not meet the majority's expectations.

5.2.2.4 Kantey & Templer's commitment to Performance Management

The majority of respondents (44%) indicated that being given resources to help them improve their performance proved the company's commitment to the performance-management system. The results indicated that 28% of the respondents believed that carrying out cyclic performance reviews is proof of the company's commitment to the performance-management system. The results also indicated that 19% and 9%, respectively, of the respondents felt that financial rewards and implementation of the performance-review findings were assurances of the company's commitment to performance management. It may be concluded that employees are interested in seeing the implementation of the performance-review findings, ensuring that performance reviews are consistently provided.

5.2.2.5 Kantey & Templer's lack of commitment to Performance Management

The results indicated that 39% of the respondents pointed to the lack of taking corrective measures to improve the performance of the underperforming employees as an indication of the company's lack of commitment to performance management. A significant number of respondents (38%) indicated the company's lack of commitment to performance management was seen in their not offering incentives for good performance by employees. The results also show that 18% and 5% of the respondents, respectively, indicated that the lack of holding employees accountable for poor performance, and the lack of implementation of punitive or corrective measures for underperforming employees were indications of the company's lack of commitment. It may be concluded that the lack of taking necessary or visible steps in dealing with poor performance, combined with not offering incentives for good performance indicates a lack of commitment to performance management.

The objective was achieved which was to establish employees' attitudes towards the performance management system. The results of the study were able to give the clear indication on how the majority of employees feel about the state of the performance management system. Generally, employees were positive with the performance management system and they would like to see more commitment from the company's management in addressing problems facing the performance management.

5.2.3 **Assessing the effectiveness of the performance-management system**

5.2.3.1 **Management's involvement in performance reviews**

The results indicated that 88% of the respondents had a director and/or executive associate involved in their performance-management reviews, while 7% of the respondents indicated that line managers were involved in their performance reviews. The remaining 5% were split between Human Resources personnel; and a combination of director, executive associate, and Human Resources personnel. It may be concluded that senior management were involved in implementing the performance-management system. The involvement of senior management is a positive sign showing their support for the implementation of performance management.

5.2.3.2 **Relevancy of performance reviews to job description**

The results indicated that 53% of the respondents felt that the performance reviews were relevant to their job descriptions or job profiles; 15% indicated that the performance reviews were extremely relevant. 23% of the respondents felt that their performance reviews were not relevant to their job profiles, and 9% indicated that their performance reviews were extremely irrelevant. It may be concluded that the majority of employees found performance reviews relevant to their job descriptions or profiles.

In Section 5.3.2.2 the collective majority of 95% indicated that performance management reviews were fair; hence, this is the perceived relationship between the relevancy of performance reviews to the job descriptions, and the impression of employees of

performance reviews, as confirmed by the P-value calculated. The perception was that the overwhelming majority of employees found performance reviews relevant to the job descriptions; the overwhelming majority found the performance reviews fair. However, a smaller number of respondents indicated that performance reviews were relevant to their job descriptions, compared with a larger number who indicated that performance reviews were fair.

5.2.3.3 **Agreement on performance measurements**

The majority of respondents (65%) indicated that most of the performance measurements used during performance reviews were agreed upon with their managers. The results showed that 32% of the respondents indicated that some performance measurements were agreed upon, while 3% indicated that performance measurements were hardly agreed upon. It may be concluded that two-thirds of employees indicated that their performance was measured on agreed criteria.

In determining whether there was a relationship between assessing employees on agreed performance measurements and the impression of performance reviews (5.3.2.2), it was concluded that there is no relationship between the two variables, as confirmed by the P-value calculated. However, this went against the logical perception that the impression of performance reviews would emanate from the performance measurements used; and if performance measurement used were agreed upon, then employees would regard performance reviews as fair.

The research managed to establish how the employees feel about the effect of the performance management system in improving employees' performance. The study was able to assess the effectiveness through the level of involvement of senior management, relevancy of performance reviews to employees' job descriptions, and that the employees' performance was being measured on elements agreed upon with their respective managers. Overall, the respondents felt that the perform management system was effective, and the aim of the objective was achieved.

5.2.4 **Determine the reasons for ineffectiveness of the performance-management system**

5.2.4.1 **Factors motivating the performance-review outcome**

The results indicated that 60% of the respondents felt that performance-review outcomes were influenced by subjectivity; the remaining 40% were equally split between the influence of racism and partial implementation of the performance-management system. The results obtained are negligible - only 5 respondents answered from the sample of 132. There is no substantial conclusion that may be drawn from these findings. In the light of discussing the findings, generally, performance reviews remain prone to an element of subjectivity, as discussed in the literature review (Chapter 2), as long as the human factor remains involved in performance assessments. The aim of the objective of determining reasons for ineffectiveness of the performance management system was not achieved.

5.2.5 **Establishing improvements required for the performance-management system**

5.2.5.1 **Managers involvement in managing employees' performance**

The results indicated that 39% of respondents felt that managers were involved in managing employees' performance, and 6% indicated that managers were very much involved. 36% of the respondents indicated that managers were partially involved, while 19% indicated no involvement of managers in the performance-management system. The results lead to the conclusion that the majority of employees had doubts about the managers' involvement in performance management; and they were not sure of the reasons for the lack of involvement by manager.

The results obtained do not compare with the results indicating a significant involvement of managers in performance reviews. In determining whether there was a relationship

between management's involvement in performance reviews, and managers' involvement in performance management, it was concluded that there is no relationship between the two variables, as confirmed by the P-value calculated. However, this was in contrast with the logical perception that the involvement of management would translate to their involvement in managing employees' performance.

5.2.5.2 Element to be eliminated so as to improve the performance-management system

The majority of respondents indicated that the elimination of subjectivity (32%) and favouritism/bias (42%) elements are critical in improving the performance-management system implementation. The results also indicated that 21% felt that partial implementation should be eliminated in order to improve the performance-management system, while 5% felt that the elimination of the friendship element would help to improve the implementation of the performance-management system. It may be concluded that the elements to be eliminated are bias/favouritism and subjectivity.

In contrast with the results discussed on previous section, the results indicated that 82% of the employees felt that performance-management reviews were fair; a further 13% indicated that performance reviews were extremely fair. The logical assumption would be that the impression of the performance reviews would improve once elements such as bias/favouritism and subjectivity had been eliminated.

In determining whether there was a relationship between employees' impression of performance reviews and the elements to be eliminated in order to improve the performance management, it was concluded that there is no relationship between the two variables, as confirmed by the P-value calculated.

The study was able to determine elements that the majority of employees regard as important to address in order to improve the performance management system, such as bias/ favouritism and partial involvement of managers in implementing the performance management system. The overall aim of the objective was achieved.

5.2.6 **The need to promote employee engagement with the performance-management system**

5.2.6.1 **Elements that encourage employees to participate in performance reviews**

The larger number of respondents (76%) indicated that they were encouraged to participate in performance reviews in order to have their performance assessed. They wished to receive training when required in order to improve their performance. The results also showed that 14% of the respondents indicated that they were encouraged to participate in performance reviews for promotional opportunities. The remaining 10% of the respondents indicated that financial rewards encouraged them to participate in performance reviews. It may be concluded that the majority of employees were more interested in improving their performance by participating in performance reviews.

5.2.6.2 **Elements discouraging employees from participating in performance reviews**

The results indicated that 43% of the respondents were discouraged from participating in performance reviews, because performance-review findings had not been implemented. The results also showed that 32% indicated that employees were discouraged from participate in performance reviews, because of the prevalence of the bias and/or subjectivity elements. However, 25% of the respondents indicated that they were discouraged from participating in performance reviews because of the exclusion of financial rewards. Considering the percentage distribution of the results obtained, it may be pertinent to mention that all three elements must be addressed as equally important.

The study was able to determine important elements to promote and discourage employees' engagement to the performance management system. The majority of employees indicated that elements such as bias/ favouritism and the lack of implementation of performance review findings; and they were encouraged to participate in performance reviews in order to have their performance assessed. Hence, the overall aim of the objective was achieved.

5.3 Limitations of the study

The empirical study conducted had limitations which are discussed below:

- This study was conducted within an organisation where the researcher is currently employed. This may have introduced some level of subjectivity in discussing the results, based on his own attitudes or perceptions of the performance-management system and his personal experience of the system. The researcher did not participate, and the necessary steps were taken ensuring that ethical conduct and reporting were upheld; also ensuring that the researcher's opinions did not feature in the report in order to maintain accuracy, trustworthiness and superior quality of the research; nevertheless, some subjectivity may inadvertently be applied;
- The research was conducted within different branches of the same company, however, under different management styles and approaches although implementing the same performance-management system across all the branches. The responses from the different branches may have been influenced by various factors, depending on the state of performance management at a particular branch. The results would have been different had the research been confined to one branch or had it included a different company under the same management;
- The performance-management subject has been widely researched locally and internationally, however, there was no academic literature on an engineering-consultancy-based environment. This meant that one could not compare the results obtained with previous studies conducted within the same or a similar environment;
- The research focussed on implementing the performance-management system, even though a specific performance-management model was recommended; the study did not focus on developing a framework for a performance-management system suited to an engineering-consultancy-based environment;

- As mentioned, the study focussed on the implementation of the performance-management system and its processes; it did not focus on setting up performance measuring criteria, which would link performance measuring scores to performance rewards; and
- The study also did not focus on the performance-management aspect related to managing or dealing with poor performance and implementation of punitive or corrective measures. However, the performance management model covers management of employees' poor performance.
- The questions asked the respondents were not compulsory, it was left on their discretion to answer the question asked. Hence, some results were obtained from fewer respondents, and no significant conclusions could have been drawn from those findings, and the results cannot be generalised to the population.

In light of these limitations, the aim of the study was achieved.

5.4 Recommendations

The aim of the research study was to establish employee attitudes towards the performance-management system in the consulting engineering company; this was achieved. The correct sample size was met in achieving the desired level of precision and confidence required for the study; the results obtained may be generalised to the population of Kantey & Templer (Sekaran and Bougie, 2009). Based on the analysis of the results obtained and the conclusions reached, the following recommendations were made:

5.4.1 Purpose and benefits of performance management

The following recommendations were made:

- The implementation of performance-management systems must be as transparent as possible so that it is accepted by employees. Performance-management systems

are conducted by people and hence, human factors such as bias, subjectivity, and favouritism are inherent in the system. Kantey & Templer must establish a structured procedure of conducting performance reviews, which will be applied to all employees uniformly. The company must also improve the involvement of the Human Resources department in performance reviews; the involvement of neutral parties such as Human Resources personnel will help to reduce doubts about the effectiveness and transparency of the performance-management system.

- A performance-management tool such as the 360° feedback on a performance-appraisal process should be implemented. This relies on input from employees' colleagues, superiors, and/or customers/suppliers, for an employee's performance assessment. It is perceived as the most effective and transparent performance assessment process or procedure.

5.4.2 Employees' belief in performance management

The results indicated that the majority of respondents believed that the performance-management system did not meet their full expectations in its current state. This is a cause for concern: if employees do not believe that the system meets their expectations, they will not accept or adopt it. As a result, the performance-management processes will always encounter resistance and rejection. The reasons for employees' lack of belief in the performance-management system emanates from a combination of factors such as a lack of transparency in performance reviews, relevancy of performance reviews to job profiles, lack of agreement in performance measurements, non-disclosure of performance measuring criteria, etc.

5.4.3 Kantey & Templer's commitment to Performance Management

The respondents pointed out several elements that indicate the company's commitment to the implementation of the performance-management system. The following actions were recommended:

Kantey & Templer must develop and maintain a performance-management cycle, assigning responsibilities to the custodians, thus ensuring that all performance-management processes are carried out timeously. They will have to comply with the requirements of the performance management cycle in order to ensure that performance-review findings are implemented so as to improve employees' performance. Conducting of cyclic performance reviews will help in assessing employees' performance, allowing for appropriate corrective action to be taken where necessary, timeously improving their performance. The performance-review process would have to include strict corrective action in dealing with underperformance or poor performance. This will allow such employees to be placed on special programmes designed to improve their performance. The performance-review process would also have to incorporate incentives based on performance levels achieved. Employees who perform well will thereby be encouraged to do better and to keep motivated.

5.4.4 Relevancy of performance reviews to job description

The results indicated a significant number (31%) of the respondents who felt that their performance reviews were not relevant to their job descriptions or profiles. As discussed in Section 5.5.2, the lack of employees' belief in performance management could have emanated from performance reviews irrelevant to job descriptions. The following actions were recommended in correcting the situation:

All employees must have up-to-date job profiles outlining the roles and responsibilities (key performance areas). The job profile should be used as a basis for setting performance measurements. The performance measurements must be agreed upon by both the employer and the employees. There must be set benchmarking scores that have to be achieved by employees, who must understand and agree to these. Upon agreeing on performance measurements, Kantey & Templer must develop performance-measuring criteria that will outline a step-by-step process on the way in which the performance

assessment will be conducted, outlining key aspects that an assessor would be looking for. The combination of the actions recommended will help to align the employer with employees' expectations, in terms of performance measuring.

5.4.5 **Managers involvement in managing employees' performance**

The results showed that more than half of the respondents indicated that managers were not fully involved in managing employees' performance. The senior management must intervene in gearing up managers to become involved in leading performance-management processes. They must support employees in improving their productivity.

Managers must understand that performance management is the systematic structured process requiring them to apply in their respective departments, in order to achieve the organisational goals by improving performance of their respective departments. The system must help employees' awareness of the importance of their contributions. To maintain an effective performance-management system, managers must accomplish the summarised list of activities underpinning the performance-management structure:

- Keep an up-to-date job profile agreed on with an employee, outlining duties and performance expectations (with set performance measurements agreed between manager and employee);
- Ensure that job experience and skills of an employee match the required competencies for a position. If not, necessary steps must be taken to develop/train an employee to reach a required level of performance in his job situation;
- Monitor and measure employees' performance continuously as per the agreed performance measurements, through performance reviews;
- Provide timeous performance-review feedback, and assist underperforming employees by putting plans or programmes in place to help them improve their application of job knowledge and skills. This will result in their achieving of performance goals established for their positions; and
- Reward good performance.

The application of the activities discussed above will help to keep managers involved in managing their subordinates' performance. It will also help to improve the overall performance of the company. In order to ensure that the activities are undertaken by managers, senior management will have to conduct cyclic audits, assessing managers on the execution of their roles when implementing the performance-management system. Where non-conformance is found, the respective managers must be held accountable.

5.4.6 Elements to be eliminated so as to improve the performance-management system; and elements discouraging employees from participating in performance reviews

The results indicated that more than two-thirds of the respondents felt that the elimination of the elements of subjectivity and favouritism/bias would improve employees' attitudes towards the performance-management system. The two elements are related to the human factor involved. Unfortunately, in the nature of business at Kantey & Templer, human involvement must be used in assessing employees' performance. Unlike in a manufacturing environment, where the performance of an individual may be assessed by measuring the quantities produced, in consulting engineering which provides services on a project basis, the performance of an individual depends heavily on external influences such as contractor/supplier performance and clients' performance, as well as internally, with team members.

As discussed in Section 5.5.2, lack of confidence in the performance-management system emanates from a combination of factors such as lack of transparency in performance reviews, relevancy of performance reviews to job profiles, lack of agreement on performance measurements, non-disclosure of performance-measuring criteria. In eliminating the elements of subjectivity and favouritism/bias, emanating from the above-mentioned factors, Kantey & Templer will have to ensure that the activities recommended in Section 5.5.5 are implemented. A structured and transparent performance-management system that is continuous and rewarding, and ensures that performance-review feedback is implemented will succeed in changing employee

attitudes. Employees may then accept it as an inclusive performance-management system implemented for the enhancement of employees' performance, thereby achieving better results for the company.

5.5 Recommendations for future studies

As indicated in the limitations of the study, there was a distinct paucity of literature on engineering consultancy environments. The following recommendations provide guidelines for future research on the related field:

- The research was conducted on a small scale. It has laid the basis for future research. It is recommended that future research be replicated on a larger scale. The repetition will add value to the understanding of employee attitudes within a consulting-engineering company.
- A follow-up study will be required to focus on developing a framework for a performance-management system suited to an engineering-consultancy-based environment; and
- A follow-up study will also be required to focus on establishing performance measuring criteria, which would link performance measuring scores and performance rewards suited to an engineering-consultancy-based environment.

5.6 Conclusion

The available literature on performance management was consulted in an attempt to understand the theory and implementation of performance-management systems. The literature helped to explicate the key aspects of performance management, in order to examine and then provide benchmarks for performance management at Kantey & Templer. The research objectives set were satisfied.

The employees expressed their views on the performance-management system at Kantey & Templer. The research findings indicated several gaps in the implementation of the performance-management system. Recommendations were made which would address

the shortcomings identified, improving the performance-management system. The limitations of the study were discussed, and recommendations were suggested for future research.

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APPENDIX 1: RESEARCH QUESTIONNAIRE

What is your gender?

1. Male
2. Female

What is your ethnic group?

1. African
2. Coloured
3. Indian
4. White
5. Other

What is your age group?

1. Below 20
2. 20-29
3. 30-39
4. 40-49
5. 50-59
6. 60 and above

What is your highest level of education?

1. Grade 12
2. Certificate
3. Diploma
4. Degree
5. Postgraduate
6. Other _____

What position do you hold?

1. Director
2. Executive Associate
3. Associate
4. Engineer/Technologist
5. Draughtsperson/Technician
6. Administration staff

How many years of service?

1. Less than 1 year
2. 1-5 years
3. 6-10 years
4. 11-15 years
5. 16-20 years
6. More than 20 years

What division do you work in?

1. Administration
2. Civil/Structural
3. Electrical
4. Environmental
5. Low-cost Housing
6. Mechanical

What do you believe is the purpose of performance management?

1. It helps to identify employees job performance and help to improve their skills
2. It helps to keep employees and organisational objectives aligned
3. It is a tool used to overwork employees for the companys benefit
4. It is used for salary/wage negotiations to the companys advantage

What do you believe are the benefits of PM? (You may choose up to THREE options)

1. It enhance employee performance
2. It addresses employee performance deficiencies
3. It enables an organisation to align its employees objectives with the organisational objectives
4. It reminds employees about the importance of improving their performance
5. It is only used for salary adjustment or rewards distribution

Have you had your performance reviewed?

1. Yes
2. No

Who was involved in your performance review?

1. Director and/or executive associate
2. Line manager
3. Human Resource personnel
4. Director and/or executive associate and Line manager
5. Director and/or executive associate and Human Resource personnel
6. Human Resource personnel and Line manager

How relevant was the performance review to your job description?

1. Extremely irrelevant
2. Irrelevant
3. Relevant
4. Extremely relevant

What was the outcome of performance review?

1. Extremely negative

2. Negative
3. Positive
4. Extremely positive

What do you think motivated the outcome?

1. Corruption
2. Bias
3. Subjectivity
4. Racism
5. Partial implementation

Have you received a detailed performance review feedback, detailing actions to be taken to improve your performance?

1. Yes
2. No

How would you describe the feedback?

1. It is very biased towards the company
2. It is very biased towards the managers Key Performance Areas
3. It will develop my work performance
4. It will develop my work performance and will contribute to my personal development

Why has the performance review feedback not happened?

1. My manager has been avoiding me
2. My manager has been on leave
3. The performance review was conducted very recently
4. I have been on leave
5. I have been too busy
6. I am unsure

How does your recent performance review compare with previous performance reviews?

1. It was poor
2. It was somewhat worse
3. They are similar
4. It was somewhat better
5. It was much better

Why your performance has not been reviewed?

1. I joined the company less than 12 months ago and I am waiting for the next turn of performance reviews
2. I joined the company less than 24 months ago and I am waiting for the next turn of performance reviews
3. I am unsure

Prior to the performance review, did you and your line manager reach an agreement about factors against which your performance would be measured?

1. Yes
2. No

Was your performance measured against the factors agreed upon with your line manager?

1. Mostly
2. Somewhat
3. Hardly

What was your performance measured against?

1. Measuring criteria was determined/disclosed during the performance review meeting

2. I am not sure

How relevant was the performance assessment criteria used to your job descriptions?

1. Extremely irrelevant
2. Irrelevant
3. Relevant
4. Extremely relevant

What is your impression of the performance review? It was . . .

1. Very unfair
2. Unfair
3. Fair
4. Very fair

What is your belief about performance management at Kantey & Templer?

1. Fails to meet expectations of a performance management system
2. Partly meets expectations of a performance management system
3. Meets expectations of a performance management system
4. Exceeds expectations of a performance management system

Are you motivated to participate in performance reviews?

1. Yes
2. No

What encourages you to participate?

1. To get pay increase or reward distribution benefits
2. To get promotional opportunities
3. To have my performance assessed and to get training where required, to improve my performance

What discourages you to participate?

1. Recommendations from performance reviews are not implemented
2. Bias / subjectivity
3. It does not have any pay or reward benefits

To what extent are line managers involved in managing employees' performance?

1. Not involved at all
2. Somewhat involved
3. Involved
4. Very involved

What is the reason for the lack of involvement from the line managers?

1. They are too busy and do not have time
2. They lack capacity to manage employees performance
3. They dislike the performance management system
4. I am not sure

Do you believe that Kantey & Templer is fully committed to implement the performance management system?

1. Yes
2. No

Which of the following indicates the company's commitment to Performance Management?

1. Management carry out cyclic performance reviews
2. Performance reviews feedback are issued timeously and recommendations are implemented
3. Employees are encouraged and given resources to help improve their performance
4. Employees are incentivised to be encouraged to continually improve their performance

Which of the following indicates the company's lack of commitment to Performance Management?

1. Underperforming employees are not held accountable
2. No punitive or corrective measures are taken for underperforming employees
3. No corrective measures are taken to improve the performance of the underperforming employees
4. Good performing employees are not incentivised to keep them motivated to keep improving their performance

What is your overall appraisal of performance management at Kantey & Templer?

1. It is a positive system and it works
2. It is a positive system, but needs improvement
3. It is a negative system that can be improved
4. It has no benefit and should be discontinued

What can be done to improve the performance management system at Kantey & Templer?

1. Capacitate/train managers to manage employees performance
2. Senior management to ensure consistency of cyclic performance reviews
3. Simplify performance management processes
4. Attach incentives

What element do you think should be eliminated to improve the performance management system at Kantey & Templer?

1. Corruption
2. Favouritism/bias
3. Subjectivity
4. Friendship
5. Religious affiliation

6. Partial implementation

Do you have anything else you would like to add regarding the performance management system at Kantey & Templer?

1. No
 2. Yes
-

APPENDIX 2: ETHICAL CLEARANCE

APPENDIX 3: TURNITIN SUMMARY PAGE

APPENDIX 4: ENGLISH EDITOR'S LETTER



UNIVERSITY OF
KWAZULU-NATAL
INYUVESI
YAKWAZULU-NATALI

8 April 2013

Mr Siyabonga Dube 211541966
Graduate School of Business and Leadership
Westville Campus

Dear Mr Dube

Protocol reference number: HSS/0193/013M

Project title: Employee attitudes of the performance management system in a consulting engineering company

EXPEDITED APPROVAL

I wish to inform you that your application has been granted Full Approval through an expedited review process.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. Please note: Research data should be securely stored in the school/department for a period of 5 years.

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

Yours faithfully

Professor Steven Collings (Chair)

/pm

cc Supervisor: Professor AM Singh
cc Academic Leader: Dr E Munapo
cc School Admin.: Ms Wendy Clarke

Humanities & Social Sc Research Ethics Committee
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06 August 2013

To whom it may concern

This is to certify that I, Lydia Weight, have proofread the document titled Employee attitudes to the PMS in a Consulting Engineering Company by Siyabonga Dube. I have made all the necessary corrections. The document is therefore ready for presentation to the destined authority.

Yours faithfully



L. Weight